

Death Claim

Ahmedabad Ombudsman Centre

Case No. 21-007-0320

Sri. J M Rahevar

Vs

Max New York Life Insurance Co. Ltd.

Award Dated : 12.4.2007

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned his past health history of recurrent pneumonia, meningitis, Pulmonary Kochs, treatment with Anti-TB drugs, Pneumonia etc. for several years prior to filling up the Good Health Declaration in order to take the Insurance. The proposer was educated and holding Government service. The non-disclosure being established to have been material and having been done deliberately and intentionally, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-007-0163

Smt. N A Malkia

Vs

Max New York Life Insurance Co. Ltd.

Award Dated : 13.4.2007

Repudiation of Claim under Life Insurance Policy: Claim had been repudiated since, as alleged by the Respondent, the deceased was engaged in business of distillation of illicit liquor and that the deceased was a chronic alcoholic. These facts were not mentioned while filling up the Proposal for Insurance. In order to substantiate their position, the Respondent relied on four FIR's at Police Station wherein there was nothing to prove conviction/punishment against the Deceased. There was nothing on record to prove that the Deceased was addicted to alcohol consumption on a regular basis or that he was in the business of manufacturing/distillation of illicit liquor. The Claim having been repudiated after 2 years gets the protection of the ennobling provisions of Sec.45 of Insurance Act, 1938. As such, repudiation was set aside and the Respondent was directed to settle the full claim.

Ahmedabad Ombudsman Centre

Case No. 21-013-0008

Mrs. K D Parmar

Vs

AVIVA Life Insurance Co. Ltd.

Award Dated : 17.4.2007

Repudiation of Claim under Life Insurance Policy: Claim had been repudiated since, as alleged by the Respondent, the deceased was suffering from some illness since 5 years. The proofs adduced by the Respondent in repudiating the Claim was a

statement of a minor son of the deceased on a Revenue Stamp that too mentioning that his father was treated for some disease. The documentary evidence was obviously deficient. The Claim having been repudiated after 2 years from date of risk and as such gets the protection of the ennobling provisions of Sec.45 of Insurance Act, 1938. As such, repudiation was set aside and the Respondent was directed to settle the full claim.

Ahmedabad Ombudsman Centre
Case No. 21-002-0232
Mr. R H Thacker
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 30.4.2007

Repudiation of Death Claim. Claim was repudiated since it was alleged that the deceased was suffering from Pulmonary Fibrosis prior to the inception of the policy. The Declaration of Good Health required whether there was no 'physical deformity, mental disorder, critical illness or any condition require medical treatment for 'critical illness' as on the date of DGH'. The Respondent did not have any proof or evidence that there was any suppression as required for in the DGH Form. As such, the Respondent was directed to pay the full claim.

Ahmedabad Ombudsman Centre
Case No. 21-001-0083
Smt. K A Chaudhari
Vs
Life Insurance Corporation of India

Award Dated : 16.7.2007

Repudiation of Accident Benefit Claim under Life Insurance Policy by invoking Suicide Clause: It was observed that the Deceased died due to falling into a well. There was on record, Statements given to the Police Authorities that the DLA had been suffering for long from mental illness and looked very depressed, which led himself to throwing into the well which resulted in Head Injury leading to death. The Respondent could thus prove that the DLA had plunged into the well due to mental illness and inflicted head injury which ultimately resulted in his death. The Accident Benefit Clause of the subject Policy categorically rules out the payment of Accident Benefit in case of death caused due to self inflicted injury. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre
Case No. 21-010-0072
Ms. M B Shah
Vs
Life Insurance Corporation of India

Award Dated : 23.7.2007

Repudiation of DAB Claim under Life Insurance Policy. Claim for payment of DAB was repudiated since the Respondent argued that it had never extended the facility of DAB under the said policy. The Complainant produced a acknowledgment of a request for grant of DAB dated 29-6-2004. The Respondent brought before the Forum, the Inward Mail register for the respective dates and pointed that neither the letter nor the

documents alleged to have been submitted. The insured died in an Accident six months later. In the facts and circumstances of the case, the said Request Letter takes the nature of an Offer from the Policyholder for additional cover for risk coverage of accidental death. As established in judicial pronouncements, such an offer can be taken as accepted by the Insurer only when there is some positive step taken by the Insurer to signify acceptance by means of some communication. Since such a communication was not done, it remained to be an uncompleted contract for DAB Cover. It was also observed that the Alteration Fee for DAB had neither been asked for nor paid by the Policyholder. The Premiums too did not contain any extra premium for DAB. The above letter also apparently contained Nomination forms. However, it was observed that on death of the Insured, the Claim was settled by waiving Legal Evidence of Title on the basis of an Indemnity Bond executed with a surety etc. To sum up, materials on record did not signify that DAB had been extended to the Policies. As such, the complaint for payment of DAB does not succeed.

Ahmedabad Ombudsman Centre

Case No. 21-001-0102

Ms. K S Oza

Vs

Life Insurance Corporation of India

Award Dated: 19.7.2007

Partial settlement of Claim under Annuity Policy: The Deceased Annuitant had opted to receive the Annuity on a yearly basis. The last such annuity instalment was paid on 18-7-2006. The Annuitant expired on 7-2-2007. The Complainant's grievance was to get the proportionate annuity for the period from 18-7-2006 to 7-2-2007. As per Policy Conditions, the Annuity shall be payable for such time as may elapse between the date of payment immediately preceding the death of the Annuitant and the day of death. As such, it is clear the decision of the Respondent not to settle the proportionate annuity is upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0052

Mr. M B Patanvadia

Vs

Life Insurance Corporation of India

Award Dated : 12.6.2007

Repudiation of Claim under Life Policy. The Assured while going in for insurance had in the proposal form misstated her Occupation in the Proposal Form by mentioning that her occupation was 'Household plus Animal Husbandry Business', a result of which she was granted a policy under 'Bima Gold' plan for a Sum Assured of Rs. 40000/-. The assured died within 4 months of taking the Policy. Claim was repudiated on the basis of a declaration given by the Husband of the deceased Assured that she was attending Household work till the last moment of her life. As per the Financial Underwriting norms of the Respondent, the Assured was not eligible to get a policy under the said Plan. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-011-0036

Smt. U M Rajput

Vs

Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 11.6.2007

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned his past health history of Hypertension since 3 years prior to filling up the Proposal Form to take the Insurance as was evidenced from the records of two different Hospitals where the Assured took the last treatment. The Life Assured died within 33 days of taking the Policy. The non-disclosure being established to have been material and having been done deliberately and intentionally, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0060

Ms. I J Sadarangani

Vs

Life Insurance Corporation of India

Award Dated : 19.6.2007

Repudiation of Claim under Life Insurance Policy: Claim on death of the Insured was repudiated by alleging that the DLA was suffering from DM, HT, Lymphoma and that he had taken treatment for the ailments. During the course of Hearing, the Respondent agreed that there is no evidence that the DLA had Lymphoma prior to the date of the Proposal. As regards DM/HT, the DLA focussed their submission on a recording in the Progress Note of Gujarat Cancer Research Institute. However, materials on record again show another noting on the 'Pre-operative evaluation' by the same Institute, where it was specifically stated that the DLA suffered from HT for the last 6 months. In the Certificate of treatment, there was no period indicated at all. The in-house investigation Officer too had concluded that the LA was not suffering the disease prior to the Proposal. The policy was repudiated after 2 years from commencement. Hence, it attracts the ennobling provisions of Sec. 45, the most important being 'fraud has to be proved'. The fraud or deliberate withholding of information not being inconclusively proved, the Respondent was directed to pay the full claim.

Ahmedabad Ombudsman Centre

Case No. 21-002-0066

Sri. D K Patel

Vs

SBI Life Insurance Co. Ltd.

Award Dated : 29.6.2007

Repudiation of Death Claim. Claim was repudiated since it was alleged that the deceased was suffering from Cancer of Left Breast and Metastasis prior to the inception of the policy. The Declaration of Good Health required whether there was no 'physical deformity, mental disorder, critical illness or any condition require medical treatment for 'critical illness' as on the date of DGH'. The materials on record contained a certificate of a Cancer Hospital which stated that the Insured suffered from Cancer for the last 7 years. As such, the decision of the Respondent to repudiate the claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0362

Smt. S B Patel

Vs

Life Insurance Corporation of India

Award Dated : 7.5.2007

Non-payment of Sum Assured under Unit Linked Insurance Policy on death of Assured: The said policy was issued under Future Plus Plan Single Premium payment without Life Cover. On death of the Assured, the value of the Units to the credit of the Policyholder at NAV on the date of death intimation was paid as death Claim. The Complainant stated that the DLA had proposed for Future Plus with Risk Cover and as such, should be paid the Sum Assured under the Policy. However, the Policy Bond, which determines the terms and conditions of the Contract, did not indicate any risk cover Sum Assured. No risk premium was charged in the said Contract. The Complainant had also executed an unqualified Discharge Voucher. As is known, this works as an estoppel on the Complainant to re-open the issue. As such, the decision of the Respondent to settle the Claim was upheld with no further relief to the Complainant.

Ahmedabad Ombudsman Centre

Case No. 21-001-0354

Smt. N K Patel

Vs

Life Insurance Corporation of India

Award Dated : 14.5.2007

Repudiation of Claim under Life Insurance Policy: The Deceased Life Assured died in a Hospital on 8th May 2006 at 8.00 a.m. The Unpaid Premium was paid at LIC Branch on the same day at 11.24 a.m. as per the Computerised Receipts. The Claim was repudiated on the ground that as on the time and date of death, the Policy was in a lapsed condition. The issue of the subject Receipt does not bind LIC with any liability, it being proved that the premiums were paid after the death of the Deceased Life Assured. As such, the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-001-0022

Ms. N M Rangwala

Vs

Life Insurance Corporation of India

Award Dated: 28.5.2007

Repudiation of Claim under Life Insurance Policy: While filling up the forms for Reviving the lapsed Life Insurance policies on the life of the deceased, the Assured had not mentioned the fact of his suffering from IDDM, Cirrhosis and Portal Hypertension and the habit of consuming Alcohol. The above facts were confirmed in the Hospital Papers. Non disclosure of this material fact denied the Insurer an opportunity to call for further Medical Reports in order to decide whether to accept the revival of the lapsed Insurance Policy. Thus the Revival was declared void and the decision of the Respondent to repudiate the Claim was upheld.

Ahmedabad Ombudsman Centre

Case No. 21-002-0347

Smt. K V Prajapati

Vs

SBI Life Insurance Co. Ltd.

Award Dated : 30.5.2007

Repudiation of Claim under Life Insurance Policy: While filling up the Proposal for Insurance, the Assured had not mentioned his past health history of Cardio-Vascular Accident 2 years back, Known Case of Hypertension for 2 years. prior to filling up the Proposal Form to take the Insurance as was evidenced from the Hospital records and the records in the ICU Unit. The Life Assured died within 18 days of taking the Policy. The non-disclosure being established to have been material and having been done deliberately and intentionally, the decision of the Respondent to repudiate the Claim was upheld.

Bhopal Ombudsman Centre
Case No.: LI-14-21/04-07/BPL
Shri Surendra Kaushal
Vs

Life Insurance Corporation of India

Award Dated : 17.05.2007

Under Redressal of Public Grievances Rules, 1998

Shri Surendra Kaushal, Resident of Bhopal] is the husband of late Smt. Kalpna Kaushal, Deceased Life Assured took a life insurance policy numbered 352233697 under Endowment plan Table/Term: 14-16 for Sum Assured of Rs. 4,00,000/- from LIC of India, DO: Bhopal, BO BHEL Bhopal The Policy commenced on 25-03-2004 (Back Dated on 28-10-2003). The DLA died on 29.09.2005 due to Chronic Liver Disease c Portal Hypertension c Decompensation and SBP. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA and non disclosure of previous policy number at the time taking the policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 09-02-2007. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The Respondent vide its self-contained note received by this office on 16.04.2007 replied that the Policy had run for 1 year 6 months and 4days from the date of commencement of policy. The DLA was suffering from the liver disease prior to the date of proposal. As per the claim form B cause of death is Chronic Liver Disease c Portal Hypertension c Decompensation and SBP. The DLA had been admitted in BMHRCon 04-08-2004,10-122004,12-01-2005,02-05-2005,04-08-2005, 02-09-2005 and disease has been diagnosed as CLD with portal Hypertension(bleeder), Decompensation, Ascites. The case was referred to Dr. Rajeev Madanand he has opined that CLD term is used if parenchymal liver disease is more than 6 months and as the DLA was diagnosed Chronical Disease on 4th August 2004 and she had hepatic encephalopathy on June 2004. It means her disease duration is more than 6 months. The date of proposal is 25-03-2004 and DLA was diagnosed CLD on 04-08-2004 Since as per Dr Rajeev Madan's opinion, CLD term is used if the history of liver disease is more than 6 months. It is obvious that the DLA was suffering from the liver disease prior to the date of proposal. Moreover only one policy no. 350291797 for sum assured of Rs 2 lacs has been mentioned in the proposal form submitted for insurance. Whereas the DLA was having one more policy on her life bearing no 351858094 dated 26-02-2003 for sum assured of Rs 5 lacs, which DLA did not disclose. If the same had been disclosed, Special reports viz Haemogram, SBT-12, RUA etc. would have been called for heavy sum under consideration. Under SBT-12, SGOT and SGPT are

included, which would have been diagnosed the abnormality/deformity in the liver and their decision to accept the case would have been different.

The above facts reveal that the DLA had concealed her previous insurance policy no 351858094 and also her liver disease in the proposal for insurance dated 25-03-2004. In view of suppression of such material facts which would have altered their underwriting requirements and decision, the death claim under the policy no. 352233697 has been repudiated.

Insurance is a contract of Utmost Good Faith where both parties are required to disclose all the material facts. No party can be allowed to gain any undue advantage by suppressing any fact. In the instant case, there are sufficient evidential proofs to show that the DLA was already suffering from serious ailments but suppressed the same in the proposal form at the time of taking the policy. Thus, the DLA has misled the Respondent by not providing vital information regarding his health and previous policy at the time of proposal and hence the Respondent was not able to take proper underwriting decision. Had the facts been brought to the knowledge of the Respondent, its underwriting decision would have been different.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-16-21/04-07/GWL
Shri Govardhandas Sukhija
Vs

Life Insurance Corporation of India

Award Dated : 17.05.2007

Shri Govardhandas Sukhija, Resident of Gwalior (is the husband of Late Smt. Komal Sukhija, Deceased Life Assured. The DLA had a life insurance policy numbered 200693528 taken from LIC of India, DO: Gwalior, BO-1, Gwalior]. The Policy commenced on 28-03-2004 under Table/Term: 14/30 for Sum Assured of 1,01,000/-. The DLA expired on 03-11-2005 suddenly due to high B. P. etc. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking the policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01-11.2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy. The Respondent vide its self-contained note received by this office on 23rd April, 2007 replied that the DLA was suffering from hypertension, Blood Pressure etc. prior to date of commencement of policy but the same was not disclosed in the proposal form dated 29-03-2004 submitted for taking the insurance policy. The DLA was admitted for treatment in Shree Heart Centre, Janak Hospital, Gwalior on 08-06-2004. The case History Sheet of Shree Heart Centre, Janak Hospital, Gwalior confirmed that the DLA was known patient of known Hypertensive, obese at the time of admission in Hospital on 08-06-2004.

From the above facts it is evident that the DLA was suffering from Hypertension with other ailments since last three years which were not disclosed in proposal form submitted for insurance at the time of taking the policy no. 200693528 on 28-03-2004. Had the history of hypertension had been disclosed at the time of proposing for insurance, decision for acceptance of the cases would have been affected. The DLA did not mention any thing about his past illness. Considering all these facts LIC repudiated the claim for the reason "Suppression of material facts" on 26-07-2006.

The complaint is dismissed without any relief.

**Bhopal Ombudsman Centre
Case No.: LI-15-21/04-07/GWL**

Smt. Afroz Khan

Vs

Life Insurance Corporation of India

Award Dated : 21.05.2007

Under Redressal of Public Grievances Rules, 1998

Smt. Afroz Khan, Resident of Gwalior is the wife of Late Shri Shami Ullah Khan, Deceased Life Assured (in short DLA). The DLA had a life insurance policy number 200384615 taken from LIC of India, DO: Gwalior, BO-2, Gwalior [hereinafter called Respondent]. The Policy commenced on 27-12-2003 under Jeevan Mitra Plan Table/Term: 89-16 for Sum Assured of 100000/- The DLA expired on 05-07-2005. The policy was in force at the time of death of DLA. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on 08-03-2006 on the grounds of suppression of material facts regarding previous policy no 201100328 for sum assured of Rs 50000/- which was lapsed at the time of taking policy. Then the complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 28-07-2006. Aggrieved from the repudiation action of Respondent for death claim, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle death claim for basic sum assured under the policy.

The Respondent vide their letter dated 17-04-2007 stated that in reply of Question no 9(a) and 9(b) of proposal form dated 27-12-2003 the DLA has not mentioned the previous policy no 201100328 (lapsed) at the time of taking the insurance policy. Hence, as per the term and condition of the policy the death claim was repudiated. The Respondent further informed that the DLA expired on 05-07-2005 after 1 year 6 months and 8 days from the date of commencement of policy.

It is further observed that medical examination report from the Respondent's authorized Medical Examiner was submitted by the DLA at the time of taking the policy which shows no adverse health history and claim was also not repudiated on health ground.

It is observed from the records that the Investigation officer also opined that claim is true and may be admitted.

In the facts and circumstances stated above it is held that there is lapse on the part of the Respondent also. The decision of the Respondent to set aside other factors and repudiate the claim for full sum assured is arbitrary and unfair. As such DLA alone can not be made to suffer on this account.

In view of the above, On Equity and natural justice the Respondent is directed to pay the death claim amount of Rs. 50000/- under Policy No. 200384615 as an ex-gratia within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

**Bhopal Ombudsman Centre
Case No.: LI-83-21/05-07/GWL**

Shri Parmanad Jatav

Vs
Life Insurance Corporation of India

Award Dated : 25.06.2007

Under Redressal of Public Grievances Rules, 1998

Shri Parmanad Jatav, resident of Gram Dipo, Post Banamor District Morena M.P. () is the son of late Shri Kishanlal Jatav Deceased Life Assured (in short DLA). The DLA took a life insurance policy numbered 202168622 from LIC of India, DO: Gwalior, BO-Morena (hereinafter called Respondent) on 28.05.2003 for Sum Assured of 47,000/- under Table/Term: 14-20. The DLA died on 26-05-2005 due to Vomiting and Stomach Pain. The complainant has complained that he had preferred death claim with the Respondent but the same was repudiated on the grounds of understatement of age by DLA at the time of taking the policy in question. Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 09-04-2007. Aggrieved from the repudiation action of the Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim.

The Respondent vide its self-contained note dated 25-05-2007 replied that the DLA was of 58 years age instead of 45 years mentioned by him in the proposal form and he was responsible for understating his age by 13 years. Had he disclosed his actual age in the proposal form, the present policy would not have been issued to him at this age. It is, therefore, evident that he had made deliberate and incorrect statements and withheld material information regarding his age at the time of affecting the assurance and if he had disclosed his correct age in the proposal, the proposal would not have been accepted. Hence in terms of policy conditions and the declarations contained in the form of proposal for assurance and personal statement, the claim was repudiated.

During hearing the Respondent stated that at the time of proposal, declaration of age of the DLA was submitted as age proof where in age was declared as 45 years. But it is observed from the copy of Voter List of 2004 of " Vivekanand Ward, Banmor, Page No -11 where in the age of DLA is shown as 59 years as such the age of DLA would be 58 years while submitting the proposal. In case of proper disclosure of age proposal would not have been completed. Hence in terms of policy conditions and the declarations contained in the form of proposal for assurance and personal statement, the claim was repudiated.

It is also seen from the copy of Identity Card issued by the Electoral Registration Office where the age of eldest son of the DLA is mentioned as 30 years as on 01-01-1995 accordingly the age of eldest son would be 38 yrs in 2003, which shows that the age of the DLA (father of the Complainant) declared as 45 years at the time of taking the policy is not acceptable.

It is also observed that the Complainant could not produce any other document from which it can be established that the age of DLA was 45 yrs at the time of taking the policy in question.

In view of above, it is clear that the DLA has deliberately understated his age to defraud the Respondent in order to accept the proposal and thereby misled the Respondent in taking proper underwriting decision.

In view of the above, the decision taken by the Respondent in repudiating the death claim under Policy No. 202168662 is just and fair hence does not require any interference.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-92-21/05-07/JBP
Smt. Bhagwati Bai Patel
Vs

Life Insurance Corporation of India

Award Dated : 25.06.2007

Smt. Bhagwati Bai Patel, resident of Gram & Post - Makura, Tah. - Sihora District Jabalpur M.P. is the daughter of late Shri Govind Prasad Patel Deceased Life Assured . The DLA took a life insurance Policy No. 372962102 from LIC of India, DO: Jabalpur, BO- Sihora (hereinafter called Respondent) on 28.04.2004 for Sum Assured of Rs.1,00,000/- under Table/Term: 14-15. The DLA died on 12.09.2004 due to cancer. The complainant has complained that she had preferred death claim with the Respondent but the same was repudiated on the grounds of understatement of age and suppression of previous policy no. 372681711 by DLA in the proposal for the policy in question. Further the case was referred to the Claim Review Committee at LIC Zonal Office Bhopal. The ZO CRC in its meeting upheld the DO decision of repudiation on 26-12-2006. Aggrieved from the repudiation action of the Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim.

The Respondent vide its self-contained note dated 05.06.2007 informed that the date of birth mentioned in the proposal form was 05.06.1957 and in school transfer certificate it is 01.11.1944. Hence age at entry increased. Previous Policy No. 372681711 not mentioned in the proposal form, hence it has affect sum under consideration. Had he disclosed the correct position the Respondent would have called for additional requirements (Special report) as per appendix-1 (such as ECG, Chest X-ray, BST-FBS + PGBS) of their underwriting manual due to higher age and additional sum insured of the DLA.

For the sake of natural justice, hearing was held on 21.06.2007 where the Complainant was present in person and the Respondent was represented by Shri V. K. Singh Manager (CRM/HI), LIC of India, Divisional Office, Jabalpur.

I have gone through the materials on records and submissions made during hearing and summarize my observations as follows:

There is no dispute that the Policy No. 372962102 was issued to the DLA by the Respondent on 28.04.2004 and the DLA died on 12.09.2004 due to cancer.

During hearing, the Complainant stated that the DLA was farmer and was in good health at the time of taking the policy. The DLA has given the first premium receipts of his previous policies regarding policy particulars to the agents who has filled up the proposal form. The Insurance was done on the basis of declaration of age of the DLA by the Agent. The Complainant stated that the DLA was not aware about the information which has been fulfilled by the agent in the proposal forms. The Complainant stated that proposal form was fulfilled by the agent on the basis of previous policy no 370068491 only commencing from 15.10.1987. The Complainant has further informed that the DLA was having total three policies as mentioned below:

S. N.	Policy No.	CommencementDate	Table/ Tem	Assured Sum	Status
1	370068491	15.10.1987	93-25	11000	Inforce/ claim paid
2	372681711	09.08.2002	14-15	50000	Inforce/ claim paid

3 372962102 28.04.2004 14-15 100000 Inforce/
Repudiated

Complainant also stated that DLA has not suppressed any information to the Respondent hence she should get due justice.

During the hearing the Respondent stated that the DLA took the following policies:-

S.N.	Policy No.	Commencement	Date	Table/Tem
1	370068491	15.10.1987	93-25	11000
2	372681711	09.08.2002	14-15	50000
3	372962102	28.04.2004	14-15	100000

Respondent also stated that they had paid the proceeds of the claim under Policy Nos. 370068491 & 372681711. In policy No. 370068491 also the DLA has given incorrect date of birth as 05.06.1957 instead of 01.11.1944 but they settled the claim after charging the difference of premium.

During hearing the Respondent also stated that at the time of proposal in respect of policy No. 372962102, date of birth mentioned in the proposal form was 05.06.1957 and in school transfer certificate it was 01.11.1944. Hence age at entry increased. Previous Policy No. 372681711 not mentioned in the proposal form, hence it has affected sum under consideration. Had he disclosed the correct position the Respondent would have called for additional requirements (special report) as per appendix-1 (such as ECG, Chest X-ray, BST-FBS + PGBS) as per their underwriting manual due to higher age and additional sum insured of the DLA. Had he disclosed his actual age in the proposal form, the present policy would not have been issued to him at this age and/ or the position may be different after obtaining special medical report. It is, therefore, evident that he had made deliberate and incorrect statements and withheld material information regarding his age and previous policy number at the time of affecting the insurance. Hence in terms of policy conditions and the declarations contained in the form of proposal for assurance and personal statement, the claim was repudiated.

It is observed that the Respondent had rectified the date of birth in Policy No. 370068491 by charging difference of premium and settled the claim. In the present policy No. 372962102 there is similar mistake in declaring the date of birth by DLA.

It is also observed that during the hearing the Respondent contended that had the DLA disclosed the correct position the Respondent would have called for additional requirements (special report) as per appendix-1 (such as ECG, Chest X-ray, BST-FBS + PGBS) as per their underwriting manual due to higher age and additional sum insured of the DLA. But it is observed from the medical examination report submitted by the Respondent's doctor Dr. Neel Kamal Suhane who has medically checked the DLA at the time of acceptance of the risk, he has mentioned that the DLA is fit and has not mentioned any adverse feature in respect of DLA's health and his age is 47 years (i.e. Date of birth 05.06.1057). Similarly the agent in his confidential report mentioned the age of the DLA as 47years. It also observed from the record that there is no fault on the part of the DLA in mentioning other policy Nos. It is also found that there was no malafide intention of the DLA for not disclosing previous policy No.

It is also observed that when DLA has given self declaration in respect of age, the Respondent has not asked for other evidence in respect of the age of the DLA during his life time. On the contrary the Respondent's doctor and agent has confirmed his age in very casual manner which the competent authority of the Respondent should take a note for this serious lapse. Besides all the three policies of the DLA is from the same

branch office of the Respondent and all the policies were in force till the date of the death of the DLA, but they failed to verify the basic data from their own record.

In view of the circumstances stated above, I am of the considered opinion that the decision of the Respondent in repudiating the death claim under Policy No. 372962102 is unfair & unjust. Respondent is directed to pay the claim amount under policy No. 372962102 after charging the difference of premium if any within 15 days from the receipt of the consent from the Complainant, failing which the Respondent shall be liable to pay the amount of award with interest @ 9% p.a. from the date of this order to the date of actual payment.

**Bhopal Ombudsman Centre
Case No.: LI-117-21/06-07/IND**

**Smt. Surendra Kaur Saluja
Vs**

Life Insurance Corporation of India

Award Dated : 19.7.2007

Under Redressal of Public Grievances Rules, 1998

Smt. Surendra Kaur Saluja, resident of Indore is the wife of Late Shri Pritam Singh Saluja, Deceased Life Assured. The DLA had a life insurance policy number 344611169 taken from LIC of India, DO: Indore, CBO-3, Indore [hereinafter called Respondent]. The Policies commenced on 21-12-2004 under Jeevan Anand Plan Table/Term: 149-21 for Sum Assured of 1,00,000/-. The DLA expired on 16-05-2006 due to cancer. The death of DLA occurred after 1 year 4month and 25 days from the commencement of the policy. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding health of DLA at the time of taking the policy. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policy.

The Respondent vide its self-contained note received on 02-07-2007 replied that DLA had not disclosed his illness in the proposal form dated 08-12-2004 submitted for insurance and has stated his state of health was "GOOD". Had the history of his illness been disclosed at the time of proposing for insurance, decision for acceptance of the case would have been affected. Hence, the claim under the policy was repudiated due to suppression of material facts. The respondent has submitted the records of Shaskiya Gyara Panch Trust Cancer Hospital, Indore (M.P.) India vide Registration No. AO- 2033 dated 17-10-2005 and records of other hospitals from where the treatment was taken by the DLA.

The policy in question was proposed on 08-12-2004 where as the DLA did not mentioned any thing about his past illness. Considering all these facts LIC repudiated the claim for the reason "Suppression of material facts" regarding his health.

During hearing, the Respondent contended that there are sufficient evidences confirming that the DLA was suffering from mouth cancer prior to taking the policy. However, the history of aforesaid diseases/ailments was not mentioned by the DLA in the proposal forms dated 08-12-2004. The DLA was diagnosed for aforesaid diseases/ailments and hence the claim was repudiated due to concealment of material facts regarding health of DLA. Had the DLA's ill health and treatment details been brought to the knowledge of the Respondent in the proposal form submitted by the DLA, the underwriting decision of the Respondent would have been different.

The Respondent further added that the DLA has also misled about his age at entry as 44 yrs where as it is observed from Punch Trust Hospitals, Indore records at the time of proposal comes 59 yrs. And age as per Bombay Hospital records it comes 54 yrs. accordingly there was a vast difference in age at the time of taking the policy. Hence the death claim was repudiated for suppression of material facts for age and disease.

It has been observed from the copy of school transfer certificate submitted by the Complainant that the date of birth of DLA is 08-09-1959 where as in the proposal it is 12-09-1960 which does not reflect the vast difference in age.

It is observed from the case history sheets of Shaskiya Gyara Panch Trust Cancer Hospital, Indore (M.P.) India vide Registration No. AO- 2033 dated 17-10-2005 that where the DLA diagnosed as a case of ulcer Rt. Side cheek and has history of not opening of mouth, change in voice is since 4-5 years. Hence the contention of the Complainant that DLA was not suffering with any diseases is not acceptable.

It is also observed from the patient's discharge summary records of Bombay Hospital, Indore issued by Dr. Rajesh Gujrati that it is a known case of ' Carcinoma right Buccal Mucosa Blopsy shoved squammous cell Carcinoma ' whereas in the proposal form signed by DLA on 08-12-2004 in which the answer of question no. 11 (e) i.e. "Are you suffering from or have you ever suffered from Diabetes,tuberculosis, high blood pressure, low blood pressure, Cancer, Epilepsi, Hydrocele, Leprosy or any other disease ? ", Saying ' NO ' to this question shows that the DLA had never suffered from any ailment whatsoever in the past and that he was absolutely keeping normal health is not tenable.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Cases No.: LI-1319-21/03-07/RPR
Shri Radheshyam Jaipuriya
Vs
Life Insurance Corporation of India

Award Dated : 30.7.2007

Shri Radheshyam Jaipuriya, Resident of Dhamtari (M.P.) [hereinafter called Complainant] is the husband of late Smt. Pramila Devi Jaipuriya, Deceased Life Assured [in short DLA]. The DLA took a life insurance policy number 380212166 from LIC of India, DO: Raipur, BO Dhamtari [hereinafter called Respondent]. The Policy commenced on 28-12-1993 lapsed due to non-payment of premiums. The policy was revived by DLA on 09-09-2005 by paying the arrears of premiums. The DLA died on 01-10-2005 due to Accute respiratory Distress Syndrome. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of revival. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01-11-2006. Aggrieved by the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The Respondent vide its self-contained note dated 28-05-2007 replied that the Policy had run for 22 days from the date of revival. The DOC under the policy is 28-12-1993 and due to non payment of premiums since 12/20002 the policy got lapsed. The same was got revived on 09-09-2005 by paying the arrears of premiums. The duration of policy after revival has been only for 22 days. The Respondent informed that as per claim form B & B-1 submitted dr. Mrs. Manjusha Mardikar Spandan Hospital Nagpur the DLA was admitted in Spandan Hospital on 27-09-2005 with a complaint of Hypertension

with IHD Cold Anteresehol, Myo cordial infection cough with expertotation Breathnessand on & off fever. The history of last disease is since 17-08-2005 i.e. prior to date of revival with symptoms of severe shortness of breath and chest heaviness and the cause of death is also due to acute respiratory Distress Syndrome with cardio respiratory arrest. The DLA had also taken the treatments from the Dr. I.C.Jain, Dhamtari on 10-08-2005, 15-09-2005 and 24-09-2005. As per the Spandan Hospital Nagpur and treatment of Dr.I.C.Jain Dhamtari the deceased was suffering from systemic Hypertension prior to date of revival which was not disclosed in the form of Declaration of Good Health (DGH Form No 680) dated 08-09-2005 submitted for revival and suppressed the material fact. As such revival dated 09-09-2005 set a side and admitted the claim for paid up value acquired before revival. Further the case was referred to claim review committee at LIC Zonal Office Bhopal and as per their letter dated 01-11-2006. The ZO CRC in its meeting held on 31-10-2005 upheld the DO Decision.

The policy was revived on 09-09-2005 and death of DLA occurred on 01-10-2005.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-67-21/05-07/RPR
Shri Thansingh Jaiswal
Vs

Life Insurance Corporation of India

Award Dated : 30.7.2007

Under Redressal of Public Grievances Rules, 1998

Shri Thansingh Jaiswal, Resident of Gram – Gopal Nagar Distt - Janjgir (M.P.) [hereinafter called Complainant] is the husband of Smt. Usha Bai Deceased Life Assured (In short DLA) The DLA had a policy No.380737963 taken from LIC of India, Divisional Office: Raipur, Branch Office: Naila [hereinafter called Respondent]. The DLA was missing since 1993 and civil death was declared as per civil court Janjgir vide their order dated 24-01-2005, hence the death claim was preferred with the Respondent by the Complainant being a husband of the DLA and nominee under the policy. The Respondent has vide their letter dated 22-06-2006 repudiated the death claim on the ground that the DLA was missing since 1993 and policy was revived on 03-08-1996. Therefore the signature of DLA on the form of Declaration of Good Health (Form No. 680) submitted for revival of the policy was not of the DLA herself.

The Respondent vide its letter dated 05-07-2007 stated that the Complainant has lodged the case at the District Consumer Dispute Redressal Forum, Janjgir vide case no. 4/07 dated 01-05-2007. They further informed that the decree was passed for civil death as per civil court Janjgir vide their order dated 24-01-2005.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Cases No.: LI-21-21/04-07/RPR
Smt. Snehlata Pandey
Vs

Life Insurance Corporation of India

Award Dated : 30.07.2007

Smt. Snehlata Pandey, Resident of Bhilai Nagar Distt. Durg (M.P.) [hereinafter called Complainant] is the wife of late Shri Kamal Kant Pandey, Deceased Life Assured [in

short DLA]. The DLA took two life insurance policies number 380595007 DOC 31-03-2003 under Jeevan Mitra Plan Table/Term: 89-15 for Sum Assured of 20000/- and 380604793 DOC 15-01-2004 under Endowment plan Table/Term: 14-10 for sum assured of Rs. 30000/- from LIC of India, DO: Raipur, BO-1, Bhilai [hereinafter called Respondent]. The DLA died on 10-09-2005 due to head injury. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health and habits of DLA at the time of taking the policies. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01-11-2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The Respondent vide its self-contained note dated 21-06-2007 replied that the DLA was an employee of Bhilai Steel Plant and he died on 10-09-2005. As per OPD book of sector -09 Hospital of Bhilai Steel Plant, the DLA was a regular patient even back to 1988-89. He was regularly taking treatment /medicine from the BSP Hospital for depression. The OPD book shows many times he was unfit for duty and undergone many tests like ECG, Blood Sugar, Lipid Profile, Urine etc. from 02-06-2004 and he took medicine hereafter continuously. Further he was treated for alcoholic dependence from 20-11-2000. From the above it is clear that the DLA was severely sick before taking the insurance on 31-03-2003 and 15-01-2004.

Further the final investigation of police also says that he was a regular patient of Sector - 09 Hospital and the death occurred while returning from the Hospital by falling on the road.

From the above, it is evident that the DLA did not disclose the facts about his illness and prolonged treatment he has taken from the Sector - 09 Hospital Bhilai while taking the policies i.e. 380595007 and 380604793. Considering the above facts the Respondent repudiated the death claims under the above policies with the reason "suppression of material facts."

During hearing, the complainant informed that the DLA was not suffering from any disease and was in good health at the time of taking the policies in question.

It is observed from the OPD Book of sector -09 Hospital of Bhilai Steel Plant, the DLA was under regular treatment of Depression since 27-12-1989 and treated for alcoholic dependence on 20-11-2000 whereas in the proposal forms signed by DLA on 31-03-2003 and 15-01-2004 for above policies shows that the he had never suffered from any ailment whatsoever in the past and that he Was absolutely keeping normal health, hence the contention of Complainant is not tenable

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-1320-21/03-07/RPR

Smt. Asha Devi Pariyani
Vs

Life Insurance Corporation of India

Award Dated : 31.7.2007

Under Redressal of Public Grievances Rules, 1998

Smt. Asha Devi Pariyani, Resident of Bilaspur (M.P.) [hereinafter called Complainant] is the wife of Late Shri Ram Chandra Pariyani, Deceased Life Assured (in short DLA).

The DLA had two life insurance policies bearing policy number 382422152 and 382422154 taken from LIC of India, DO: Raipur, BO-Bhatapara [hereinafter called Respondent]. The details of policies are as under.

Sr. No.	Policy No.	Date of Commencement	Table/ Term	Sum Assured
1	382422152	28-07-2003	133-20	100000
2	382422154	28-07-2003	133-20	100000

The DLA expired on 16-02-2004 suddenly due to heart attack. The death claim was preferred by the Complainant with the Respondent but the same was repudiated on the grounds of suppression of material facts regarding non disclosure of proposal number in each of the proposal at the time of proposing for the policies. Then the complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 01-11-2006. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount under the policies.

The complaint was registered and necessary forms were issued to both the parties. Replies were received from both the parties.

The Respondent vide their letter dated 28-05-2007 stated that both the policies were issued at a time i.e. on 28-07-2003. BOC's for first premium were collected on 22-08-2003 and same day both the proposals were signed by the DLA and it was the duty of proposer to mention the facts that another proposal is also submitted for insurance. But the particulars of proposal were not disclosed in reply to question no. 7 of proposal form.

The total sums under consideration under the both policies are 6 lacs. If the DLA disclosed the particulars of proposal, some special medical reports would have been called for and the proposal may accepted at Divisional Office level.

Both the proposals were proposed by the DLA simultaneously but he has given negative answer to question no. 7 of proposal form which relates to " any other proposal under consideration for insurance " which lead the insurer to wrong assessment of the risk. Due to this willful suppression of material facts the Respondent repudiated the claim under both the policies.

For the sake of natural justice, hearing was held on 24-07-2007 where the Complainant was present in person and the Respondent was represented by Shri. B. Rama Rao Manager (CRM), LIC of India, Divisional Office, Raipur.

I have gone through the materials on records and submissions made during hearing and summaries my observations as follows:

There is no dispute that the Policies number 382422152 and 382422154 were issued to DLA by the Respondent and DLA died on 16-02-2004.

During hearing the Complainant stated that the DLA was having a business as grain merchant at Budhwari Bazaar Bilaspur and he was not suffering from any disease and was in good health at the time of submitting the proposals for the policies in question. The Complainant has further informed that the DLA had deposited the amount of proposal deposit submitted for both the proposals on the same date i.e. on 22-08-2003 and both the proposal forms were filled up by the agent and nothing was suppressed by the DLA. Both the policies commenced on 28.07.2003 under Jeevan Mitra Plan Table/Term: 133-20 for Sum Assured of Rs.100000/- each and policies were in force at the time of death of DLA. But the Respondent repudiated the death claim merely on the ground that the information about both these proposals were not mentioned in the

proposal forms, where as both the proposal forms were filled up by the same agent. The complainant further added that reason is not known to her why it was not mentioned in the proposal by the agent.

During hearing the Respondent stated that in reply of Question no 7 of both the proposal forms dated 22-08-2003 the DLA has not mentioned about the other proposal at the time of submitting the proposal for insurance policies. If this information of the other proposal would have been disclosed in the proposal form, the underwriting decision would have been different and the policy could not have been issued to DLA at original rate and special medical reports would have been called for. Hence, on the ground of suppression of material information claim repudiated under both the policies.

On scrutiny, it may be observed at outset from the records that both the proposal forms were filled up by the same agent and were submitted in the same Branch Office and on the same day. These policies are the computerised documents issued in the name of single person namely Ram Chandra Pariyani . The details regarding his name, father's name and address etc. are exactly the same in all these policies. Under the circumstances, it would not be unreasonable to infer that the Respondent were in the know of the facts or atleast sought to know about existing policy while issuing new policy in his name. The Respondents were supposed to ascertain from their own records whether or not the person is already insured with them and what is the status of his earlier policies. It is matter of common knowledge that the proposal forms are generally prepared by the agents and at times signatures of the proposers are obtained on blank forms. Be that as it may, the proposer could not be blamed for suppressing of some thing which was well within the knowledge of the Respondent.

It is further observed that medical examination report from the Respondent's authorized Medical Examiner was submitted by the DLA at the time of taking the policy which shows no adverse health history and claim was also not repudiated on health ground.

It is observed from the records that the Investigation officer also opined that claim is true and may be admitted.

In the facts and circumstances stated above it is held that there is lapse on the part of the Respondent also. The decision of the Respondent to set aside other factors and repudiate the claim for full sum assured is arbitrary and unfair. As such DLA alone can not be made to suffer on this account.

In view of the above, On Equity and natural justice the Respondent is directed to pay the death claim amount for basic sum assured of Rs. 100000/- under both the Policies No. 382422152 and 382422154 as an ex-gratia within 15 days of receipt of this order failing which the Respondent shall be liable to pay further interest at the rate of 9% per annum from the date of this Order till the date of actual payment.

Bhopal Ombudsman Centre
Case No.: LI-161-21/07-07/GWL
Smt. Sulakshna Dixit

Vs

Life Insurance Corporation of India

Award Dated : 12.9.2007

Under Redressal of Public Grievances Rules, 1998

Smt. Sulakshna Dixit, resident of Bhopal (M.P.) [hereinafter called Complainant] is the wife of late Shri Alok Dixit, Deceased Life Assured [in short DLA]. The DLA took a life insurance "Jeevan Sanchay" policy bearing policy number 200541474 under

Table/Term 124-15 for sum assured of Rs. 100000/- from LIC of India, DO: Gwalior, BO Datia [hereinafter called Respondent]. The Policy commenced on 14-08-2001 with yearly mode of payment @ 9372/- lapsed due to non-payment of premiums since yly due 08/02. The policy was revived by DLA on 28-08-2004 by paying the arrears of premiums for due 08/02 to 08/04. The DLA died on 22-06-2005 due to stomach pain and weakness. The DLA was suffering from jaundice before his death. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time of revival. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 09-04-07. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

The Respondent vide its self-contained note dated 14-07-2007 replied that the Policy had run for 3 years 10 months and 8 days from Date of Commencement (DOC) and only for 9 months & 24 days from the date of revival. The DOC under the policy is 14-08-2001 and due to non payment of premiums the policy got lapsed. The same was got revived on 22-06-2005 by paying the arrears of premiums for yearly due 08/02 to 08/04 along with Declaration of Good Health (DGH). The duration of policy after revival has been only for 9 months & 24 days. The DLA was chronic alcoholic suffering from cirrhosis of liver and Hepatorenal Syndrome before the date of revival as well as before taking the policy but he had not disclosed these facts in the proposal forms submitting for policy and in the form of Declaration of Good Health (DGH) while reviving the policy on 28-08-2004. Hence the death claim was repudiated for the reason suppression of material facts.

The Respondent further stated that the policy was in lapsed status after the payment of first yearly premium only and revived the policy on the basis of DGH dated 28-08-2004 suppressing the material facts about his past illness.

The complaint is dismissed without any relief.

Bhopal Ombudsman Centre
Case No.: LI-211-21/08-07/BPL
Smt. Shahajahan Khan
Vs

Life Insurance Corporation of India

Award Dated : 26.9.2007

Smt. Shahjahan Khan, resident of Bhopal M.P. [hereinafter called Complainant] is the wife of late Shri Maqsood, Deceased Life Assured [in short DLA]. The DLA took a life insurance policy numbered 351180490 under "Jeevan Surbhi" plan table/term 106-15(12) for sum assured of Rs. 50000/- on 28-03-2005 from LIC of India, DO: Bhopal, BO -1, Bhopal [hereinafter called Respondent]. The DLA died on 11-01-2006 due to Brain Hemorrhage, HTN, and CVA. The death claim was preferred by Complainant with the Respondent, which was repudiated by the Respondent on the grounds of suppression of material facts regarding health of DLA at the time taking the policy. The complainant had referred the case to Respondent's Claims Review Committee for reconsideration which was also upheld by them on 05-07-2007. Aggrieved from the repudiation action of Respondent, the Complainant has lodged a complaint with this Office seeking directions to Respondent to settle the claim amount.

Respondent vide its self-contained note dated 05-09-2007 replied that the Policy had run for 9 months and 13 days from date of commencement (DOC). As per the Bhopal

Memorial Hospital and Research Centre dated 03-01-2005, the DLA was a known case of HTN since 6 years. As per Central Railway case history sheet dated 08-01-2006, the DLA had history of Hypertension and had been taking treatment since past 7 years. The claim form-B confirms the primary cause of death as HTN/RF/CVA/large lt. basal ganglia bleed and secondary cause is Cardio Respiratory Arrest. In the certificate of death issued by Charak Hospital on 11-01-2006, the diagnosis has been given as HTN/Renal Failure /CVA/large lt. basal ganglia bleed c old infect. The leave records obtained from the employer also confirms that the DLA had been on leave on medical ground from 27-12-2004 to 25-01-2005 i.e. for 30 days. There are sufficient evidences confirming that the DLA was suffering from and taking treatment for HTN prior to date of proposal and also taken leave on medical grounds. However, the questions 11(a) to 11(e) in the proposal form regarding presence of any ailment, treatment taken, absence from place of work on health ground have been answered in negative in the proposal form. Since the discloser of the diseases had been suffered by the DLA is material to our assessment of risk and had the same had been disclosed, our decision to accept the proposal would have been altered. As such the death claim has been repudiated due to non discloser of material facts

The complaint is dismissed without any relief.

Bhubaneswar Ombudsman Centre
Case No. 21 -001-0180
Sri Arjuna Charan Nayak
Vrs.
Life Insurance Corporation of India

Award dated : 7.06.2007

The deceased life assured Subhasis Pattanayak had obtained three policies bearing nos. 584132616,584596329 & 584588657 for sum assured of Rs. 50000/- Rs. 50000/- and Rs.250000/- respectively nominating his father Arjuna Charan Nayak as beneficiary in event of his death.

The life assured died on 1.3.2003 on a road accident. The Insurer paid Rs.100461/- against Policy No. 584596329 with accident benefit. The claim under Policy No. 584588657 was denied by the Insurer as the policy was in lapsed condition. An amount of Rs.55808/- was paid as Exgratia against policy no.584132616. Since the double accident benefit under policy no. 584132616 & full claim under policy no. 584588657 was not paid by the Insurer the nominee lodged the complaint in this forum.

The complaint was taken up for hearing on 25.5.2007 in the presence of both parties. Hon'ble Ombudsman opined that further claim is not justified under policy no. 584132616 as Exgratia payment has been made towards full and final settlement. As regards policy no. 584588657, the policy has not acquired paid up value, Hon'ble Ombudsman accepted repudiation decision of the Insurer. The complaint stands dismissed.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0189
Smt. Lata Rout
Vs
Life Insurance Corporation of India

Award dated : 7.06.2007

The deceased life assured Sridhar Rout, husband of Complainant Smt. Lata Rout had a policy bearing no.584301850. He died on 29.11.2003 due to drowning in pond. The Insurer repudiated the accident benefit but paid the basic Sum Assured. The nominee lodged the complaint in this forum for redressal.

The Complainant contended that the repudiation action is not proper as per Final Report of Police, observation of court and the report of Dr. S.N.Mohapatra, who conducted the postmortem examination shows that the death was accidental..

The complaint was taken up for hearing on 19.6.2006 in presence of both parties. The Complainant contended that the assured died out of suspected poisoning whereas the representative of the Insurer dubbed it as a case of suicide.

Countered by the Insurer that the deceased was suffering from epileptic & low blood pressure which was side cause of death and repudiated the claim.

Hon'ble Ombudsman heard both the parties on 25.5.2007 opined that the deceased had not knowingly entered inside the pond, so it is not a case of suicide and took court acceptance of Police Final Report into account. The Insurer has not submitted medical evidence in support of their contention. So the death of the deceased was accidental and accident benefit should be settled within three months from the date of receipt of this order.

Bhubaneswar Ombudsman Centre

Case No. 24-001-0351

Smt. Bimala Barik

Vs

Life Insurance Corporation of India

Award dated 11.06.2007

The deceased life assured Dukhishyam Barik had obtained two policies bearing nos. 581426887 & 581428051 for Sum Assured of Rs.30000/- & Rs. 40000/- respectively nominating his wife Bimala Barik as beneficiary in event of his death. The date of commencement both policies were 28.12.96 & 28.1.98.

The assured died on 2.11.99 at Angul due to Hypertension & heart failure. The nominee lodged death claims with the Insurer. But the Insurer repudiated the claim liability on the ground of suppression of material facts as regards health is concerned. Being aggrieved the nominee lodged the complaint in this forum.

The Complaint was taken up for hearing on 25.5.2007 in presence of both parties. The Complainant contended that the deceased was having good health at the time of taking the policies. Suddenly the deceased felt weakness and reeling of head on 1.11.99 and taken to hospital on 2.11.99 where he died. The cause of death was high blood pressure & failure of heart, which has no nexus with previous illness.

The Insurer contended that the deceased was suffering from hypertension as per BHT of Dist.Hqr.Hospital & claim form B-1. Moreover the deceased life assured had availed leave on health ground in different occasions prior to commencement of risk not disclosed in the proposals in reply to Q.No. 11, which is material in nature for consideration of his proposal.

Hon'ble Ombudsman heard from both the parties and set aside the repudiation on the reasons that Insurer failed to prove that suppressed material facts have real nexus with the cause of death and also failed to submit expert medical opinions on this count. The

Insurer is directed to settle the claim within 2 months from the date of receipt of the order.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0222
Smt. Santilata Ray
Vs
Life Insurance Corporation of India

Award dated : 12.06.2007

The deceased life assured Ajay Kumar Nag had obtained two policies bearing nos. 585321540 & 585321540 for Sum Assured of Rs. 150000/- & Rs. 100000/- respectively on 22.5.2003. He died on 26.2.2003. The Insurer repudiated the claim on the ground of suppression of material facts regarding health. The death was due to brain malaria.

The nominee Smt. Santilata Ray, sister of deceased lodged the complaint in this forum for redressal against the repudiation of the claim.

The complainant contended that the deceased life assured has never suffered from malaria prior to inception of policies & there has been no suppression of material facts.

Countered by the Insurer that the deceased Nag died due to brain malaria. Prior to this, he was also suffering from malaria fever and was taking quinine since one year back. The same fact was suppressed by him at the time of proposal. So the claim was repudiated.

Hon'ble Ombudsman heard both the parties and opined that the repudiation decision on the ground of suppression of material facts can not be disbelieved or faulted. Hence the complaint was dismissed.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0170
Sri Gopal Chandra Mohanty
Vs
Life Insurance Corporation of India

Award Dated : 15.06.2007

The deceased Life Assured Subrat Kumar Mohanty had obtained a policy bearing no. 585022704 under Table & Term 150-30 for an assured sum of Rs.100000/- commencing from 10.11.2002 nominating his father as beneficiary in event of his death.

The assured died on 5.5.2004. The cause of death was Cardio Respiratory failure due to malignant papiloma of brain. The Complainant lodged the death claim which was repudiated by the Insurer on the ground of suppression of material facts regarding health. Being aggrieved the nominee lodged the complaint in this forum.

The Complaint was heard on 24.5.2007. The Complainant contended that the deceased had no problem when the proposal was made. Suddenly he fell sick and admitted in hospital on 5.12.2002 as there was vomiting & headache. Then the investigation was made & subsequently he died. The allegation of Insurer is not justified.

The Insurer contented that death certificate issued by AIIMS, New Delhi reveals that deceased had the problem of vomiting, headache, diminishing of vision prior to 1&1/2 months before signing the proposal. Hence the claim was repudiated.

After hearing from both parties Hon'ble Ombudsman opined that the repudiation is just & proper. The complaint is dismissed.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0186
Smt. Meena Meher
Vs
Life Insurance Corporation of India

Award Dated : 6.07.2007

The deceased life assured Minaketan Meher, husband of the Complainant had a policy bearing No. 591966316 for sum assured of Rs.200000/- under Table & Term 48-20 commencing from 28.3.2003 nominating his wife Smt.Meena Meher as beneficiary in event of his death. The life assured died on 29.12.2003 due to vomiting and pain in abdomen. The nominee lodged the claim with the Insurer, which was repudiated by them on the ground of suppression of material facts as regards health is concerned.

Being aggrieved the nominee moved this forum for redressal. The complaint was heard on 21.6.2007. The Complainant contended that her husband was not treated prior to taking the policy. And he was also examined by the medical doctor of the Insurer at the time of taking policy. So the question of suppression of material facts does not arise.

Countered by the Insurer that the deceased had gall bladder stone problem from 1998 & died due to pain in abdomen & vomiting, which is having nexus with the cause of death. The deceased did not disclose the said fact while filling up the proposal form particularly in respect of Q.No.11 (a)(e) I. So the repudiation action was genuine.

Hon'ble Ombudsman thoroughly examined the representations made in proposal form for grant of insurance and found to be incorrect and false after verifying the Ultra Sound report of 1998. Hence the repudiation decision of the Insurer was upheld and dismissed the complaint.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0198
Sri Byasadev Sahu
Vs
Life Insurance Corporation of India

Award Dated 10.07.2007

The deceased life assured Jagyaseni Sahu took a policy bearing No.591757786 for Rs.50000/- commencing from 15.12.2003 nominating her husband Sri Byasadev Sahu as beneficiary in event of her death. The life assured died on 24.12.2004 due to Cardiac arrest. The nominee lodged the death claim with the Insurer.The death claim was settled for Rs.25000/- on Exgratia basis. But the nominee requested the Insurer to pay full sum assured i.e Rs.50000/- instead of Rs.25000/- But the Insurer rejected the request of the Complainant.

Being aggrieved the nominee lodged the complaint before Hon'ble Ombudsman for redressal.The complaint was heard on 21.6.2007. The Complainant contended that he was entitled to get death claim for Rs.50000/- as the policy was issued for basic sum assured of Rs.50000/- and also premium was paid accordingly instead of Exgratia of Rs.25000/-. Countered by the Insurer that the deceased life assured was covered for insurance of Rs.50000/- mentioning her occupation as "cultivation" in the proposal form. But the claim form reveals that she was house wife having no income of her own. So she suppressed this facts about her income and occupation. Moreover, the husband of deceased is also having policy for Rs.25000/- .So the deceased was also entitled for the coverage of the same amount.

Hon'ble Ombudsman heard both the parties and held that females in Orissa earn by doing cultivation and concerned over non submission of either earning report or

neighbour's statement about her occupation to prove that the insured have dishonest intention to induce for insurance. He directed the Insurer to pay balance amount of Rs.25000/- to the Complainant within one month from the date of receipt of consent letter.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0192
Smt.Kumodini Singh
Vs
Life Insurance Corporation of India

Award Dated : 16.08.2007

The deceased life assured Tapeswar Singh had obtained a Endowment Assurance with Profit Policy bearing Policy No. 592004402 under Table & term 14-10 for an assured sum of Rs.55000/- commencing from 15.10.2003. The policy holder died on 20.12.2003 due to "Aorto-iliac disease"- Actual renal failure with septicemia. The nominee lodged the claim with the Insurer.

The Insurer repudiated the death claim on the ground of suppression of material facts as regards health of the deceased policy holder. Being aggrieved the nominee moved this forum for redressal.

The complaint was taken up for hearing on 21.6.2007 in the presence of both parties. It was contended by the Complainant that the deceased life assured did not suppress any material facts as regards his health and he was maintaining good health till his death. The Insurer argued that the policy holder was suffering six months prior to his death and the pre existing disease had nexus with the cause of death. And also he has availed sick leave, which was suppressed by him. The date of proposal was 15.10.2003. But the deceased life assured had availed sick leave 6 days in the year 2001, 31 days in the year 2002 and 24 days prior to 15.10.2003, which was not disclose by the deceased policy holder at the time of filling up the proposal form. The deceased life assured was admitted in the hospital on 18.12.2003. On 19.12.2003 it was known that he was suffering from Aorto-iliac-disease renal failure with septicemia. In the copy certificate of hospital treatment reveals that the deceased policy holder was suffering from pain in the left leg since six months prior to 18.12.2003, which was also suppressed by him.

From the above facts, Hon'ble Ombudsman opined that the deceased life assured had suppressed the material facts as regards his health to the Insurer at the time of filling up the proposal. So the repudiation by the Insurer is justified and proper.

Bhubaneswar Ombudsman Centre
Case No. 24-001-0377
Smt. Nalini Prusty
Vs
Life Insurance Corporation of India

Award Dated : 21.08.2007

The deceased life assured had a policy bearing No. 583529141 under Table & Term 14-15 for an assured sum of Rs.25000/- commencing from 1.11.2001 nominating his wife Smt. Nalini Prusty as beneficiary in the event of his death. It was under salary saving scheme. Unfortunately the policy holder died on 29.10.2003 due to heart attack. The Complainant as nominee lodged the death claim with the Insurer. The Insurer repudiated the claim on the ground that the policy was in lapsed condition.

Being aggrieved, the Complainant moved this forum for redressal. The complaint was taken up for hearing on 25.7.2007 in the presence of both parties. The Complainant contended that in absence of notice from the Insurer, it could not be known that the premium has not been deducted from the salary of deceased policy holder. The Insurer argued that sending notice to the policy holder is obligatory. It was admitted that the premium was not paid by the employer from June'2003 to till the death of the policy holder due to non receipt of salary for long leave for his illness. Since there was no leave at his credit, no leave salary was disbursed by the employer. Hence the premium was not remitted to the Insurer.

Basing on the above facts, Hon'ble Ombudsman opined that repudiation is justified and dismissed the complaint.

Bhubaneswar Ombudsman Centre
Case No. 21-001-0191
Sri Uddhab Moharana
Vs
Life Insurance Corporation of India

Award dated 21.08.2007

The deceased life assured Bhaktilata Moharana had obtained a policy bearing No. 584843161 under Table & Term 149-10 for an assured sum of Rs.100000/- commencing from 28.5.2002 nominating her husband Sri Uddhab Moharana as beneficiary in event of her death.

The assured died on 30.12.2003. The nominee lodged death claim with the Insurer. The Insurer repudiated the claim on the ground of suppression of material facts as regards her health.

Being aggrieved, the nominee moved this forum for redressal. The complaint was taken up for hearing on 21.06.2007 in the presence of both parties. The Complainant contended that the assured was house wife and having no ulterior motive while filling the proposal form and if there is any omission, it is accidental but not suppression of facts to motivate the Insurer for insurance.

The Insurer argued that the deceased life assured was suffering from hypertension prior to the date of proposal, which was suppressed and the hypertension had nexus with the cause of death. More over the duration of last illness was mentioned as 1 ½ years in the copy of medical attendants certificate. " No " has been mentioned in the proposal form vide sl. no. 11(a), 11(b), 11(c), 11(d), 11(e) & 11(h).

Based on the above facts, Hon'ble Ombudsman opined that the repudiation by the Insurer on the ground of suppression of material facts is justified and dismissed the complaint.

Bhubaneswar Ombudsman Centre
Case No. 24-001-0365
Smt. Sadhana Chatterjee
Vs
Life Insurance Corporation of India

Award Dated 27.08.2007

The deceased life assured Amar Kumar Mishra had obtained a Jeevan Anand Policy bearing No.583543373 for an assured sum of Rs.100000/- commencing from 22.08.2002 nominating his wife Smt. Sadhana Chatterjee as beneficiary in event of his death. The policy was under salary saving scheme.

The assured died on 9.5.2004. The nominee lodged death claim with the Insurer. The Insurer repudiated the claim on the ground that the policy was in lapsed condition. The nominee lodged the complaint in this forum for redressal.

The complaint was taken up for hearing on 21.06.2007 in the presence of both parties. The premium for the month of March & April'2004 could not be deducted from the salary of the deceased as he was on leave. The D.I. of Schools, Puri under whom the deceased was serving, informed that the leave salary was drawn later but the premium could not be deducted as by that time the policy holder had expired. And also the Insurer failed to inform the nominee regarding non payment of premium. Hon'ble Ombudsman held that no negligence can be attributed to the Complainant. If premium for two months could have been deducted from the leave salary of the policy holder, even after death, the Complainant would have been entitled to get the claim.

Hon'ble Ombudsman set aside the repudiation and directed the Insurer to settle the claim after deducting the unpaid premiums with interest within one month from the receipt of consent letter from the Complainant.

Bhubaneswar Ombudsman Centre
Case No. 21-009-0190
Sri Dhiren Kumar Ranahandol
Vs
Bajaj Allianz Life Insurance Co.Ltd.

Award dated 5.09.2007

The Complainant is the son of deceased life Shakuntala Ranahandol who had obtained a policy bearing No. 0000645885 for an assured sum of Rs. 500000/- commencing from 28.7.2003 from Bhubaneswar Branch of Bajaj Allianz Life Insurance Co.Ltd.. Unfortunately the life assured died on 14.10.2004. The Complainant as nominee lodged the death claim which was repudiated by the Insurer on the ground of suppression of material facts as regards the health of the deceased policy holder.

Being aggrieved the Complainant lodged the complaint in this forum. The complaint was heard in the presence of both parties. The Complainant contended that his mother was never treated at Bombay as alleged by the Insurer but she was treated at Cuttack. He could not tell the date of treatment, name of physician and the disease for which treatment was made. He was granted 15 days time for submission of documents. The Complainant has admitted that the deceased policy holder was admitted in Para Maria Chest Care Nursing Home at Cuttack and was under the treatment of Dr.Dilip Kumar Agrawalla in the month of June/July'2004. But she died on 14.10.2004. The cause of death as revealed from the preliminary report of death claim "Cancer in Cervix".

The investigation reports submitted by the Insurer that deceased policy holder had under gone Werthene Hysterectomy at Bombay Hospital & Medical Research Centre for treatment of Cervical Cancer in the year 2001, which was not disclosed by the deceased policy holder when she took the policy on 12.8.2002. The Insurer presented the discharge summary issued by Bombay Hospital & Medical Research Centre, patient's admission report, registration & admission form and the case report issued by Dr. N.K.Gochhayat. The case report reveals that Shakuntala Ranahandol , the deceased life assured was admitted on 5.10.2004 for a known case of Cancer Cervix with metal bone and lungs and died on 14.10.2004 , which was the primary cause of death and secondary reason Respiratory failure. The discharge summary card of Bombay Hospital and Medical Research Centre reveals that Shakuntala Ranahandol was treated on 14.5.2004 and had under gone Cervix operation in the year 2001. Bed Head ticket also confirms it. The address and identity of the deceased in all documents

are same. The Complainant disputed that his mother has never been treated at Bombay at any time and the Insurer has fabricated the documents in order to avoid the Claim.

Hon'ble Ombudsman opined that Insurance contract is a contract of Uberrimae Fider. It is the duty of the policy holder to disclose all material facts before taking the policy. In this case the deceased life assured had undergone operation for Cervical Cancer in the year 2001 which should have been disclosed at the time of taking policy.

Hon'ble Ombudsman held that the repudiation decision of the Insurer is justified and proper.

Bhubaneswar Ombudsman Centre

Case No. 21-002-0217

Smt. Khadi Behera

Vs

SBI Life Insurance Co.Ltd.

Award Dated 13.09.2007

The deceased life assured Dinabandhu Behera had taken a policy bearing No. 82001109708 under SBI Depositor's Group Scheme for sum assured of Rs. 50000/- commencing from 24.11.2004 nominating his wife Smt. Khadi Behera as nominee. The life assured died on 31.1.2005 due to kidney failure. The nominee lodged the death claim with the Insurer. The Insurer repudiated the claim on the ground of suppression of material facts as regards health and pre-existing illness.

The Complainant moved this forum for redressal. The complaint was heard on 21.8.2007 in presence of both parties. The Complainant contended that her husband was never suffering from any disease prior to taking policy and the stand of Insurer is unreasonable.

Countered by the Insurer that the deceased life assured was under treatment of Dr. A.K.Pradhan from 24.11.2004 to 14.12.2004 and the pre-existing disease had direct nexus with the cause of death. The copy of certificate of Dr. Pradhan submitted by the Insurer reveals that the deceased was treated by him on 24.11.2004 for diabetes mellitus and hypertension. And also Dr.Pradhan nowhere mentioned that he had treated the deceased policy holder prior to 24.11.2004. The Insurer had also relied upon the statement of villagers, one medicine seller and son of deceased. No reliance was taken by Hon'ble Ombudsman on the statement of medicine seller that the deceased was taking medicine six months prior to his death for the defect of his kidney. The original statement, cash memo, etc. was not produced by the Insurer. The Insurer has also submitted the certificates from Dr. V.K.Verma and Prof. & Head of the Deptt. Of Terne Medical College & Hospital. The form namely statement- death claim- deposit holders/ADB Super Suraksha discloses that post mortem was not carried out. The investigation report of Mr. Vijay Jha reveals that the life assured died due to liver failure on 31.1.2005.

Based on the above facts, Hon'ble ombudsman directed the Insurer to settle the claim within one month from receipt of consent letter.

Bhubaneswar Ombudsman Centre

Case No. 21-002-0211

Sri Omprakash Mishra

Vs

Life Insurance Corporation of India

Award Dated 14.09.2007

The deceased life assured Poonam Mishra, wife of the Complainant had a policy bearing No. 591587101 for sum assured of Rs. 150000/- under Table & term 14-30 commencing from 26.6.2002 nominating her husband Sri Om Prakash Mishra as beneficiary in event of her death. Unfortunately the deceased life assured was shot at and died on spot on 14.7.2002. The nominee lodged the death claim with the Insurer. The Insurer repudiated the claim on the ground of misrepresentation and false statement about her husband's insurance policies. The Complainant moved this forum for redressal.

The complaint was taken up for hearing on 24.7.2007. The Complainant contended that at the time of proposal, the agent did not explain about the implication of lapsed policies and issue of policies to a house wife subject to husband's insurance policy. He also admitted to have told the wrong policy number. Countered by the Insurer that if the deceased life assured had disclosed the real state of affairs of her husband, they could not have issued policy in her favour.

Hon'ble Ombudsman took that Complainant is best person to mention the correct policy number and can not avoid responsibility taking plea towards agent. He finally held that the policy holder / husband of the policy holder misrepresented both the policies and hence dismissed the complaint.

Bhubaneswar Ombudsman Centre

Case No. 24-001-0402

Sri Dayanidhi Pattanayak

Vs

Life Insurance Corporation of India

Award Dated 19.09.2007

The deceased life assured Liti Pattanayak had a policy bearing No. 584719292 for sum assured of Rs.75000/- under Table & Term 14-12 commencing from 28.5.2003. She died on 2.8.2003. The complainant, the father of deceased life assured lodged the death claim with the Insurer. As the Insurer sat over the claim the Complainant moved this forum for redressal.

The Complaint was taken up for hearing on 25.7.2007. The Insurer had settled the claim for Rs.73539/- on 30.4.2007. The Complainant has claimed interest for delayed payment which was refused by the Insurer.

On perusal of papers available, the life assured died due to fever and the dead body was disposed of with out post mortem examination. Since the claim is very early the Corporation is duty bound to make investigation for their satisfaction to settle the claim. Since the Insurer had not acted negligently or had some ulterior motive to make delay in settlement of the claim. Hon'ble Ombudsman dismissed the complaint.

Bhubaneswar Ombudsman Centre

Case No. 21-001-0194

Smt. Gayatri Devi Bagaria

Vs

Life Insurance Corporation of India

Award Dated 27.09.2007

The deceased life assured Santosh Kumar Bagaria had two policies with LIC of India Bhadrak Branch. The insured died due to metastatic carcinoma neck. The Insurer settled one non early claim and repudiated the early claim of other policy bearing no.

584509182 on the ground of suppression of material facts as regards health of the deceased life assured. The Complainant moved this forum for redressal.

The Complaint was heard in the presence of both parties. The Complainant contended that the deceased was not suffering from any disease prior to taking policy and challenged the Insurer for other one giving reference of settled policy. Countered by Insurer that the deceased life assured was under treatment of Dr. K.S.Panda on 19.5.2002 for non healing ulcer in left tongue, which was in existence since 4 to 5 months back and can not develop soon. The non healing ulcer in tongue and growth on neck was due to Cancer, which was known to the deceased policyholder at the time of filling of proposal form but could not provide any document.

In the absence of submission of any material proof about pre-existing of disease by the Insurer and the circumstance appearing against the policy holder, Hon'ble Ombudsman invoked jurisdiction of this forum and allowed Exgratia grant of Rs.30000/- in favour of the Complainant.

Bhubaneswar Ombudsman Centre
Case No. 21-002-0212
Smt. Sulochana Behera
Vs
SBI Life Insurance Co.Ltd.

Award Dated 28.09.2007

The deceased life assured Baikuntha Behera had two policies with SBI Life Insurance Co.Ltd. and died on 30.3.2005 due to B/L Pneumonia hypoxic and respiratory failure. The nominee lodged the death claim with the Insurer, which was repudiated on the ground of suppression of material facts regarding health of the deceased life assured. The Complainant preferred a complaint to this office.

The Complaint was taken up for hearing in the presence of both parties. The Complainant contended that the deceased life assured had no disease when the proposal was made and the Insurer has taken a unreasonable stand to avoid payment. On the other hand the Insurer took the stand that the life assured was suffering from Diabetes Mellitus since 1999 and hypertension since 1976, which was not disclosed at the time of taking policy. The death summary report of Kalinga Hospital reveals that the deceased policy holder was suffering from DM from 1999 and HTN from 1996. But no material fact was submitted on what basis this fact was known to the consultant who attended the deceased policy holder at the time of admission on 10.3.2003. Also no document was produce by the Insurer for treatment of DM & HTN.

On the basis of documents available Hon'ble Ombudsman set aside repudiation & directed the Insurer to settle the claim with in one month from the date of receipt of consent letter.

Chandigarh Ombudsman Centre
Case No. LIC/144/Karnal/Naraingarh/21/08
Ram Nath Sharma
Vs

Life Insurance Corporation of India

Award Dated : 27.07.07

Facts : The DLA, Sh. Subhash Chand purchased 3 policies bearing nos. 173602811, 170874707 and 171826982 for Rs. 2 lakhs, Rs.10,000/- and Rs.25,000/- respectively. The claim under two policies have been paid, however claim under policy no. 173602811 have been repudiated because the investigation has revealed that the life

assured committed suicide just after two and a half month of taking the policy. The complainant stated that his son had taken the said policy with D.O.C. as 15.10.2003 and died on 01.12.2003 after having complained of pain in the chest

Findings : On referring the matter to the insurer, the insurer stated that the claim was investigated by the Branch Manager, BO, Naraingarh who had given an affidavit stating that as per information gathered by him and the statement of mother-in-law of the deceased, it was a case of suicide. He also produced the statement of mother-in-law, which was handwritten and undated. As the death took place within 1 year from the commencement of policy, the clause relating to suicide within 1 year had come into operation and the claim was, therefore, repudiated. The complainant produced copies of an agreement signed between the family members of DLA and those of DLA's wife and also produced a statement dated 5.03.07 by the Village Sarpanch, Kanjala in which it has been stated that the DLA died after complaining for pain in the chest.

Decision : Held that the repudiation of the claim solely on the basis of statement given by the mother-in-law was not a solid ground for treating the case as a case of suicide. Moreover, it should not take more than 3 years for the claim to be repudiated on this ground. The document from the Head Sarpanch of Kanjala village was plausible as an official record. The repudiation of the claim by the insurer was not in order. Hence giving the benefit of doubt to the complainant, it was ordered that the admissible amount of claim should be paid by the insurer.

Chandigarh Ombudsman Centre
Case No. : Metlife/206/Banglore/Jammu/21/08
Ankur Aggarwal
Vs
Met Life Insurance Co.

Award Dated : 22.08.2007

Facts : The DLA, Smt. Indu Gupta had proposed for a Met Smart Plus plan for Sum Assured of Rs.3,60,000/- by paying a premium of Rs.12,000/- on 13.04.2007. Medical was done on 18.05.2007. The policy was not issued. Meanwhile, she died on 02.06.2007. Her son, Sh. Ankur Aggarwal stated that medical examination results were perfectly OK & no objections were reported from the company. The company had repudiated the claim.

Findings : On referring the matter to the insurer, the insurer replied stating that since there was a gross signature mismatch in the application for policy and the medical examination report, "Dual Signature Format" was called. However, a death claim was received at Srinagar office. On this account, the application was formally declined on 22.06.2007 and the premium deposit of Rs.12,000/- was refunded. Nothing else was payable as the application form clearly stated that commencement of risk will not take effect until policy is issued by the insurer.

Decision : As per the Claims Manual of LIC of India, there is a provision of settling claims on Ex-gratia basis for claims falling under Unconcluded Contract, provided following conditions are fulfilled collectively:

- (1) The proposer must have complied with all the requirements necessary for taking a decision on the acceptance of the proposal;
- (2) The proposal should be such as would have been accepted as proposed and the first premium amount as required by us is already in deposit and
- (3) The death must have occurred by an accident or where death has occurred due to a disease, the onset of such disease should be after atleast a week from the date on

which the proposer has complied with all the requirements for consideration of the proposal.

In the instant case, all these three conditions were satisfied. The insurer had not furnished any document to show that they have a different manual, wherein such claim is not payable. In the absence of such manual of the insurer, it was prudent to abide by the Claims Manual of LIC of India, which is the largest Public Sector Insurer in the country today. Moreover, there is no record to show that the application or proposal was incomplete in any manner and could not be accepted for want of requirements. As per IRDA Guidelines, the insurer should accept/ reject a proposal within 15 days. In the instant case, more than 1 ½ months had elapsed since the date of filing the proposal form, thus resulting in a serious deficiency in service. Hence, the claim is payable on an Ex-gratia basis on the ground of unconcluded contract. It was ordered that an amount of Rs.3,60,000/- should be paid to the complainant on Ex-gratia basis subject to appropriation of Rs.12,000/- towards first premium.

Chandigarh Ombudsman Centre
Case No. : LIC/148/Karnal/Panipat-II/24/08
Sugan Chand

Vs

Life Insurance Corporation of India

Award Dated : 27.07.2007

Facts : The DLA, Sh. Akash, purchased a policy bearing number 172463031. He was kidnapped on 23.01.2007 when he left his residence to distribute cards for his marriage. His body was found in a canal near Karnal on 25.01.2007. The complainant, Sh. Sugan Chand, father of DLA alleged that he was murdered by some unknown miscreants. While Basic Sum Assured alongwith bonus had been paid, the accident benefit had not been paid to the complainant. The complainant had already submitted copies of the FIR, PIR & PMR to the insurer.

Findings : On referring the matter to the insurer, the insurer replied stating that the FIR and other documents submitted did not conclusively report that it was a case of murder. Secondly they had requested for the judgment of Court and police Challan. On a query whether FIR, PIR & PMR are not sufficient documents for payment of insurance claims, the insurer stated that the statement of judicial magistrate is a must in such cases. In the instant case, there is a medical report in the PMR, which clearly stated that the cause of death was block and hemorrhage as a result of injury to vital organ i.e. brain. Secondly there were newspapers reports, which highlighted the case and stated that the alleged case was handed over to CBI by the State Government to find out the culprits. The FIR and PIR were available as the matter was reported to the police.

Decision : On perusal of LIC Claims Manual Chapter 5, Para 1.4 and Para 1.5, it was found that para 1.5 was not relevant in the instant case as the matter was reported to the police. Taking into account, all the reports on record and the fact that DLA was missing since two days before his death it was evident that the death had taken place due to injuries as stated in the PMR. Therefore, the claim was payable and it should not wait the outcome of the trial as per para 1.4 of the LIC Claim's Manual. It was ordered that the admissible amount of claim should be paid to the complainant.

Chandigarh Ombudsman Centre
Case No. : LIC/183/Karnal/Charkhi Dadri/21/08
Vinod Devi

Vs
Life Insurance Corporation of India

Award Dated : 14.08.2007

Facts : The DLA, Sh. Roshan Lal purchased a policy bearing no. 174455606. He was cleaning the pistol of his brother. During this process a bullet from the pistol hit his neck and he died immediately on the spot. In order to avoid Police enquiry, FIR was not filed and Post Mortem was also not conducted. As a result of it, common man and insurer gathered this impression that it was a case of suicide. So the claim was repudiated. Smt. Vinod Devi, the complainant had conveyed that there is no ground to suspect the death due to suicide.

Findings : On referring the matter to the insurer, the insurer replied stating that the policy was issued on 7.1.2006 with sum assured of Rs.2 lakhs under yearly mode. The date of death was 14.10.2006. The policy had run for 9 months from the date of FPR. No FIR, PIR and PMR were available. As per investigation report, the cause of death was considered as one of suicide. Even otherwise, the DLA was handling a weapon, which he was not authorised to handle and which was against the Arms Act.

Decision : Held that the handling and possession of the weapon by a person other than the licensee, is not in order. Moreover, no documents were available to show that the death was due to accident. The more plausible conclusion appeared to be the case of one of suicide. Hence, the repudiation of the claim by the insurer invoking the suicide clause of the T & C of the policy was in order and the decision was therefore upheld.

Chandigarh Ombudsman Centre
Case No. : LIC/117/Karnal/Karnal- I/21/08
Krishna Devi
Vs
Life Insurance Corporation of India

Award Dated : 18.07.2007

Facts : The DLA purchased a policy bearing number 173849370. The payment of the death claim was repudiated by the insurer vide letter dated 26.03.2006. The complainant, Smt. Krishna Devi, then applied to the Zonal Office Claim Review Committee against the order of repudiation. The Z. O. CRC has decided that in view of the non-disclosure of the adverse physical history by the DLA, liability for payment of death claim does not arise. However, as a special case, they are prepared to consider payment of Rs. 10,000/- on ex-gratia basis.

Findings : On referring the matter to the insurer, the insurer replied stating that the complainant had specifically mentioned that he did not have any accident/injury before taking the policy. During investigations, it was found that he had met with an accident in 2003 and had fractured his legs and was admitted and operated upon in PGI, Chandigarh. This non-disclosure could have adversely affected the underwriting decision of the insurer.

Decision : Held that while the accident could not have been material cause for the death of the DLA, still the non-disclosure of specific point resulted in concealment about an accident of which the DLA was aware at the time of insurance. The decision of ZO, CRC in this case is in order and also concur to the payment of Rs.10,000/- as ex-gratia as recommended by ZO,CRC. The insurer was ordered to pay this compensation.

Chandigarh Ombudsman Centre
Case No. : ICICI/91/Mumbai/Panchkula/21/08
Jasbir Singh
Vs
ICICI Prudential

Award Dated : 12.07.2007

Facts : The DLA, Sh. Roshan Lal had purchased a policy bearing no. 01761678, with DOC as 27.06.2005. The complainant, Sh. Jasbir Singh stated that his father was duly medically examined by the Agency/ empanelled ICICI Prud. Doctors, at the time of applying of the said policy. He stated that the disease of Cancer was detected for the first time on 17.01.2006, which was the only cause of death of DLA. He expired on 30th August, 2006 and was diagnosed and treated for neck cancer before his death at the Apex Hospital, Mohali. When the claim was lodged with the insurer, the same was repudiated on the ground of concealment of information relating to pre-existing disease. He contended that the DLA was not having cancer at the time of taking policy.

Findings : On referring the matter to the insurer, the insurer replied stating that the DLA expired within 14 months of issuing of the policy. As per Section 45 of Insurance Act, investigations were required to be done being as an early claim. While it is a fact that the DLA died of cancer, it was also a fact that the DLA was admitted to Fortis Hospital, Mohali on 18.09.2004. He was diagnosed as having Hypertension, Coronary Artery Disease, Recent Acute Anterior Wall Myocardial Infarction and Triple Vessel Disease etc. This information was not disclosed at the time of filling up the proposal form. The claim was therefore repudiated on the ground of concealment of material facts. The case was referred to the Internal Grievance Committee of the insurer also and the repudiation was upheld by them. The insurer as a gesture of goodwill had agreed to an ex-gratia payment of Rs.18,820/- being the refund of premium paid under the said policy. This was turned down by the nominee. The offer of ex-gratia payment was now being withdrawn since the complainant had refused to accept the same.

Decision : Held that the repudiation of the claim by the insurer on the ground of concealment of material fact was in order. However, the interest of justice would be served if the insurer could reconsider the earlier offer of payment of Rs.18,820/- on ex-gratia basis as a gesture of goodwill.

Chandigarh Ombudsman Centre
Case No. : Bajaj Allianz/77/Pune/Karnal/21/08
Sunita Rani
VS
Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 12.07.2007

Facts : The DLA, Sh. Sher Singh had purchased a policy bearing no. 0008264846 with a Sum Assured of Rs.1,00,000/- & DOC as 28.03.2005. All the premiums were paid by the DLA till the date of his death i.e. 28.04.2005. The complainant, Smt. Sunita Rani lodged the claim papers but the claim was rejected vide letter dated 09.12.2005 from the insurer informing her that due to non-disclosure of material facts, claim was rejected.

Findings : On referring the matter to the insurer, the insurer replied stating that the DLA died within 28 days from DOC. He was 41 years of age. As per the documents received, Life Assured was found dead by his brother near the tube well in his own field and his fingers were burnt and was deemed to have died of electric shock. No eye-witness to the incident could be found and neither FIR was lodged nor post-mortem

was conducted. Further suicide clause was operative. Moreover, the DLA had taken another policy from LIC for a sum assured of Rs. 15.00 lakhs with DOC as 26.03.2005, while he had disclosed a prior insurance of 1 lac from LIC. However, as per company's guidelines, the maximum eligibility of the deceased Life Assured based on his age and income was Rs.12 lacs. Because of improper disclosure of this fact, the claim was repudiated. On a query whether any verification about the amount of insurance cover from LIC was made, the insurer replied in the negative. On a query whether the insurer's sum assured of Rs.15 lacs had been paid by the LIC, the complainant replied in the affirmative and produced documentary evidence to this effect.

Decision : Held that the insurer has erred in not calling for the particulars of LIC policy taken by DLA before underwriting the proposal. Had these facts been verified, they would have come to know that LIC cover was for Rs. 15.00 lakhs and they could have underwritten the risk accordingly. So, the repudiation of the claim by the insurer was not in order. The claim was payable. It was ordered that the admissible amount of Basic Sum Assured of Rs. 1 Lakh alongwith bonus, if any, should be paid by the insurer to the complainant.

Chandigarh Ombudsman Centre
Case No. : LIC/240/Chandigarh/Mohali/21/08
Luxmi Rani
Vs
Life Insurance Corporation of India

Award Dated : 19.09.2007

Facts : Sh. Ajay Kumar had purchased a Money Back policy bearing no. 172284551 for Sum Assured of Rs.50,000/- with DOC as 15.03.2001. He met with an accident on 17.12.2005 due to which he was not able to speak, walk and apply his mind properly. The complainant, Smt. Luxmi Rani stated that till date, he was 76% disabled and could not perform his day-to-day duties. She obtained a disability certificate from PGI and submitted it to the Branch Office, Mohali for the claim. However, after 8-9 months, her file was forwarded to Divisional Office, who in turn after four-five months repudiated the claim.

Findings : On referring the matter to the insurer, the insurer replied stating that since disability occurred within 1 year 4 months 21 days from the date of revival i.e. 26.07.2004, investigation was conducted. As per I.O's findings disability occurred is not permanent and of such nature that he may regain his level of health to same extent. Disability Certificate issued by medical board (PGI, Chandigarh) also stated that disability is 76%, which required reassessment after a period of three years. This shows that the disability is not total and permanent. On a query, whether there was improvement in the physical condition of the LA in the last 1½ years, the complainant replied in affirmative.

Decision : On perusal of the order dated 08.01.2007 of National Consumer Disputes Redressal Commission (NCDRC) in respect of Ajay Kumar vs LIC of India, Revision Petition No. 1511 of 2005, the petitioner had a partial disability of 81% but the NCDRC upheld the repudiation of the claim on the plea that it was not permanent and total (100% disability). In the instant case, the disability was only 76% and there were chances of improvement. Moreover, there was no permanent loss of any limb. Hence, the case could not be covered under disability due to accident. The repudiation of the accident benefit claim by the insurer was therefore in order. The complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. : LIC/205/Karnal/Rohtak/21/08
Dharam Pal
Vs
Life Insurance Corporation of India

Award Dated : 25.09.2007

Facts : Smt. Chameli Devi had purchased a policy bearing no. 172228625. She expired on 31.05.2006. The complainant, Sh. Dharam Pal, nominee and son of the DLA visited branch office, Rohtak many times for payment of death claim of his mother. He was informed that the death claim has been refused due to increase in the age of the life assured.

Findings : On referring the matter to the insurer, the insurer replied stating that the DLA had taken a policy in 2000. The policy was approved based on self-declaration of age of 45 years. However, when the claim was lodged, it was seen that the age of the DLA on 31.05.2006 was 69 years as per the ration card and voter card. She was over 60 years when the policy was taken. The self declaration policies are possible only upto the age of 50. Hence, because of wrong declaration, the policy was wrongly sold. Had the correct age declaration been given, the DLA would not have been insured. Hence, the decision was taken for repudiation.

Decision : Held that the age factor of DLA was material in the purchase of the policy. Concealment of correct age was suppression of material fact. Hence, repudiation of the claim by the insurer was in order. The complaint was closed.

Chandigarh Ombudsman Centre
Case No. : Max New York/025/Gurgaon/Chandigarh/24/08
Rajo Devi
Vs
Max New York Life Insurance Co. Ltd.

Award Dated : 08.08.2007

Facts : The DLA Smt. Urmila Devi had taken a policy bearing no. 243926763 and nominated Smt Rajo Devi, her Mother-In-Law (Complainant) as nominee. She expired on 22.09.04. Allegations of murder of insured were levelled on the complainant which resulted in registration of FIR and finally acquitted by the court on 10-04-06. She lodged the insurance claim and stated that she being a nominee under the policy, insurer is bound to pay the insured value to her. But no action has been taken on it inspite of passing of a period of 1-1/2 months.

Findings : On referring the matter to the insurer, the insurer clarified the position by stating that DLA died in an accident on 22.9.04. They also received a court order stating that Master Sahil, aged 8 years and Ms. Shivani, aged 6 years were the legal heirs of the DLA and had appointed Shri Sukhbir Singh, maternal uncle of the children as guardian. While it is a fact that the claim is payable, the contentious issue is whether the claim is to be paid to the legal heirs or the nominee. Hence the claim could not be settled so far. It was ordered that the claim amount should be divided into three parts and paid to the legal heirs and the nominee equally. The amount in respect of the legal heirs should be kept in fixed deposit to be paid to the legal heirs at the time of the maturity. Further the insurer quoted Section 15 & 16 of Hindu Succession Act. In case of succession of a female Hindu. According to Section 15 (1) (a) in the case of female Hindus succession goes firstly upon the son, daughters and husband and (b) secondly upon the heirs of the husband and (c) thirdly upon the mother and father. As

per Section 16, the order of succession among the heirs referred to in Section 15, those in one entry should be preferred to those in any succeeding entry.

Decision : Since the children, being the 1st class legal heirs are rival claimant through their guardian, the contention of the insurer that the earlier order passed giving one third of the claim to the children and the nominee should be amended suitably as the claim of children as per Section 15 (1) (a) overrides all other claims. Accordingly, it was ordered that the claim amount should be divided equally between the two minor children of the DLA and the amount kept in fixed deposit till they attain the age of 18 years. However, the interest accruing from the fixed deposit can be utilized by Sh. Sukhbir Singh for the upbringing and the welfare of the children as deemed fit.

Chandigarh Ombudsman Centre
Case No. : Max New York/27/Gurgaon/Chandigarh/24/08
Shama Rani
Vs
Max New York Life Insurance Co. Ltd.

Award Dated : 08.06.07

Facts : Sh. Vijay Kumar had taken two policies bearing nos. 273500512 and 273636886 with DOC 23.01.06 from BO Muktsar. Smt. Shama Rani, wife of DLA & complainant alleges that the company is delaying the death claim. She sought intervention of this forum in getting her payment, which is due to her.

Findings : During the course of hearing on 17.05.2007, the complainant explained the case by stating that her husband had taken two insurance policies with date of commencement 23.01.06 for a sum assured of Rs.1,00,000/- each. He expired on 06.03.2006. The claim lodged with the insurer was repudiated on the ground of non disclosure of material fact regarding a pre-existing disease.

The insurer clarified the position by stating that the DLA was suffering from cancer and he was admitted in Acharya Tulsi Regional Cancer Hospital, Bikaner from 27.06.05 to 29.06.05 and he was diagnosed as suffering from Carcinoma Oesophagus. This was a material information which was not disclosed in the proposal form. Since the death took place within two years from the commencement of policy, Section 45 of Insurance Act, 1938 became operative and the claim was repudiated on the basis of this clause after proper investigation.

Decision : Held that the contention of the insurer that DLA was suffering from Carcinoma Oesophagus as diagnosed by the Acharya Tulsi Regional Medical Centre, Bikaner is in order. The DLA was aware of this position and it was in his knowledge. In view of the above the repudiation of the claim by the insurer is in order. The complaint was dismissed.

Chandigarh Ombudsman Centre
Case No. : LIC/326/Ludhiana/B.Unit-III/21/07
Smt. Piarjeet Kaur
Vs
Life Insurance Corporation of India

Award Dated : 13.06.07

Facts : Late Shri Harjinder Pal Singh had taken a policy bearing no. 300321093 from Branch Office-III, Ludhiana for sum assured of Rs. 8,00,000/- with DOC 28.09.2005. He died on 05.02.2006. The complainant, Smt. Piarjeet Kaur, being nominee, filed death claim which was repudiated on the grounds of making incorrect statements and withholding correct information at the time of taking insurance policy. The complainant

stated that her husband did not conceal any fact relating to his health and he was hale and hearty at the time of purchase of policy. She also denied that her husband was suffering from DM type-II and hypertension and nor was he a patient of ALD for the last 5-6 years. She also contended that her husband had never contacted any doctor for taking treatment of these diseases. She was at a loss to understand as to how DMC Hospital, Ludhiana has certified that her husband was suffering from all these diseases. She further stated that her husband was very health-conscious and used to go for morning walk regularly. She stated that on 29.01.2006 he became unconscious and was taken to hospital where he was admitted. She also denied that her son, Mr. Rajan, had given any statement about the above illnesses. Besides, she stated that her husband was fully examined by authorized doctor of insurer and no negative results were shown in the report. She urged for reconsideration of the case and settlement of claim in her favour.

Findings : On referring the matter to the insurer, Manager (Claims) informed vide letter dated 18.12.2006 that since the policy has run for only 3 months and 20 days, it was an early claim and section 45 of Insurance Act, 1938 was operative. It was further informed that deceased life assured was admitted in DMC Hospital, Ludhiana on 29.01.2006 and history of his sickness was given by his son, Shri Rajan to the attending doctor stating that his father was suffering from DM Type-2, hypertension and chronic alcoholic for the last 5-6 years. It proves that he was fully aware of his father's illness. It was further contended that a person who is having sugar, sickness and H.T. problem may take medicine before one day to prevent detection of the same in lab tests. Taking into consideration all these facts, the claim was repudiated.

Hearing was held on 24.01.2007. The complainant explained the case by stating that her husband had taken a policy from the insurer for sum assured of Rs. 8 lakhs on 28.09.05. He expired on 05.02.06. The insurer had not honoured the claim on the plea that death was due to pre-existing disease which was not disclosed. She mentioned that DLA was not suffering from any disease and was hale and hearty at the time of taking the policy and that the disease was a sudden development for which he was admitted in the hospital on 29.01.2006. She also mentioned that DLA was subjected to medical examinations before taking up the policy and there was no indication of any existing disease.

The insurer clarified the position by stating that as per the statement given by the son of the DLA to the hospital authorities at the time of admission, the DLA was suffering from Type-2 diabetes mellitus, hypertension and chronic alcoholism for the last 5-6 years. These conditions could be responsible for the cardiac arrest due to which the DLA expired.

Reports of the lab tests conducted by the insurer at the time of issuing the policy wherein there is no indication of any pre-existing disease. However, since the hospital authorities where the DLA expired have stated that he was suffering from Type-2 diabetes mellitus and hypertension etc., a clarification is required from DMC Hospital, Ludhiana by showing them the lab test reports conducted by LIC of India.

It was decided that a letter will be addressed to DMC Hospital, Ludhiana enclosing relevant documents and a clarification would be sought from them by 10.02.2007. The insurer will get the clarification and a representative of complainant shall accompany the insurer to the hospital authorities on a mutually agreed date.

During the next hearing of the case on 8.3.07, the insurer clarified the position by stating that despite letter of Ombudsman and personal efforts to get the detailed report on the DLA they were unable to obtain the same. The case was then discussed with Shri.S.C. Dhingra, SDM on phone and he was requested to intervene in the matter and

get the requisite report from the hospital authorities. The insurer also mentioned that there appeared to be a case of impersonation as far as handwriting was concerned. This is because it was observed that signatures on proposal form and medical report were not matching as assessed by the handwriting expert. To further clarify the issues the next date of hearing would be fixed after getting the medical report.

During the course of hearing again on 30.3.2007 at Ludhiana, the complainant stated that he has received a letter from the insurer that the signatures of the DLA on the proposal form and the lab test did not tally. He was not satisfied with this reply. He was asked to approach the insurer for knowing the basis on which the signatures had been found varying. On getting this information, he could give his reaction by producing proof that the signatures were of DLA on all the documents. The insurer would supply requisite documents on request. Based on the reaction of the complainant, the next date of hearing was fixed on 13.6.2007 at Ludhiana. The complainant produced copies of attested signatures from ICICI bank. While it is a fact that the forensic science laboratory have given an opinion that the signatures of the DLA on the proposal form and the signatures for the laboratory tests are different & confirmed impersonation, however, taking the attested copies of ICICI bank into consideration, I find that the signatures do not differ. On this point, I am satisfied as far as the genuineness of the signatures is concerned. However there is a report given by Dr. Gagandeep Singh which is as under:

“As per history narrated by Mr. Rajan, son of the patient, he was a known diabetic, but not on any treatment. The cause of death is however not related to diabetes”.

In form no. 3816 by the attending doctor under the head - diagnosis, the following is mentioned. “Type 2 diabetes mellitus (uncontrolled glycemic status) chronic alcoholic with hypertension with pneumococcal meningitis with sepsis with shock with respiratory failure with renal failure with seizure with chronic liver disease.”

Since the diagnosis was made on the history given by the son of DLA, it appears that the DLA was suffering from diabetes which somehow had not been found in the laboratory test conducted and the same had been contradicted by the insurer. They had proved impersonation through forensic science tests. The doubt had also arisen because the DLA has expired within the 3 months from the commencement of the policy. Hence, investigations were mandatorily conducted under Section 45 of the Insurance Act, 1938.

This appears to be a case where a fair and just view is required to be taken. While the laboratory tests have cleared the DLA from diabetes, the attending doctor has mentioned type 2 diabetes and related diseases at the time of admission of the DLA. I would tend to agree with the diagnosis of the treating doctor that while the patient was suffering from diabetes, the cause of death was meningitis. The concealment of information relating to diabetes though not the immediate cause of death was material information which should have been provided by the DLA at the time of proposal.

Decision : Held that the repudiation of the claim on the basis of Section 45 of Insurance Act, 1938 is in order. However, I would like to mention the amount of premium paid should be refunded to the complainant as a special case on ex-gratia basis. The amount should be paid by 30.6.2007.

Chandigarh Ombudsman Centre
Case No. : LIC/98/Amritsar/Unit-I, Amritsar/24/08
Ashok K Kapoor
Vs
Life Insurance Corporation of India

Award Dated : 22.06.2007

Facts : The DLA purchased a policy bearing number 23048094 for the purpose of Estate Duty. He expired on 06.12.2006. After the death, the nominee and mother of the complainant filed the claim papers in the office in the 2nd week of January, 2007. She has not received any cheque for payment of the claim till today. Her son has urged intervention of this forum in getting the claim settled at the earliest.

Findings : On referring the matter to the insurer, Manager (Claims) has informed vide letter dated 05.06.2007 that the policy was initially taken out for the payment of Estate Duty and had subsequently been released by the Estate Duty Authorities. When the policy was assigned in favour of the Estate Duty Authorities, the nomination automatically got cancelled and a fresh nomination was required in case of re-assignment of the policy which was not made in this case and hence the title under the policy became open. At the time of lodging the death claim on the life of his father, the complainant was told to comply with the requirements regarding the title of the policy but the same were not met with. Instead of furnishing the requirements, he filed this complaint. He was again contacted on his mobile phone on 05.06.2007 but he again refused to comply with the legal requirements, which are mandatory in the "Open title" cases. The insurer has also enclosed copy of the Claim Manual exhibiting the procedure.

Hearing was held on 22.06.2007 at Amritsar. The complainant explained the case by stating that his father Late Sh Om Parkash Kapur had a policy no. 23048094 for the purpose of estate duty. He expired on 6.12.2006. The nominee and mother of complainant filed claim paper in January, 2007. The same had not been settled so far.

The Insurer clarified the position by stating that this was a policy for payment of estate duty, which was released by estate duty authorities after abolition of state duty by the Court. A fresh nomination was required since the policy had been reassigned in the name of DLA.

Since fresh nomination had not been made by DLA during his lifetime, a legal heir certificate is required, as the title became open. The complainant has been advised to submit necessary documents for waiver of legal evidence of title. For this an affidavit regarding legal heir is required to be submitted alongwith other relevant documents.

Decision : Held that the contention of the insurer regarding legal heir issue is in order. The complainant is advised to submit the documents at the earliest. As soon as the documents are received from the complainant, the insurer should release the amount within 15 days.

Chandigarh Ombudsman Centre
Case No. : LIC/20/Karnal/Sirsa/20/08
Surinder Kaur
Vs
Life Insurance Corporation of India

Award Dated : 10.05.2007

Facts : Shri Iqbal Singh had taken a policy bearing no. 172474698 from BO Sirsa. He met with an accident on 13.12.04. He remained in the state of comma till the date of death on 28.3.07. The complainant stated that two half yearly premia due on 28.12.04 and 28.6.05 were deposited on 17.1.05 and 16.7.05 respectively. His wife, Smt. Surinder Kaur complained further that during the state of comma the DLA was not in a position to speak, hear or perform any physical activity. She stated that the Divisional Office, Karnal refused the payment of claim on flimsy ground that her husband had been suffering from some serious ailment which was not disclosed at the time of taking

the insurance policy. She urged intervention of this forum in getting refund of two installments paid after the accident, arrears of monthly income along with basic sum assured and bonus at the earliest.

Findings : During the course of hearing at Karnal on 10.5.07, the claimant explained the case by stating that her husband Shri Iqbal Singh had taken an LIC policy in 2001. He met with an accident on 13.12.2004 and remained in coma till the date of his death on 28.3.2007. While he was in the hospital undergoing treatment, two half yearly premia due on 28.12.2004 and 28.6.2005 were deposited on 17.01.05 and 11.07.05 respectively. The claim lodged with the insurer has not been settled so far.

The insurer verified the position by stating that the DLA was a case of Hodgkin's lymphoma i.e. cancer. Hence it was a case of pre-existing disease. Clarifications were sought from the complainant in this respect, regarding the treatment particular before the date of accident. Hence EDB could not be considered. On a query whether any record of treatment undergone by the DLA before the date of accident was available, the reply was in the negative. On a query whether any other insurance benefit has been given to the complainant, the reply was that the S.B. of Rs.30,000/- was paid in 2005.

After hearing both the parties and going through records, it was found that the contention of the insurer that the policy should be cancelled ab-initio due to pre-existing disease does not hold good as no document could be produced to substantiate the contention. Moreover, since the policy has run for more than three years, the onus lies on the insurer to prove that the concealment of fact was material and fraudulently and knowingly.

Decision : Held that the grievance of complainant is justified and the insurer is liable to make the following payments:-

- a) Basic Sum Assured plus Bonus, if any.
- b) EDB for the period DLA was alive after the accident.
- c) Balance amount of Double Accident Benefit.

Chandigarh Ombudsman Centre
Case No. : LIC/46/Amritsar/Asr-III/21/08
Bhawna Wahni
Vs
Life Insurance Corporation of India

Award Dated : 15.05.2007

Facts : Shri Jatin Wahni had purchased a policy bearing no. 471140347 for SA of Rs. 3 lakhs under Table 14-30. His proposal was accepted with health extra 10% on 1.4.03. The previous history of kidney transplantation was also disclosed. After his death when his wife, Smt. Bhawna Wahni lodged the claim, the same was repudiated on the ground that medical reports taken at the time of insurance were taken in-absentia. She stated that all records and special reports were submitted at the time of insurance and nothing was suppressed and if at all there was any discrepancy in signatures it was the duty of the insurer to check at the time of granting insurance and not at the stage of settlement. She stated that her husband's signatures were genuine. She urged intervention of this forum in getting justice done to her.

Findings : During the course of hearing on 15.05.07 at Amritsar, the complainant explained the case by stating that her husband Late Sh. Jatin Wahni had purchased a policy bearing no. 471140347 for SA of Rs.3.00 Lakhs. He had declared in the proposal form that he had undergone kidney transplantation in 1996. The proposal was accepted with 10% Health extra premium on 1.4.03. He expired on 12.01.2007. When the claim

was lodged with the insurer, the same was repudiated on the ground of impersonation at the time of medical check up.

The insurer clarified the position by stating that the signatures at the time of medical examination were not tallying with the signatures in the proposal form and hence it was considered a case of impersonation. On a query whether anybody had personal knowledge about impersonation at the time of medical check up, the reply was in the negative. On a query whether a medical officer who examined the DLA was deputed by the insurer, the reply was in the affirmative. On a query if any doubt about the genuineness of the person was the reason while issuing the policy, there was no satisfactory reply. On a query if the DLA wanted to conceal any ailment, why he mentioned about his kidney transplant in the proposal form, there was no satisfactory reply.

After hearing both the parties and going through the records, it was opined that the claim of the complainant is justified. The repudiation of the claim on flimsy ground is not in order especially as the DLA had mentioned in the proposal form that he had a kidney transplant in 1996. There was no reason to doubt about the trustworthiness and truthfulness of the DLA while filling the proposal form and undergoing medical treatment without any solid documentary proof given by the insurer. Also the claim had been paid earlier but was withdrawn on second thoughts and the amount paid was proposed to be adjusted against other policies of the DLA.

Decision : Held that admissible amount of claim alongwith accrued bonus if any should be paid by the insurer to the complaint by 31.05.2007.

Chandigarh Ombudsman Centre
Case No. : LIC/394/Karnal /Hissar/24/07
Kamla Devi
Vs
Life Insurance Corporation of India

Award Dated : 13.04.2007

Facts : Smt. Kamla Devi's husband Late Sh. Ram Kumar purchased a policy bearing no. 173288736 for sum assured of Rs. 50,000. He expired on 16.7.05. She filed all requisite claim papers, but the claim was not paid to her. She filed a complaint in the Divisional Office, Karnal requesting to settle the claim. A copy of the said letter was also endorsed to this office, which was treated as complaint.

Findings : Hearing was held on 13.4.2007. The complainant explained the case by stating that her husband had taken an LIC policy for sum assured of Rs. 50,000. He expired on 16.7.05. The claim papers were submitted to the insurer on 1.8.05 but the claim had not been settled so far.

The insurer clarified the position by stating that intimation of death was not received and also the DLA expired 2 days after the grace period for payment of the next due premium. His leave for 18 days w.e.f 24.7.02 to 10.8.02 before insurance was not explained. On a query whether the policy had run for 2 years the answer was in the affirmative.

It was opined that absence on leave for 18 days before the insurance should be ascertained from the employer by the insurer in the next 15 days. If no satisfactory information is available which showed pre-existing disease, this absence should be condoned. Regarding the documents, it was stated by the complainant that these had already been delivered earlier. The insurer may obtain the same from the complainant once again. As far as next premium due is concerned this should be waived off as per

insurer guidelines which allows full sum assured if the policy has run for 2 years and death takes place within 3 months of the premium falling due.

Decision : Held that the claim may be settled as per rules by 15.05.07.

Chandigarh Ombudsman Centre
Case No. : LIC/23/Srinagar/Srinagar BO-II/24/08
Tashi Chosphe
Vs
Life Insurance Corporation of India

Award Dated : 23.04.2007

Facts : Shri. Tashi Chosphe is the complainant in this case. His father Tshering Angdus purchased a policy bearing no. 141525354 for sum assured of Rs. 50,000. He expired on 23.10.05. The complainant states that all premiums have been paid and more than two years have elapsed but the claim has not been settled by the insurer.

Findings : During the course of hearing held on 23.4.07 at Leh, the insurer clarified the position by stating that the claim of Late Shri Tshering Angdus was repudiated on the ground that the premium due for Feb'05 and August'05 had not been paid and the DLA expired on 23.10.05 which was ten months after the last premium due. However, on going through the records it was found that the premium for Feb'05 and Aug'05 had been paid by the DLA to the agent and he had given the receipts to him. Unfortunately the agent did not deposit the premia with the insurer. While it is a fact that the premia should not have been paid to the agent, it is also a fact that the earlier 3 premia were paid to the agent and were deposited by the agent with the insurer. Hence, the premia was paid by the DLA on trust. The agent being a Zonal Manager's club member was a responsible agent appointed by the insurer.

It was opined that the DLA had not erred in giving the premium to the agent. The fault lay with the agent for which the DLA should not be penalized.

Decision : Held that ex-gratia payment of Rs. 50,000 plus accrued bonus be paid by the insurer to the nominee/complainant as per Rule 18 of RPG Rules, 1998. The claim should be paid by deducting the same from the commission payable to the agent. Payment should be made by 15.05.2007.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2005/2007-08
Smt.G.Sankari
Vs
Life Insurance Corporation of India

Award Dated 30.04.2007

Sri T.Duraisamy submitted two proposals to LIC of India, Thuckalay Branch - first one on 31.05.2004 and the second one on 30.09.2004. The Insurer issued him two policies numbered 321519975 and 320808640 respectively. Both policies were under their Endowment Plan. Sri T.Duraisamy died on 19.12.2004. Smt.G.Sankari, his wife and nominee under both the policies, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his health in both the proposals.

In the hearing the complainant stated that her husband's death was an unexpected one and a sudden one. She stated that on the date of death her husband fainted due to hypertension and died. On enquiry about the treatment taken by the life assured in the year 2003 the complainant replied that her husband was suffering from high fever in

the year 2003 and he was admitted in the nearby hospital. This Forum pointed out to her the reason for repudiation of claim as non-disclosure of material information. Her husband had failed to disclose the treatment taken for high fever in the year 2003, hence, the Insurer had rejected her claim. She replied that they were not aware of the fact that even fever like diseases should also to be specified at the time of proposing and added that their intention was not to hide facts, since they themselves have given the information relating to her husband's hospitalization in the year 2003 to the investigating official. The representative of the Insurer stated that the Deceased Life Assured had taken 2 Endowment policies under non-medical scheme, the first policy had run for 6 months and the second one for 2 months and 6 days. According to B1 and B2 form it was found that the deceased life assured was admitted at M/s Jeyasekharan Medical Trust of Nagercoil and diagnosed to be suffering from Leptospirosis and Septicemia. The DLA was treated in the hospital from 16.05.03 to 22.05.03, but failed to disclose the same in the proposal form. The representative of the Insurer also stated that the DLA was having less than 1 year service in the Milk Producers Co-operative Society but had given a false information of 10 years service. Since, Sec.45 was not applicable they had repudiated the claim.

In this instance, the life assured had ignored the specific question in the proposal (under both policies), which elicit information regarding previous illness and hospitalization particulars. This had led the Insurer to wrongly issue the policy without calling for medical reports/special reports/lab tests.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/21.07.2652/2006-07
Smt.C.L.Rema
Vs
Life Insurance Corporation of India

Award Dated 30.04.2007

Sri K.Elias (deceased) had submitted a proposal on 19.01.2004 to Kuzhithurai Branch of LIC of India and obtained a policy numbered 321683252 for Rs.1,01,000/- under the insurer's Jeevan Surabhi plan (a Money-Back type). Sri K.Elias died on 06.06.2004. Smt.C.L.Rema, his wife and nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim as the life assured had withheld material information regarding his health at the time of effecting insurer with them.

In the hearing the complainant was not present. The representative of the insurer stated that the policy had run for 4 months and 17 days. They had collected treatment particulars from Kerala Institute of Medical Sciences, Trivandrum. In the History and clinical findings of the Discharge Summary for the admission on 02.05.2004 and discharge on 19.05.2004, it had been mentioned that 35 year old male, chronic ethanolic for 15 years, referred from Marthandam (Manju Nursing Home) with signs and symptoms suggestive of cirrhosis of liver and portal hypertension (ethanol related) and healing right foot cellulitis. The cause of death was Cirrhosis of Liver with Portal Hypertension and Liver Cell Failure. They had also collected treatment particulars from Manju Nursing Home, Marthandam which revealed that the deceased was Chronic Alcoholic for more than 17 years with past history of having undergone de-addiction treatment given by Dr.Arul Prakash, Psychiatrist. The deceased ended up with such a dreaded disease, which was only due to the fact that he was a chronic ethanolic, and he had not disclosed the fact in the proposal form. The Prescription from Dr.Y.Arul

Prakash dated 20.04.2004 emphasized the intensity of his alcoholism. Had he disclosed the facts they would not have issued policy for such a high sum assured.

In this instance the life assured had suppressed his habit of consuming alcohol, the de-addiction that he had undergone and the present position. As the proposal contains a specific question-11 (h) – the suppression assumes greater importance.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2610 /2007-08
Smt.G.SValli
Vs
Life Insurance Corporation of India

Award Dated 11.05.2007

Sri A.G.Sivakumar, (deceased) aged 28 years, submitted a proposal for life insurance to LIC of India, Kallakurichi Branch on 05.09.2005. The Insurer issued him a policy bearing number 733717976 for a sum assured of Rs.1 Lakh under their Endowment Plan. Sri A.G.Sivakumar died on 10.11.2005. Smt.G.Valli, his mother and nominee under the policy preferred her claim with the insurer. The Insurer vide their letter dated 25.10.2006 repudiated her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance. Her appeal to the higher office of the insurer was also rejected.

In the hearing the complainant Smt.G.Valli, mother of the Deceased Life assured stated that her son had taken a LIC policy for Rs. 1 lakh and he was in good health at that time. The father of the deceased life assured Sri. Gandhi stated that his son suddenly developed loose motion, vomiting and hence, was admitted at Seahorse Hospital, Trichy. In the hospital his son was under treatment for 3 days and died of kidney failure and heart attack. This Forum questioned as to why the complainant had to take his son to Trichy for treatment when he resides at Kallakurichi. The life assured's father replied that no good hospital was available at Kallakurichi. Hence, admitted at Seahorse Hospital, Trichy, which was 60 Km away from their place. He stated that all the details pertaining to his son's treatment and other details were given by him at the time of admission and stated that the nurse would have wrongly interpreted and would have reproduced the same in the papers. The representative of the Insurer stated the claim under the other policy was settled, since, it was a non-early claim. But under the current policy the life assured died after 2 months and 5 days from the date of commencement, hence investigation was done. The life assured died at Seahorse Hospital due to Cardiac Respiratory Arrest, Kidney failure and Right Abdominal Wall Mass. The representative of the Insurer stated that Right Abdominal Wall Mass and End Stage Renal Disease could not be developed within a short span hence, the deceased life assured would have been suffering from the same since 2003 as stated in the Death Summary given by Seahorse hospital. Insurer had repudiated the claim for suppression of material facts. Also they had relied upon the fact that Section 45 of the Insurance Act was not operative.

The insurer had relied upon the death summary issued by Seahorse Hospitals and not obtained any further medical proof to establish beyond doubt the severity of the disease. The insurer had not obtained a medical opinion from their Divisional Medical Referee. The forum came to the conclusion that even though the life assured had not

given on 05.09.2005, all the information regarding his health in the proposal for insurance the insurer had not obtained clinching evidence.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2601/2006-07
Smt.P.Tamilselvi
Vs
Life Insurance Corporation of India

Award Dated 11.05.2007

Sri S.Nagendran, (deceased) submitted a proposal for life insurance to LIC of India, Kallakurichi Branch on 10.02.2005. The Insurer issued him a policy bearing number 321593174 for a sum assured of Rs.1 Lakh under their Jeevan Anand Plan. Sri. S.Nagendran died on 05.08.2005 due to Histiocytoma and ARDS. Smt.P.Tamilselvi, his wife and nominee under the policy preferred her claim with the insurer. The Insurer vide their letter dated 31.03.2006 repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting insurance. Her appeal to the higher office of the insurer was also rejected.

In the hearing the representative of the complainant stated that his son-in-law was working in the Army and was posted at Kashmir. He used to come once in a year on a leave for about 1 month to his native place. He was quite healthy and never complained about any illness. While his son-in-law was serving the army he was injured in a blast and he took treatment for the fracture in his leg. His son-in-law was dismissed from the service on 12th June 2003. He did not get the terminal benefits. He lost the status of ex-serviceman also since he was dismissed from the service due to disciplinary action taken on him. He produced the service record book in proof of the same. After his dismissal from the army, he was working as a Lorry Driver and sometimes as a Conductor. One day while his son-in-law was on duty he experienced severe low back pain and consulted Doctors. Subsequently he was hospitalised many times and once blood transfusion was also done. He fell sick for the first time in March 2005. Their claim was repudiated by the division stating that he had suppressed his suffering from diseases prior to proposal. The representative of the insurer stated that the duration of the policy was 5 months and 25 days. After intimation of claim they conducted investigation and found that he had pre-proposal illness. They had collected a Cause of Death certificate issued by Dr.Samuel Elizabeth of Dr.Kumarasamy Health Centre, Kottaram which revealed that the life assured was suffering from ARDS (Acute Respiratory Distress Syndrome) for 8 years, Histiocytoma for 7 to 8 months and Granuloma for 3 to 5 months. The life assured had not disclosed these facts in the proposal. They repudiated the claim for suppression of material facts.

The insurer had not obtained treatment particulars to substantiate that the life assured was suffering from ARDS 8 years back. According to the life assured's father-in-law, the life assured was stationed in Kashmir- a cold place- and it would have been difficult to survive for 8 years with ARDS (Adult Respiratory Distress syndrome). The insurer had not been able to obtain medical evidence to conclusively prove that the life assured had suffered from Histocytoma or ARDS.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.02.2002/2006-07
Smt.P.Tamilselvi

Vs
Life Insurance Corporation of India

Award Dated 15.05.2007

Sri. G.Thirupal, the deceased life assured while working as a sanitary worker in Corporation of Chennai signed a proposal under non-medical scheme on 20.03.2005, with LIC of India, Velacherry branch of Chennai Division-I, to get a life cover for Rs.30000/-. The policy with number 713826793 was under their 'New Jana Raksha' Plan. As the future premiums were to be deducted from his salary the policy file was transferred to city branch-17 of Chennai Division-II. The life assured died on 04.01.2006. Smt. T.Mary, his wife and the nominee under the policy claimed the money from the Insurer. The Insurer vide their letter dated 24.11.2006, informed her that they were repudiating the claim under the above policy as the life assured had withheld material information at the time of effecting insurance with them. Her appeal to the higher office of the insurer was also rejected on 06.03.2007.

In the hearing the complainant admitted that her husband used to chew paan and drink alcohol. He had sinusitis and used to take treatment for it. He also had ear pain for which he was applying ear drops. He was attending to duties regularly. He had severe neck pain from September 2005. Before that he was not very sick. Swelling was not there earlier. In November 2005 he fell very sick. Only in November tests were conducted and the results revealed that he was suffering from cancer. She admitted that the doctors had warned him not to chew paan since he had stomach ulcer also. But he ignored the warning. The Insurer stated that the life assured died within 10 months from the date of commencement. The life assured had answered the question Nos.11(e), (h) in the negative and for question pertaining to his usual state of health as "Good". Since it was an early claim they conducted investigation and it was found that he was suffering from cancer. They had produced the case sheets of the Tamilnadu Government Dental Hospital, Chennai where it has been stated that he was suffering from ulcer in the buccal mucosa of the right side for the past 2 years and was not able to open his mouth for the past 2 years. He was having the habit of paan chewing for the last 3 years. Mouth opening was restricted to two finger breadth. Had he disclosed the same they would have called for physician's report. Based on the report they would have taken the underwriting decision. His chronic ulcer had transformed into cancer. Hence they repudiated the claim for suppression of material facts.

In this instance the life assured was not maintaining good health on the date of the proposal. He was suffering from ulcer for 2 years; it was so severe he could not fully open his mouth (could open just two fingers wide). The contract of insurance is a contract of utmost good faith and every material fact must be disclosed by either party, if not, there arises the ground for rescission of the contract by the affected party.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2629/2006-07
Smt.P.Tamilselvi

Vs
Life Insurance Corporation of India

Award Dated 15.05.2007

Sri. S.Renganathan, (deceased) an agricultural coolie submitted a proposal on 30.03.2005 to Periakulam Branch of LIC of India and obtained a policy- numbered 743846164-for Rs.50,000/- under their Money Back Plan. Sri. S.Renganathan had to pay half-yearly premium of Rs.1744/- for 20 years. Sri. S.Renganathan committed

suicide on 03.04.2006. Smt. R.Neelavathi, his wife and the nominee under the policy claimed the money from the Insurer. The Insurer vide their letter dated 26.09.2006, rejected her claim on the ground that the life assured had committed suicide within one year from the date of policy and according to the terms of the policy contract nothing was payable to her.

In the hearing the complainant stated that her husband had taken a policy in Periyakulam. Along with her husband she was working in Kelavikulam (near Nedumkandam in Kerala) in an estate as labourers. They used to go for work separately. They left their children in her father's custody in her native place near Theni. One day when she was away for work he consumed poison. When the neighbours were trying to take him to hospital, she came home. By the time they took him to hospital at Nedumkandam he died. She said that he used to consume alcohol. They also used to quarrel often. He used to suffer from severe stomach pain. All these were quoted as reasons for his suicide. Her husband had only one policy. Others in their family have LIC policies. They had paid 3 instalments under the policy. After his death they preferred the claim with the insurer. With great difficulty they obtained all the necessary documents and submitted the same to the insurer. The insurance company repudiated the claim stating that the life assured committed suicide within one year of taking the policy and as per policy conditions the same was not payable. She said that they paid the first instalment on 30.03.2005. They made the payment through the agent. She produced the copy of the deposit receipt. Her husband died on 03.04.2006. She contended that he died only after one year. She claimed that the insurer couldn't hold her responsible for the delay in completion. The representative of the insurer stated that the proposal was completed on 05.04.2005. The date of commencement was 28.03.2005. The policy was issued under Money back plan for 20 years for a sum assured of Rs.50,000/-. The cause of death reported was suicide. The reports of police authorities clearly state that he died due to consuming poison. The death due to suicide had taken place within one year of policy. Since suicide clause was operative as per policy conditions, the claim was repudiated. They accepted the risk under the policy on 05.04.2005 though the life assured had paid the proposal deposit on 30.03.2005. The date of policy was 23.04.2005. As such the policy had not completed one year. He also said that they have clear instructions laid down vide their Central Office circular regarding the date to be considered as the date of acceptance of risk viz. the date of underwriting decision. He also mentioned about a Supreme Court decision in a similar case where the court had mentioned that the date to be considered as the date of policy.

Now the question arises whether the life assured died within one year of which date- 28.03.2005 (date of commencement of risk) or 30.03.2005 (date on which proposal submitted and money paid) or 05.04.2005 (the date on which the insurer accepted the risk) or 23.04.2005 (the date on which policy was issued)? Nevertheless in practice, the insurer had advised that the period of one year should be taken from the date of commencement of risk and not from the date of issue of the policy. Considering the above observations, decision, guidelines and the special circumstances of the case it was decided to pay the complainant an amount of Rs.50,000/- on an ex-gratia basis under the policy in full and final settlement of the claim.

Therefore the complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.01.2003 /2007-08
Smt.S.Vyjyanthimala
Vs

Life Insurance Corporation of India

Award Dated 15.05.2007

Sri. T.Solaimalai the deceased life assured had two policies from LIC of India. Policy numbers 716910130 & 716910128- both for Sum Assured of Rs.50000/- under the insurer's 'New Jana Raksha Plan'. A monthly premium of Rs.294/- would be recovered from his salary for 16 years. Both the policies were serviced by Chennai Division - I. Sri. T. Solaimalai died on 06.07.2003. Smt. S. Vyjayanthimala, his wife and the nominee under the policies claimed the money from the Insurer. The Insurer vide their letter dated 31.03.2006, informed her that they were repudiating the claim under the above policies as the life assured had withheld correct information regarding his health at the time of effecting insurance with them.

In the hearing the complainant Smt. Vyjayanthimala stated that her husband was having a good health and did not suffer from any ailments. She stated that her husband's death was a sudden and unexpected one. She accepted that there was a delay in intimation of the claim since, her brother promised to help her. She stated that her husband used to take drinks but he had been hospitalised at M/s TTK Health for deaddiction and subsequently at M/s ESI Hospital for 20 days. She stated that she disclosed the data pertaining to her husband's habit of alcoholism to the investigating official. She also stated that they promised to settle the claim on submission of her own letter detailing about her husbands habit of alcoholism. As per their promise she had given a letter to the Insurer believing that her claim would be settled.' The representative of the Insurer stated that the Deceased Life Assured was treated for alcoholism from 16.06.1997 to 16.07.1997, he had taken unearned leave on medical grounds for 35 days from 02.03.2001. Insurer stated that the Deceased Life Assured was treated as an OP for the injury sustained on the back side of the right shoulder due to fall from steps in April 2002. Since, the above said were not disclosed at the time of proposal, her claim was repudiated on the ground of suppression of material facts.

From the above it is evident that in the proposals submitted in January 2003 the life assured had not mentioned that he was alcoholic and that he had taken de-addiction treatment in 1997. However as the treatment was in 1997 it is probable that he had forgotten to mention it. Regarding the leave availed in 2001, the insurer was not able to produce any medical evidence to establish the reason for leave. Therefore, it is now evident that the life assured was a chronic alcoholic (which he had not mentioned in the proposal; for which there is a specific question) it would not be possible to consider the complainant's representation of full payment of the claim monies.

The complaint is partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2004/2006-07
Smt.D.Selvarani
Vs

Life Insurance Corporation of India

Award Dated 15.05.2007

Sri R.Dharmaraj, (deceased) aged 55 years, submitted a proposal for life insurance to LIC of India, Periakulam Branch on 11.02.2005. The Insurer issued him a policy bearing number 743844356 for a sum assured of Rs.1 Lakh under their 'Jeevan Anand' Plan. Sri R.Dharmaraj died on 10.11.2005. Smt.D.Selvarani, his wife and nominee under the policy preferred her claim with the insurer. The Insurer vide their letter dated

31.03.2006 repudiated her claim on the grounds that the life assured had withheld correct information regarding his health at the time of effecting insurance. Her appeal to the higher office of the insurer was also rejected.

In the hearing the complainant Smt. D.Selvarani, wife of late R. Dharmaraj stated that her husband was working as a driver for 20 years for Tamilnadu State Transport Corporation and had taken VRS in the year 1998 since he was suffering from Piles. A week before his death he had complaints of abdominal pain, knee pain and passing of urine in yellow colour. When his pain aggravated they admitted him at M/s Nithilaa Nursing home, where he was diagnosed to have Cirrhosis of Liver. He died on 08.12.2005 due to Cirrhosis of Liver. The representative of the Insurer stated that since the death occurred within 9 months and 27 days a claim investigation was made. The investigation report stated that the Deceased Life Assured was an Alcoholic. He died on 08.12.2005 at M/s Nithila Nursing Home due to Cirrhosis of Liver. The Insurer contended that the disease of Cirrhosis of Liver would not have developed within a short span and it would have taken more than a year to aggravate. Since, his habit of alcoholism was not disclosed in the proposal form, the Insurer repudiated the claim and their Zonal Office upheld the same. This Forum pointed out to the Insurer that the Discharge Summary of the Hospital did not mention about the alcoholic habit of the Deceased Life Assured and his knowledge about the Cirrhosis of Liver. This Forum pointed out to the Insurer that they should have proved that the proximate cause of death was due to Alcoholism by way of substantiating evidence.

The insurer has relied on their Claim Investigating Official's report that the life assured was an alcoholic and as the life assured had died of 'Cirrhosis of Liver' the insurer thought it sufficient. According to Dorland's Medical Dictionary, 'Cirrhosis of Liver' is caused due to various reasons like Hepatitis (Jaundice), injury or alcohol abuse. The life assured's liver condition could have deteriorated due to any of the three conditions. The insurer was not able to obtain proof to establish conclusively that the life assured was affected by 'Cirrhosis of Liver'. This Forum feels that it is incumbent on the insurer to exercise all care to satisfy with clinching documentary evidence that material facts were fraudulently suppressed to avoid a Contract of Insurance.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.06.2007/2007-08
Smt.T.Revathi
Vs
Life Insurance Corporation of India

Award Dated 06.06.2007

Sri. G. Thirugnanam obtained a policy from Unit-I Branch, Kumbakonam of LIC of India after submitting a proposal on 10.03.2002. The policy was for Sum Assured of Rs. One Lakh under the insurer's 'Jeevan Sanchay'. Sri. G.Thirugnanam had to pay Rs.1959/- as the quarterly premium for 20 years. He did not pay the quarterly premium due in March 2004 and the policy lapsed. He revived the lapsed policy on 17.11.2004 by tendering all the due premiums and after submitting a 'Personal Statement of health' of even date. Sri. G.Thirugnanam died on 24.04.2005. Smt.T.Revathi, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his health in the 'Personal Statement of health' dated 17.11.2004.

In the hearing the complainant stated that her husband was an agriculturist/coconut merchant. He had two policies. The claim amount under one policy for Rs.50,000/- was already settled. Since he was in business sometimes he used to have tension. Otherwise he was very healthy and was not having any problem. She was not aware of any treatment taken by him for hypertension. The policy was renewed on 17th November 2004. On 18th she came with her husband to Chennai to her sister's house. There he got fever. Since her sister's son was a doctor he took her husband to Malar Hospitals. There he was admitted for investigations. Since his fever did not subside on 23rd November 2004 Bone Marrow test was done and it was confirmed that he was suffering from cancer. They managed to gather funds for his treatment and went to CMC Hospital, Vellore. His hemoglobin level was very low. There he underwent Bone Marrow Transplant and the treatment was a success. His hemoglobin level went up after the treatment. They stayed at Vellore and took treatment as out patient. Suddenly he suffered from infection and was admitted again to the hospital. He died after a few days in the hospital at Vellore on 24.04.2005. She contended that they were not aware that her husband was suffering from Cancer prior to 17.11.2004. The representative of the insurer stated that the life assured (LA) had two policies. The life assured had chronic cellulitis. He had suppressed that information while submitting the declaration of good health. Had he disclosed they would have called for Physician's report, Blood Test, etc. As per their Divisional Medical Referee's opinion the onset of Leukemia would not be sudden. It would take at least 3 months to manifest. Since they have evidence to believe that the life assured had suffered from Acute Myeloid Leukemia and Hypertension prior to the date of revival, the claim was repudiated on the basis of suppression of material information at the time of revival.

In this instance, the life assured had replied that he was enjoying good health whereas the insurer had brought medical evidence to prove that the life assured was not maintaining good health at the time of revival.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2029/2007-08
Sri. K.Ganesh
Vs
Life Insurance Corporation of India

Award Dated 06.06.2007

Smt. G.Jayalakshmi obtained a policy from Pondicherry Branch of LIC of India after she submitted a proposal for life insurance on 28.12.1993. The policy was for Rs.75000/- under the insurer's Endowment Plan. Smt. G.Jayalakshmi, the life assured, had to pay the half-yearly premium of Rs.2745/- for 15 years. She lapsed the policy by not paying the half-yearly premium that was due on July 2001. She then revived the policy on 11.11.2002 by submitting a 'Personal Statement of health' of even date. Smt. G.Jayalakshmi died on 28.06.2005. Sri.K.Ganesan, her husband and nominee under the policy, preferred his claim with the Insurer. The Insurer repudiated his claim for full amount on the ground that the life assured had withheld material information regarding her health in the 'Personal Statement of health' dated 11.11.2002.

In the hearing the complainant stated the policies were originally taken for income-tax purposes alone. He reiterated that he did not have any intention of cheating the insurance company by deliberately suppressing information regarding his wife's health. When they decided to revive the policy he approached LIC office and they revived his

policies after conducting medical examination. When he questioned as to whether his wife also needed medical examination for revival of her policies, they seemed to have said that it was not necessary. He took her signature in a fine printed form. Without reading the contents she had signed the form necessary for renewal. He said his wife was a fitness-oriented woman. He admitted that she was suffering from Diabetes from 1993. Only from 2002 she was not keeping well. First they were treating her for heart disease and later on it was detected that she was suffering from kidney problem. He said that she had taken treatment at Best Hospital, Chennai also. For Kidney problems she was treated at Pondicherry. The representative of the insurer stated that the premiums under the policy were not paid from July 2001. The policy was revived on 11.11.2002 on the basis of Declaration of Good Health. The life assured had stated that she was in perfect good health, whereas she was treated in Best Hospital during April, June, August and October 2002 for Diabetes and Coronary ailments. They had offered to settle paid up value accrued under the policy but since the nominee did not give his consent they could not settle the same. They have settled claims under the other two policies of the same life assured. Since they were trustees of public money they had to take strictly adhere to rules. In this instance, the life assured had on 11.11.2002 completed the 'DGH' by answering in the negative, the specific question in the 'DGH' regarding ECG, Lab. tests and hospitalization particulars and without mentioning her visits to the hospital in April, June, and October 2002. (Here, it is worthwhile to note the general principle that a party of full age and understanding is normally bound by his signature to a document whether he reads it, understands it or not.) This had led the Insurer to wrongly revive the policy without calling for medical report/special reports /lab tests.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.006.2006
Smt. K.Vijaya
Vs
Birla Sun Life Insurance Co. Ltd.

Award Dated : 06.06.2007

Sri. G.Kesavamoorthy aged 41 years, submitted to Birla Sun Life Insurance, Mumbai an application on 04.03.2004 and was issued a policy of 'Flexi Cash Flow Plan' on 08.03.2004. He had to pay for 25 years a quarterly premium of Rs. 1507/-. Sri. G.Kesavamoorthy lapsed the policy as he did not pay the quarterly premium due 08.09.2004. He revived the policy on 15.05.2006 after submitting a "Certificate of Insurability for Reinstatement" dated 11.05.2006. Sri G.Kesavamoorthy died on 30.07.2006. Smt.K.Vijaya, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer repudiated her claim on 09.02.2007 on the ground that the life assured had not disclosed correctly his occupation in his application for insurance. Smt.K.Vijaya, then appealed to the higher office of the insurer. On 06.03.2007, the insurer informed her that their claim committee had examined her representation and found that as the life assured had not mentioned his 'HIV Positive' condition in the "Certificate of Insurability for Reinstatement" signed by him on 11.05.2006, they were unable to consider her claim.

In the hearing the complainant stated that her husband had taken a policy for Rs. 1,10,000/- with Birla Sun Life Insurance Co. Ltd. She contended that her husband was healthy prior to his death. She stated that her husband's death was an unexpected one. The Forum enquired the complainant about her husband's occupation for which she replied that he was working in the Catering Department of Railways. She stated

that her husband was working for Southern Railways since 14 years and 7 years as a permanent employee. This Forum questioned to the complainant whether she was aware about the cause of death of her husband. She replied that she came to know that he was infected by HIV only at the time of his death since her blood and her child's blood were tested. The representative of the Insurer stated that the application form was signed by the deceased life assured himself. The Insurer produced the leave records to substantiate that the deceased was on frequent leave from the month of April 2006 and died in the month of July 2006 due to HIV infection. The Life assured failed to furnish the information at the time of reviving the policy on 15.05.2006, in the Certificate of Insurability for reinstatement, since he was diagnosed to be HIV infection in April 2006 itself.

In this instance, the life assured had answered in the negative to the specific questions in the 'Certificate of Insurability for Reinstatement' regarding hospitalization, AIDS and the tests undergone by him in the Railway Hospital. This had led the Insurer to wrongly revive the policy without calling for medical reports/special reports/lab tests.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2031/2007-08
Smt.C.Rasathi
Vs
Life Insurance Corporation of India

Award Dated 13.06.2007

Sri. A.Chandran the life assured, had a policy from LIC of India-Policy number-733660400 for sum assured of Rs.100,000/- under the insurer's 'Endowment Plan' after submitting a proposal on 29.03.2005. He had to pay a quarterly premium of Rs.1424/- for 20 years. Sri. A.Chandran died on 21.05.2005. Smt. C.Rasathi, his wife and the nominee under the policy claimed the money from the Insurer. The Insurer vide their letter dated 25.04.2006, informed her that they were repudiating the claim under the above policy as the life assured had withheld correct information regarding his health at the time of effecting insurance with them. Her appeal to the higher office of the insurer was also rejected on 24.11.2006.

In the hearing the complainant stated that her husband was a Mini Lorry driver. One day he complained of severe chest pain. They took him to a nearby Doctor and the Doctor said that he was already dead. When questioned by the Forum whether anyone from LIC had come for enquiry they admitted that 2 officers of LIC had come for enquiry. When questioned, she said that she does not know the reason for repudiation of the claim. She was questioned about other details pertaining to the identity of the life assured. She said that her husband was about 40 years old at the time of his death. She was 40 years old at present. She has 4 daughters. Her husband's native place was Vadalur and she belonged to Thambipettai village near Kurinjipadi. His father's name was Sri Arunachalam and mother's name was Smt.Vanamayil. When questioned by the Forum as to whether she knew anyone known as Ms.Gunasundari, she said that she does not know anyone by that name. She said that they belong to Scheduled Caste. They did not print any card or poster intimating his date of death or ceremonies connected with the same. When questioned where Pullipattu village is situated, they were not aware of the village. When they were questioned regarding the date of death of the life assured they said that he died in May 2005, but could not confirm the date. The representative of the insurer stated that the life assured took policy for Rs.1 Lakh on 29.03.2005 with policy no.733660400. He died on 21.05.2005

within 1 month and 17 days from the date of risk. The cause of death was Acute Myocardial Infarction. As per their enquiries he was treated at TB Sanatorium, Tambaram and died there on 18.10.2005. The hospital records were verified by their staff. His name and his father's name were found correct. They arranged for third investigation and the Investigating Official produced another Death Certificate. The deceased life assured was treated for Tuberculosis and the date of death was 18.10.2005. The Investigating Official had stated that he was treated for HIV and the Village President, Pullipattu had certified that the Deceased Life Assured was suffering from Tuberculosis for 1 year. Hence, the claim was repudiated for suppression of material facts. He contended that he died only in October 2005. When the representative of the insurer stated that they contested the date of death of the life assured, this Forum questioned as to how the insurer has acknowledged the death intimation letter on 14.06.2005 if the life assured died in October 2005 and how the insurer had entrusted first claim investigation on 06.09.2005 and the Claim Investigation Report by their Asst. Branch Manager (S) was dated 18.07.2005.

The Ombudsman was not convinced with the identity of the life assured late A.Chandran and the evidences obtained allegedly that of late A.Chandran of Pullipattu due to following reasons.

- | The life assured and the Late A.Chandran of Pullipattu Village, about whom the Insurer had carried out investigation, seem to belong to different communities.
- | The address of the life assured as given in the proposal form tallied with that of the Death Certificate issued by the Vadalur Spl.Panchayat and the Date of Death mentioned is 21.05.2005.
- | The photo in the driving licence of the life assured (the copy of the same was produced to the insurer at the time of proposing as age proof) and the photo printed in the death intimation and ceremonies card produced as evidence by the Insurer did not tally.
- | The life assured's mother's name, as told by the claimant during the hearing was Smt.Vanamayil whereas the mother's name of late A.Chandran of Pullipattu was Smt.Unnamalai Ammal as per the report of ABM(S), Tindivanam Branch II.

In view of the above inconsistencies, the Ombudsman advised the insurer to conduct a fresh investigation by a senior officer of LIC of India to ensure the identity of the life assured first and then establish the suppression of material facts.

From the above it is evident that the insurer got mired in too many investigations and followed a wrong trail which resulted in an inordinate delay in taking a decision-that too to repudiate the claim. A study of the file reveals that no effort had been made by the insurer to obtain corroborative evidence to substantiate their stand or to peruse the available papers to establish the identity correctly. The difference in occupation, caste & community, economic background or the place of residence has been missed in its entirety.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2019/2007-08
Smt.V.Padma
Vs
Life Insurance Corporation of India

Award Dated 19.06.2007

Sri E.Venkatesan (deceased) had submitted a proposal on 28.03.2002 to Panruti Branch of LIC of India and obtained a policy numbered 731697749 for Rs.25,000/-

under the insurer's New Jana Raksha Plan. Sri E.Venkatesan died on 02.06.2004. Smt.V.Padma, his wife and nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim as the life assured had withheld material information regarding his health at the time of effecting insurer with them.

In the hearing the complainant stated that she was not aware of her husband having taken a policy. After a year or so he told her that he had taken a policy for the welfare of their children. They got married in the year 1998. He was quite alright then. They had two children. When questioned whether she knew that her husband was suffering from cancer, she said that her husband had got operated when he was 12 years old. The fact was not revealed to her before marriage. She said that he was terminally ill for 9 months or so. She said that her husband probably did not know that he had to disclose all the details while taking the policy. The representative of the insurer said that during the investigation it was found that the life assured had taken treatment for colon cancer at JIPMER, Pondicherry prior to the proposal (dated 28th March 2002). As per the case history the life assured was known case of Carcinoma (Right) Colon and had received 6 cycles of chemotherapy in 1997. He was admitted in January 2004 and he was operated again on 15.01.2004. The certificate was issued by the Senior Resident, Department of Surgery, JIPMER, Pondicherry. Pre-insurance illness has been established. The reason for repudiation stated in the letter was Carcinoma of right colon prior to proposal.

In this instance the life assured had undergone treatment and surgery for colon cancer in the year 1997 itself but which was not mentioned in the proposal (the proposal contains a specific question-7 (b)). Had he revealed his treatment details the insurer would have called for more reports and would have dealt with his proposal in a different manner. By suppressing the vital information regarding his health the life assured had led the insurer to wrongly issue the policy.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2001/2007-08
Smt.V.Padma
Vs
Life Insurance Corporation of India

Award Dated 19.06.2007

Sri. V.Venkatesan (deceased) had two life insurance policies from LIC of India, Katpadi Branch. Sri. V.Venkatesan died on 19.04.2004. Smt. V.Neela, his wife and the nominee under the policies claimed the money from the Insurer. The Insurer vide their letter dated 25.04.2006, informed her that they were repudiating the claim under both the policies as the life assured had withheld correct information regarding his health at the time of effecting insurance with them. Her appeal to the higher office of the insurer was also rejected on 24.11.2006

In the hearing the complainant Smt. V. Neela, stated that her husband was a Driver in Block Development Office and he was healthy before his death. She stated that he had TB since 2003 and not from the year 2000 as contended by the Insurer. The deceased Life Assured's sister was also present for the hearing. She stated that her brother was suffering from TB since 2003. She stated that the Insurer had repudiated their claim stating that the deceased has availed medical leave for 2 months during 2001. She contended that since her brother i.e. the deceased life assured had to look after their Sugar cane Mill her brother took leave under Medical Leave which was a normal practice for the Government employees who are generally deprived from taking leave

for personal reasons. The representative of the Insurer stated that the deceased life assured had taken two policies. Since the claim had occurred within 1 yr and 11 months, investigation was done. As per the investigation report the complainant failed to disclose under the first policy that he was suffering from Viral Hepatitis before 2 years and his sufferings with TB for 6 months prior to proposing for the second policy. Hence, the claim was repudiated on the grounds of suppression of material facts. The Insurer main contention was that the deceased life assured had TB for which he had taken treatment and availed medical leave but failed to disclose the same in the proposal form. Hence based on the medical leave report and the false answers given to the questions no. 11 a,c, d, e and l of the proposal form, they have repudiated the claim.

From the above it is evident that the life assured was suffering from Tuberculosis when he proposed for insurance on 03.10.2003 and he finally succumbed to the very disease he suppressed. In case of policy number 733215966 for which the life assured submitted a proposal on 31.03.2003, he had not mentioned his leave of absence from his work on medical grounds when there is a specific question in the proposal for the same. However as the insurer had not obtained treatment particulars to corroborate the illness, I direct the insurer to pay an amount equal to 25% of the policy amount(Rs.25000/-) be given to the complainant as an ex-gratia payment in full and final settlement of the claim. With this direction, the complaint is disposed.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2023/2007-08
Smt.S.Subbulakshmi
Vs
Life Insurance Corporation of India

Award Dated 25.06.2007

Sri. K.Siddaiah (decd.) had a life insurance policy from LIC of India, Kovilpatti Branch. The policy was issued with accident benefit. The policy where risk commenced from 28.03.2002 was for 1 lakh sum assured under the insurer's Endowment Plan. Sri. K.Siddaiah died on 03.04.2005, at home. His wife and nominee under the policy, Smt S.Subbulakshmi, preferred the claim with the Insurer. While admitting the death claim the Insurer rejected to pay accident benefit as she had not submitted the police reports (as proof of death due to accident) and her husband's driving licence. Her appeal to the higher office of the insurer also was turned down.

In the hearing the complainant stated that her husband used to drive a TVS 50 and he met with an accident on 24.11.2004. The vehicle collided with a cyclist in Guindy at Chennai. He fell down and suffered head injuries. Her husband was admitted to Balaji Hospital, Chennai. After 2 days he was discharged and admitted to Sri Ramachandra Medical College Hospital, Porur. He took treatment for nearly 2 months. Due to financial constraints they took him home. Since he died at home no post-mortem was done. They had submitted the FIR copy to the insurer. When questioned whether he was having a valid driving licence the complainant stated that he used to have the licence but it was lost along with the purse at the time of accident. They tried to get a duplicate from the RTO's office but they could not get the same. She said that the basic sum assured under the policy was settled and her claim for double accident benefit was denied. After discharge from the hospital he was at home and physiotherapist used to come home for treatment. The representative of the insurer stated in the discharge summary of Balaji Hospital it had been mentioned that the life

assured was a known smoker/alcoholic-stopped one year back. They had admitted basic sum assured and the same was settled by their Kovilpatti branch office on 26.07.2005. They had called for certain requirements for settling the Double Accident Benefit. The name of the life assured was not mentioned in the FIR submitted by the claimant. Licence was not produced. To confirm the accident, basic requirements were not produced. Hence Accident Benefit was repudiated on 24th July 2006. Their Zonal Office had upheld their decision vide their letter dated 13th January 2007.

It is evident, from a scrutiny of the available documents that the life assured never recovered from the accident (that had resulted in a head injury) and succumbed to complications arising in the aftermath of the accident. The complainant's plea that the Driving licence was lost at the time of accident is reasonable.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2045/2007-08
Smt.T.Gnanathankom
Vs
Life Insurance Corporation of India

Award Dated 26.06.2007

Sri N.Thamson submitted a proposal to LIC of India, Kuzhithurai Branch on 24.11.2004. The Insurer issued him a policy numbered 321887895 under their Endowment Plan for Rs.50000/- sum assured. Sri N.Thamson died on 19.12.2004. Smt.T.Gnanathankam, his daughter and nominee under the policy, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his age in the proposal.

In the hearing the complainant was represented by the complainant's relative and advocate Sri A.Thampi Raj. He stated that it was the duty of LIC of India to have verified the correct age at the time of issuing the policy and not at the time of claim. The deceased life assured was an illiterate person. He said that illiterate people would not be able to give the correct age. He was working as a coolie in a rubber plantation in a remote hilly village. The deceased life assured had one daughter, whom he knows. When questioned about the details of life assured's wife and his son Sri Rajendran, the representative of the complainant said that he was not aware of those details. If required, he said that he would produce a legal heir certificate. He did not know as to what proof was given by the life assured at the time of proposing for insurance. When pointed out that the age mentioned in the ration card was higher than the one mentioned in the proposal, he said that the age mentioned in the ration might be wrong. He said that the Doctor should have ascertained the correct age at the time of medical examination. It was pointed out by the forum that unless a person discloses his correct age by himself, no one could ascertain the correct age. He produced a certificate issued by Dr.T.C.Joseph of Joseph Hospital, Mulagumoodu P.O dated 15.04.2005 that the deceased life assured was aged 51 years and was admitted to their hospital in a serious condition on 13.04.2005. He died due to cardiac failure. When questioned whether he was sick earlier, he said he was not. The representative of the insurer stated that only the first installment of premium was received. The policy was issued based on the life assured's self-declaration of age. As per the life assured's statement he was 50 years old at the time of signing the proposal for insurance dated 24.11.2004. His date of birth was mentioned as 25th July 1954. During the claims investigation conducted by the Investigating officer, he found from the Family Ration card that assured's age was 60 in 1998. Accordingly, the age of the life assured should

have been 66 years at the time of proposal. Thus, there was an understatement of age by 16 years at the time of signing the proposal. They repudiated the claim since there was suppression of material facts.

In the instant case, the Insurer was able to prove with dependable documentary and circumstantial evidence that the age of the assured was grossly understated leading to their issuing a policy on an otherwise uninsurable life.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2044/2007-08
Smt.Merlin Mary
Vs
Life Insurance Corporation of India

Award Dated 28.06.2007

Sri E. George (deceased) had submitted a proposal on 28.04.2000 to Thuckalay Branch of LIC of India and obtained a policy numbered 320825920 for Rs.25,000/- under the insurer's 'Jeevan Surabhi' Plan (a money-back type plan). He had to pay Rs.708/- as the quarterly premium for 15 years. He did not pay premiums from January 2002 and the policy lapsed. He revived the policy on 30.12.2002, by submitting a 'Personal Statement of Health'. This statement was signed by him at Kurumpanai on 30.12.2002. Sri E. George died on 12.06.2005. Smt. Merlin Mary, his wife and nominee under the policy preferred her claim with the Insurer. The Insurer rejected her claim as the life assured had effected the insurance with them 'IN ABSENTIA', i.e. on the said dates of signing the proposal paper on 17.04.2000, and also the 'Personal Statement of Health' for revival on 30.12.2002, he was elsewhere.

In the hearing the complainant was not present for the hearing. The contents of her appeal were read out to the representative of the Insurer. The representative of the insurer stated the duration of policy from the Date of commencement was 5 years 1 month and 14 days and duration from revival was 2 years 8 months and 12 days. The life assured died on 12.06.2005 due to cancer. On verification of the original passport submitted by their Investigating Official, it was observed that the life assured was abroad during the period from 15.02.1996 to 04.04.2001 (i.e. on the date of proposal viz.17.04.2000). Similarly the life assured was not in India from 22.09.2002 to 18.03.2004 (i.e. date of revival viz.30.12.2002). From the investigation they learnt that he had effected the assurance with them in absentia on the said dates of signing the proposal papers and medical examination. He was in Bahrain as per the passport. He read out the various dates of exit and entry into India as extracted from the passport. In view of the above the claim was repudiated by them on 13.03.2006.

It therefore clearly evident that the life assured had 'In absentia' obtained the policy, after submitting incorrect details in the proposal. As the passport reveals that the life assured was not in India in April 2000 or in December 2002, then the life assured in connivance with the agent had got someone to impersonate him in both the medical examinations done-one on 17.04.2000 and the other on 30.12.2002.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.02.2049/2007-08
Smt.A.Sundari
Vs
Life Insurance Corporation of India

Award Dated 28.06.2007

Sri.S.Ganesan (Decd.) took an insurance policy with number 716692009 for Rs. 50000/- from LIC of India, City Branch-III under Chennai Division-II. He signed the proposal on 15.10.2001 for a policy under T-75 (Money Back Plan) with a term of 20 years. Premiums were to be deducted from his salary and paid to the insurer as he had taken the policy under the insurer's Salary Savings Scheme. The life assured died on 10.11.2002. When Smt. A. Sundari, the Complainant and the nominee under the above policy submitted the claim, the Insurer vide their letter dated 09.12.2005 informed her that nothing was payable under the above policy as the life assured had not disclosed the liver disease, the accident sustained by him on 12.12.2001 and his alcoholism.

In the hearing the complainant stated that her husband was working as a sanitary worker in Food Corporation of India. He started drinking after his 19 years old daughter's death in 1997. She has 5 children to be taken care of. She was not given job on compassionate grounds by her husband's employer. She was working on daily wages in Food Corporation of India as a sanitary worker. She admitted that her husband had taken treatment at Malar Hospitals when he fell down and was injured by a stone in the road while returning home after attending a relative's funeral. She also admitted that he had undergone Angiogram in Malar Hospitals on 23.05.2002. The representative of the insurer stated that the life assured died within 1 year from the date of proposal dated 15.10.2001. He had answered in negative to the questions in the proposal form pertaining to Question no.11 (d) and 11(h). They have evidence to prove that the life assured was a known alcoholic with alcoholic liver disease. Those facts were not disclosed in the proposal and instead he gave false answers. Their investigation revealed that he was admitted on 12.12.1999 in Malar Hospitals and discharged on 17.12.1999 and had taken treatment for injury in his abdomen. Medicines have been prescribed. He has availed leave from 13.12.1999 to 21.12.1999 on medical grounds. Medical Certificate dated 23.12.1999 from Malar Hospitals also stated that he was suffering from RTA-Blunt injury abdomen. The life assured was also suffering from heart disease and was taking treatment for the same. Had he disclosed these facts they would have called for Physician's report and Deformity Questionnaire. They repudiated the claim for suppression of material facts.

In this instance the life assured had answered in the negative to the relevant questions in the proposal regarding the accident, his alcoholism and his liver condition thereby misleading the insurer to issue him the policy at normal terms.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.01.2050/2007-08
Smt.M.Latharani
Vs
Life Insurance Corporation of India

Award Dated 29.06.2007

Sri M.Manoharan (deceased) while working in Central Warehousing Corporation obtained two life insurance policies, numbered 716628427 (date of proposal was 13.02.2003) & 716629989 (date of proposal was 17.03.2004) from LIC of India, Ponneri Branch. Both the policies were under the insurer's 'Jeevan Samridhi' Plan. The first policy was for Rs.1 lakh and the second for Rs.50000/-. As Sri. M.Manoharan wanted the premiums to be deducted from his salary the policies were transferred to Government Salary Savings Scheme Department of LIC of India, Chennai Division-I, for future servicing. Sri M.Manoharan died on 14.10.2005. Smt. M. Latharani, his wife and

the nominee under the policy, preferred the claim with the Insurer. The Insurer repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting the assurance with them.

In the hearing the representative of the complainant stated that his brother (life assured) had taken 2 policies and their claim was rejected under both the policies. He admitted that his brother was suffering from heart disease earlier to taking those policies. However, he did not know the details of his illness and the course of his treatment since he was away from the place of the life assured. The sum assured under another policy was settled by LIC of India. His brother had left two children to be taken care of. He had no pension. His wife also did not have any educational qualification for compassionate appointment. The representative of the insurer stated that the life assured had three policies in all. The claim under one policy was settled and the claims under the other 2 policies were non-early. The cause of death was Myocardial Infarction. On investigation of the claim they had obtained evidence from the hospitals. She stated that he had taken treatment from various hospitals before the date of commencement of the policies, which he failed to disclose while taking the policies. He was admitted to Madras Medical Mission in 1998. The life assured was diabetic for 10 years, suffered from Coronary Artery Disease from 1998 onwards, underwent angiogram on 30.07.1998 and was advised to undergo bypass surgery. He was diagnosed to suffer from single vessel disease. The Discharge Summary issued by K.J.Hospital, Chennai stated that the assured had a past history of Myocardial Infarction in 1989, History of Filariasis in right lower limb 1987, known case of Diabetes Mellitus for the last 3 years. He had also availed medical reimbursements for Right Hernia Resthora with Hyperaesthesia during 2003-04 for Rs.16,348/- and Left Harni Sphere Ischemic Stare with Right Hernia partis during 2003-04 for Rs.26,552/-. This was prior to taking the policy. They repudiated the claims for suppression of material facts. Their Zonal Office had upheld their repudiation decision.

In this instance the life assured had not mentioned his Diabetes or his heart condition in the proposals for insurance and had misled the insurer in issuing him the policies. The Insurer had proved with medical evidence that the life assured had suppressed material information and therefore this Forum find no justification in interfering with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2032/007-08
Smt.R.Shanthi
Vs
Life Insurance Corporation of India

Award Dated 29.06.2007

Sri M. Rajendiran, (deceased) aged 55 years, submitted a proposal for life insurance to LIC of India, Tirukoilur Branch on 27.07.1996. The Insurer issued him a policy bearing number 730607522 for a sum assured of Rs.50,000/- under their 'Jeevan Mitra' Double cover endowment plan with profits and with accident benefit. Sri M. Rajendiran died on 17.11.2005. Smt. R. Shanthi, his wife and nominee under the policy preferred her claim with the insurer. The Insurer had settled the basic sum assured along with bonus etc. for an amount of Rs.124333/- on 19.01.2006. The Insurer had vide their letter dated 17.11.2006 rejected her claim for accident benefit on the grounds that the accident occurred when the deceased life assured was travelling in a tractor, which was not

meant for travelling. Hence the claim for accident benefit was rejected under breach of law. Her appeal to the higher office of the insurer was also rejected.

In the hearing the complainant was assisted by Mr. Govindan, her brother-in law. Her husband died on 17.11.2005 in an accident. An amount of Rs.1,24,335/- was settled by the Insurer. The Accident Benefit was however denied by them. She further said that her husband was the driver of the tractor that was owned by one Mr.Kuppuswamy. He got down from the tractor and stood by the side. At that time, the owner's son started the vehicle and her husband was hit by the tractor and sustained grievous injuries. The information given in the Police Inquest Report and FIR is not correct, she said. The tractor was already insured and the tipper was a new one and was still uninsured, she added. Sri. R. Mohandoss Gandhi represented the insurer. He gave details of the policy. He said that the assured was traveling in a tipper, lost his balance and fell off the tractor, was then taken to a hospital and died on the way. The incident was also witnessed by 5 people as deciphered from the PIR. And hence the accident benefit was denied, as the assured's traveling in a tipper was tantamount to breach of law. Their repudiation decision was also upheld by their Zonal Office. The Forum queried whether the Insurer carried out any inquiry after receiving the death intimation, about the insurance details of the tipper and whether they perused the R.C. Book pertaining to the Tractor and the tipper. The Insurer replied in the 'negative'.

As per the information from local Department of Transport Office, Vellore, "for trailer, depending upon the type of registration i.e. agriculture or commercial load purpose coolie persons are allowed to board which is specified in RC book." Also the claim that has been awarded as per the Motor Accident Claims Tribunal's claim numbered CA 1533/07, MCOP No.86/06 was based on the facts that Sri. M. Rajendiran had died in an accident and that he was not the driver. Therefore as enumerated the cause of death was by accident only. Regarding the aspect of 'breach of law', from available evidences, it has not been clearly established. This forum, therefore, sets aside the repudiation of the insurers and directs them to pay the accident benefit.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2067/007-08
Smt.P.Vanajavathi
Vs
Life Insurance Corporation of India

Award Dated 29.06.2007

Sri N.Panchatcharam submitted 2 proposals for life insurance to LIC of India, Katpadi Branch on 18.12.2001 and 22.03.2005. The Insurer issued him policies bearing numbers 731722886 & 733752576 for a sum assured of Rs.25,000 and Rs.1,50,000 Lakhs under their Endowment Plan. The policy number 731722886 lapsed and was revived on 23.01.2003 on the strength of Declaration of Good Health of even date. Shri N.Panchatcharam died on 13.05.2005 at home due to Cardiac Arrest. The Secondary cause was Ischemic Heart Disease. Smt.P.Vanajavathi, his wife and nominee under the policy preferred her claim with the insurer. The Insurer vide their letters dated 04.05.2006 and 05.05.2006 repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting insurance. He had suffered from Tuberculosis prior to revival of the first policy and prior to date of commencement of the second policy.

As the complainant was not present for the hearing, the appeal sent by the complainant was read out to the Insurer. The representative of the insurer said that the assured

died of Cardiac Arrest and Ischemic Heart Disease on 13.5.2005. He further contended that the assured had suffered from Tuberculosis, 8 years prior to the taking the policy and the same was not disclosed also at the time of revival of the said policy on 23.01.2003. The second policy was also taken without disclosing the fact about TB that he suffered ten years prior to the taking of the policy. The Insurer cited the CMC Hospital Reports of 1995 in support of his argument. He further held that Section 45 is not operative for the second policy.

In the case of policy 731722886, the evidence produced by the Insurer is not enough, decision having been based only on presumption rather than on direct documentary evidence as they have not been able to produce treatment details after 1995/96. As such their stand is untenable and the action to repudiate the claim in its entirety is not valid. In the circumstances, the Insurer cannot avoid liability completely under the Policy. However it is also true that in a life insurance contract, the risk contemplated is the death of the assured. Therefore, any fact, which tends to suggest that the life assured is likely to fall short of the average duration, would be a material fact. This would be a fact, the knowledge or ignorance of which, would materially influence an insurer in making the contract or in estimating the degree and character of the risk or in fixing rate of premium". In the circumstances of the case as discussed at length as above and also to ensure that the principles of equity and natural justice are applied to both the contending parties in equal measure, this forum concludes that an amount equal to Rs.10000/- be given to the complainant as an ex-gratia payment of the claim under policy 731722886. This forum directs the Insurer to make available to the complainant as nominee under the policy 731722886 an amount of Rs. 10,000/- as an ex-gratia payment in full and final settlement of the claim. Regarding policy 733752576 the insurer is right as insurance is not proportionate to his income.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.002.2018/007-08
Smt.Rajini Rana
Vs
SBI Life Insurance Co. Ltd.

Award Dated 29.06.2007

Sri. Rana Madan Kumar Singh took a housing loan from SBI and for which he obtained a life insurance cover from SBI Life a Home Loan Insurance after submitting a 'Consent-cum-Authorization-cum-Good Health Declaration' on 14.09.2005. Sri. Rana Madan Kumar Singh was medically examined on 18.09.2005 and he submitted a TMT on 19.09.2005. The case was underwritten on 07.10.2005 and life cover issued from 13.09.2005. Sri. Rana Madan Kumar Singh died on 01.01.2006 at home due to Brain Tumour. Smt Rajini Rana, his wife and nominee under the policy preferred her claim with the insurer. The insurer vide their letter dated 11.08.2006 repudiated her claim as the life assured had not mentioned his heart disease in the 'Declaration of Good Health' signed by him on 14.09.2005.

In the hearing the complainant said that her husband was in good health at the time of taking the policy. He was also medically examined and certified for being in good health by the Insurer's doctors. Tread Mill test and blood tests were also taken before considering for insurance. In September 2006, he was taken to Apollo Hospital, biopsy done and was informed that he was suffering from Brain Tumor III stage. The complainant maintained that her husband did not die of any heart problem but of brain tumor. She said that her husband had taken the policy for the purpose of housing loan

that he had availed with SBI. She also admitted that her husband had undergone PTCA with stenting in the year 2002 and he was doing fine after that. The representatives of the Insurer referred to the Declaration made by the assured in the proposal form. They maintained that the assured had made a false declaration about his health and obtained the policy without mentioning his heart problem and the PTCA with Stenting done in 2002. They further mentioned that the assured had approached Prof.Sakthivel within 10 days of taking the policy who has noted in his prescription about the PTCA. When the claim arose, they had entrusted the investigation to an outside agency. SBI Life had entrusted it with CRP. The Insurer also referred to the reports of Kavitha Neuro Clinic who had recorded the pre-proposal PTCA the assured had. The Insurer claimed that had the above details been furnished to them at the time of proposal, they would have either called for more medical reports or rejected the proposal.

Now the question is suppression of his heart condition by the life assured in his 'Declaration of Good Health' dated 14.09.2005 and his death due to brain tumour. Even though the insurer had had him medically examined and obtained ECG and TMT reports, both the doctors-Dr.V.K.Verma and Dr. Raji Venkatesh had independently opined that these tests could not have revealed the real condition of the heart of Sri. Rana Madan Kumar Singh unless told by him. Apparently the life assured had not revealed it. Also as the records of St. Isabel Hospital reveal that he was on treatment as a cardiac patient it is difficult to accept that he was completely cured of his heart ailment. This material suppression of vital information adversely influenced the decision of the insurer.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.01.2127/2007-08
Smt.M.Pappi
Vs
Life Insurance Corporation of India

Award Dated 17.07.2007

Sri E.Moorthy, (deceased) submitted a proposal for life insurance to LIC of India, Tambaram Branch of Chennai Division-I on 31.03.2003. The Insurer issued him a policy bearing number 713618904 for a sum assured of Rs.25000/- under their New Jana Raksha Plan. Sri E.Moorthy had to pay a monthly premium of Rs.159/- for 15 years. The policy lapsed due to non payment of premiums due from June 2004. Sri. E.Moorthy revived the policy on 24.11.2005 after submitting a 'Personal Statement of Health' of even date. Sri E.Moorthy died on 17.01.2006. Smt. M.Pappy, his wife and nominee under the policy preferred her claim with the insurer. The Insurer vide their letter dated 18.12.2006 repudiated her claim on the grounds that the life assured had withheld correct information regarding his health at the time of reviving the policy.

In the hearing, the complainant stated that her husband had an accidental fall from a tree at the age of 8 years. From then on he started getting fits as per the version of her mother-in-law. She was not aware of the same even at the time of her marriage in 1990. Her husband was working in a shoe company. He had taken policy in her name and for himself with the same date of commencement with the same agent. For sometime the company was closed and during those times they did not have money to pay the premium. After sometime the company had paid some lumpsum amount and from that amount they revived their policies. The company again commenced their production and he started going to work. One day he did not return from his duties. He was in 06.00 a.m. to 1.00 p.m. shift. They enquired with his company and they told her

that he had returned to his home after duties. Next day she received a message through her neighbour that her husband had drowned in a pond nearby their house. She said that probably he might have felt dizzy, got slipped, drowned in the pond and died. When questioned as to why they had not disclosed about his suffering from epilepsy at the time of revival she said that they did not know that they had to disclose the same and the agent also never asked them anything. The representative of the insurer stated that the policy had lapsed in June 2004 and was revived on 24.11.2005. The claim had occurred within 1 month and 23 days from the date of revival. As per the report of the Claims Investigating Official the life assured was suffering from Epilepsy and taking tablets. He also took treatment from Dr.S.Gowrishankar since May 2005, which was prior to date of revival. He was taking Eptoin tablet daily. He did not disclose the same in the Personal Statement of Health. They repudiated the claim for suppression of material facts. They declared the revival null and void and nothing was payable.

Keeping in mind the economic, educational and social background of the DLA it is possible that he did not mention his epileptic condition (in the absence of a specific question regarding epilepsy in the proposal as well as Personal Statement of health). An amount of Rs.20000/- was given to the complainant as an ex-gratia payment of the claim.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.03.2043/2007-08
Smt. M. Salomi
Vs
Life Insurance Corporation of India

Award Dated 19.07.2007

Sri. R.Moses David (Decd.) took an insurance policy bearing No.762183035 for a sum assured (SA) of Rs.40000/- from LIC of India, Coonoor Branch, (under Coimbatore Division) under their Jeevan Samridhi Plan. The date of commencement was 28.03.2003. At the time of taking the above policy, the life assured (LA) was working as 'Chemical Process' worker in Cordite Factory, Aravankadu. The life assured died on 22.07.2005 and Smt. M.Salomi, wife of the LA claimed the benefit under the above policy. The Insurer repudiated the claim on 31.03.2006 alleging that the LA had not disclosed in the proposal, the fact that he had suffered from Cerebral Vascular Haemorrhage and that he was a hypertensive.

In the hearing the complainant Smt. M.Salomi, stated that her husband never had any sickness but used to take leave since he had to attend to other work. When questioned about the 10 days hospitalization in Cordite Factory hospital she said he had not taken any treatment. Once he took treatment for boils in leg. She got the Form B and B1 from Cordite Factory Hospital and submitted the same to LIC. She denied that he had seizure disorder or hypertension. She accepted that he was an alcoholic. He was attending to his duties regularly and till the last day he was working. The representative of the Insurer stated that the premium under the 15 years term Jeevan Samridhi plan was paid under Salary Savings Scheme. He had availed medical leave from 17.01.2003 to 31.01.2003, which was prior to the date of proposal. As per Claim form B1 he was first admitted into the Cordite Factory Hospital on 27.11.2002 and discharged on 06.12.2002 and the nature of ailment was mentioned as Hypertension with late onset seizures. He did not disclose the above information while taking the policy. They investigated the claim. The hospital had given in writing vide their letter

dated 07.04.2006 that the assured died due to Cerebrovascular Haemorrhage and the secondary cause was Hypertension.

In this instant case, there was clear breach of the principle of 'Utmost good faith' and material suppression of vital information in the proposal was clearly proved by the insurer with clinching documentary evidence.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.02.2078/2007-08
Smt. R. Shanthi
Vs
Life Insurance Corporation of India

Award Dated 20.07.2007

Sri. T.Rajendiran (decd.) a self employed painter, obtained a life insurance policy from LIC of India, Tiruvottiyur Branch of Chennai-II Division by submitting a proposal on 28.12.2002. The Insurer issued him a policy bearing number 716952984 under their Endowment Plan with a Sum Assured of Rs.50000/- and with a premium paying term of 15 years. Sri. T.Rajendiran died on 03.06.2005. His nominee, Smt. R.Shanthi preferred the death claim with the Insurer. The Insurer vide their letter dated 23.11.2006 rejected her claim on the grounds that the life assured had withheld material information, regarding his health at the time of effecting the assurance.

In the hearing, the complainant stated that her husband had taken a policy for Rs.50,000/- and used to pay the premiums regularly. He was a painter in MFL, Manali. LIC denied settlement of the death claim as her husband had suppressed the fact that he was suffering from heart disease. She said her husband was very upset over their daughter's love marriage without his consent. When questioned about the treatment her husband had in Stanley Hospital for Rheumatic Heart Disease, she said that only at the time of his death he availed treatment as out-patient and the O.P records were shown to the Claims Investigating Official. She said that they used to go to Tirupathi by walk and her husband never complained of any uneasiness. The representative of the insurer stated that the death claim was repudiated for suppression of material facts, regarding his health, at the time of taking the policy. In the proposal dated 30.12.2002, he had answered the questions 11(a), (d), (i) in the negative. The life assured had been suffering from Rheumatic Heart Disease since 3/2001 and had been on treatment for the same. These facts were not disclosed in his proposal and false answers were given. Dr. A.Muthukumar, Duty Cardiologist, Govt. General Hospital, in Claim form B and B1 has stated that he was a known case of Rheumatic Heart Disease. Their investigation also revealed that the deceased life assured was suffering from the disease for the last several years. They have obtained the treatment records of Cardiology Department, Government Stanley Hospital, Chennai from 01.03.2001.

Thus a careful consideration and scrutiny of all the available evidence, establish that the Insurer had beyond doubt proved that the assured was indeed suffering from Rheumatic heart disease at the time of taking the policy.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2082/2007-08
Smt. V. Ramalakshmi
Vs

Life Insurance Corporation of India

Award Dated 26.07.2007

Sri. K.Vijayashankar, a Lance Naik in the Army had obtained a life insurance policy from Shankarankoil Branch of LIC of India on 09.02.2001. The policy numbered 320931651 for a sum assured of Rs.150000/- was issued under the Insurer's Endowment Plan with accident cover. He got the policy transferred to Kovilpatti Branch of LIC of India for future servicing. Sri. K.Vijayashankar died on 24.01.2006. Smt. V.Ramalakshmi, his mother and the nominee under the policy submitted the claim papers to the Insurer. The Insurer paid the basic sum assured with bonus on 10.07.2006 but rejected the accident benefit on the grounds that as per policy condition 10 2(b) v 'the Corporation shall not be liable to pay the additional sum if the death of the life assured shall arise from employment in the armed forces or military service of any country at war (whether war declared or not)'.

In the hearing, the complainant, the mother of the life assured, was accompanied by her husband (the father of the assured) . He stated that he had taken a LIC policy on his son's life in Sankaran Koil Branch for his security. Later he transferred it to Kovilpatti branch and he was paying the premiums regularly. His son was employed in the army and was working at Udampur in Kashmir. He had an accidental fall from the mountain while he was returning to base after his patrol duties. He was working in such a place where there would be ice and snow fall. Probably he slipped and fell down a deep slope of 80 meters. When they received the body they could find that there was no other bodily injury except the head injury. He was not shot or injured in any attack. LIC of India settled the basic sum assured with bonus and denied Accident Benefit quoting the policy conditions. The representative of the Insurer read out all the details of the policy, which was issued by their Sankarankoil Branch Office. The life assured had died in counter terrorist operation on 24.01.2006. The life assured died while returning to base. He slipped and fell down a deep slope and died on the spot due to head injury. They had settled the basic sum assured and denied the Double Accident Benefit. He also read out the policy conditions 10.2 (b) (v) as per which the accident benefit would not be payable when the life assured was on duty.

All the available documents confirm that the life assured died due to accident sustained while engaged in his occupation. . In this instance the death of the life assured was certified as a 'battle casualty' and the Insurer is correct, according to the conditions of their policy, in rejecting to pay the accident benefit.

Therefore the Forum finds no justification in interfering with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.07.2082/2007-08
Smt. P. K. Shanthi
Vs
Life Insurance Corporation of India

Award Dated 26.07.2007

Sri M.Manikantan submitted two proposals to LIC of India, Nagercoil Branch-I on 15.11.2002 and 19.06.2003. The Insurer issued him policies numbered 321271108 and 321386018 respectively. Both the policies were under the insurer's 'New Jana Raksha Plan' which has an inbuilt Double Accident Benefit. The sum assured under first policy was Rs.50000/- and under the second policy was Rs.30000/-. This plan, as per policy

conditions, was to be given only to persons who had completed minimum of 18 years of age. Stating his age as 20 years in both the proposals (no date of birth was given in the proposal dated 19.06.2003; however in the proposal dated 15.11.2002 he had mentioned his date of birth as 02.06.1982) he signed the proposals on his own and submitted the same to LIC. LIC issued the policies on the assumption that the assured was a major while proposing for insurance based on the information relating to age furnished in the proposals. He nominated his mother Smt.P.K.Shanthi in both the policies. Sri M.Manikantan committed suicide on 27.07.2005. Smt.P.K.Shanthi, his mother and nominee under the policies, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his age in the proposal.

In the hearing, the appeal of Smt P.K.Shanthi was read out, where she had stated that her son was a major when he had signed the proposals. He had died by consuming poison and he could not have planned for two years to get the claim monies for her. The representative of the insurer gave the details of the two policies issued by their Nagercoil I branch office. The proposals were accepted on self-declaration of age. The life assured died on 24th July 2005. Cause of death was suicide. The age of the assured was given as 20 years in both the proposals. While investigating the claim, they have collected the school certificates viz. Transfer Certificate of the life assured with Date of Birth as 27th July 1986. The Insurer contended that as per the school certificate, the assured would have been only 16 years and 17 years of age respectively, at the time of proposing for insurance and thus was of uninsurable age. He had not disclosed his correct age at that time. Based on this, the claim was repudiated by them. The Insurer also read out the declaration of age given by the assured in the proposal form.

The records reveal that there was clear suppression of correct age leading to vitiation of the contract itself due to incapacity of the assured to contract. The claim is not, therefore, legally tenable.

Therefore the Forum finds no justification in interfering with the Insurer's decision.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2125/2007-08
Smt.Rewnukadevi
Vs
Life Insurance Corporation of India

Award Dated 30.07.2007

Sri. D.Kathirvel submitted a proposal for life Insurance on 31.03.2004 to Puducherry Branch-I of LIC of India. The Insurer issued him a policy bearing number 733427548 under their 'Jeevan Anand Plan' for a Sum Assured of Rs. 100000/-. Sri. D.Kathirvel had to pay a yearly premium of Rs. 5461/- for a term of 21 years. Sri. D.Kathirvel died on 05.12.2004. Smt. K.Renukadevi, his wife and nominee under the policy preferred her claim with the Insurer. The Insurer vide their letter dated 06.05.2006 rejected her claim on the ground that the life assured had obtained the policy by withholding material information regarding his health at the time of effecting insurance with them.

In the hearing, the complainant stated that her husband was working as a Fireman in Government of Puducherry. He died on 05.12.2004. Just before his death he had chicken pox/measles for a week. After attending to a fire-extinguishing job, he returned from duty very tired having worked in high temperatures. He fell sick only after that. He

was treated by Dr.Nallam V. After his death, Rs.1 Lakh was settled to her by the employer and that was utilized to settle loans. When questioned about the treatment at JIPMER in May 2001, she agreed that he was admitted and treated there for a few days. He was depressed when he lost his money, which he lent to his friend. He took tablets and he was cured completely. Subsequently he met with an accident and took treatment for mild injuries in JIPMER as outpatient. He was not hospitalized subsequently. When questioned about the spells of medical leave taken by the life assured, she said that he used to take medical leave to help his sister in agricultural work. He was physically fit and his appointment as Fireman was fully on merit. He was also a sportsman. The representative of the insurer stated the details of the policy. The life assured died within 8 months and 7 days of taking the policy. The cause of death was Viral Encephalitis. On investigation, they found that he was hospitalized from 30.05.2001 to 26.06.2001 in JIPMER Hospital, Pondicherry for Acute Transient Psychotic Disorder. He was again in the hospital from 20.12.2002 to 26.12.2002. The treatment continued in 2003 also. As per the Employer's Certificate Form "E" and the medical certificates produced by the assured many spells of medical leave were availed by the assured during pre-proposal period. The reasons for such leave were injury to Rt. Hip, Alcoholic Liver Disease, Withdrawal Syndrome, Pneumonitis, Psychotic disorder etc. All these details about his health were not revealed in the proposal form. Had the assured revealed his health conditions they would have called for various reports and questionnaires. Depending on the reports they would have underwritten the proposal. They repudiated the claim for suppression of material facts.

In this case by suppressing the true state of his health the life assured had misguided the Insurer in wrongly issuing the policy. Had the life assured informed the real state of his health, the Insurer's decision would have been different. The life assured's suppression had deprived the Insurer a fair chance of evaluating the risk correctly.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.01.2128/2007-08
Smt. R. Jhansirani
Vs
Life Insurance Corporation of India

Award Dated 30.07.2007

Sri P.Ramalingam (decd.) submitted 2 proposals for life insurance to LIC of India, City Branch 9, Chennai on 27.12.2002 and 04.03.2004. The Insurer issued him policies bearing numbers 712730559 & 712730641 for a sum assured of Rs.50000/- and Rs.51,000/- under their Endowment Plan. Sri P.Ramalingam opted to pay the future premiums through deductions made from his salary. As he was working in BSNL, his policies were transferred to Chennai Division's GSSS department for servicing. Sri P.Ramalingam died on 07.01.2005. Smt. R.Jhansirani, his wife and nominee under the policies preferred her claim with the insurer. The Insurer repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting insurance.

In the hearing, the complainant stated that died of Tuberculosis. She admitted that he was taking treatment in Govt. Hospital of Thoracic Medicine, Tambaram Sanatorium in 2004. She was not aware of the treatment in 2001. He was an alcoholic and smoker. She got married in March 1987. When questioned she said that she had not seen him taking any medicine and that he was not a diabetic. The representative of the insurer stated that the life assured had 2 policies. The life assured suffered from Tuberculosis

and was admitted in Government Hospital of Thoracic Medicine, Tambaram Sanatorium from 23.11.2001 to 07.12.2001. He was admitted again on 30.10.2004 and discharged on 08.11.2004. He was in the hospital once again on 08.12.2004 and got discharged on 22.12.2004. They have also stated that he was a chronic alcoholic, chronic smoker for the past 25 years. Dr.G.Balan, of Govt. Hospital, Saidapet has certified that the assured had taken treatment at TB Sanatorium. The Insurer read out the contents of the letter from the Superintendent of Government Hospital of Thoracic Medicine, Tambaram Sanatorium. The assured thus, had failed to disclose in the proposal forms the facts pertaining to his health prior to dates of commencement of the policies. Hence the claim was repudiated for suppression of material facts.

Under the first policy the Ombudsman upheld the insurer's decision. In the second policy after his discharge from the hospital for Tuberculosis treatment there was a gap of more than two years before the second proposal. The insurer could not get evidence of medical leave from the assured's employer. TB is such a disease that it may not have interfered with the life assured's routine. Rarely one can find persons with 'clean habits' among people with the life assured's socio-economic profile. However the cause of death was 'Bilateral Pulmonary Tuberculosis' and it is true that in a life insurance contract, the risk contemplated is the death of the assured. Therefore, any fact, which tends to suggest that the life assured is likely to fall short of the average duration, would be a material fact. This would be a fact, the knowledge or ignorance of which, would materially influence an insurer in making the contract or in estimating the degree and character of the risk or in fixing rate of premium". An amount of Rs.10000/- was awarded to the complainant as an ex-gratia payment of the claim under this policy.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.01.2142/2007-08
Smt.Lakshmi Krishnan
Vs
Life Insurance Corporation of India

Award Dated 31.07.2007

Sri K.Radhakrishnan (decd.) submitted a proposal for life insurance to LIC of India, City Branch 25, Chennai on 25.03.2004. The Insurer issued him a policy bearing number 713919746 for a sum assured of Rs.3 Lakhs under their Bima Kiran Plan. Sri K.Radhakrishnan opted to pay the future premiums through yearly mode. Sri K.Radhakrishnan died on 13.12.2005. Smt.Lakshmi Krishnan, his wife and nominee under the policy preferred her claim with the insurer. The Insurer vide their letter dated 11.11.2006 repudiated her claim on the grounds that the life assured had withheld material information regarding his health at the time of effecting insurance.

In the hearing the complainant stated that her husband took the policy as a collateral security for the housing loan that they had availed. He was working as a Sales Representative with Hindustan Lever Ltd. The last accident was in 2005 when he sustained injuries in his knees again. He underwent surgery in Sundaram Medical Foundation. In the same accident there was a minor dislocation in his shoulder also. After the knee surgery the doctors advised them to stay for 3 more days to set right his shoulder problem. In the meanwhile on 13.12.2005 he died in sleep, in the hospital itself. He did not have Hypertension or Diabetes. When questioned whether her husband was an alcoholic she said that he used to consume small quantities of liquor due to family problems. The psychiatrist was consulted only once since he did not have good sleep. The representative of the Insurer stated that the life assured failed to

disclose in the proposal dated 25.03.2004 the following: He had a fracture of right patella in 2000 and implant removal done in 2003. Following an accident, he had undergone a diagnostic nasal endoscopy in Sundaram Medical Foundation on 17.11.2002. The Progress Notes and Report dated 11.11.2002 of the same hospital confirm that the assured was diagnosed to suffer from Hypertension and Sleep Apnoea for which he was advised investigations as an out-patient. As per employer's certificate the assured had availed long spells of leave for treatment at the time of accident, prior to the date of commencement of policy. Claim form B and B1 certified by Dr. Sudhakar Williams confirm that the assured was an old patient of Sundaram Medical Foundation, had Sleep Apnoea Syndrome since 2002, and was admitted for fracture of nasal bone on 11.11.2002. For the above reasons they repudiated the claim.

In this instance the life assured was not maintaining good health on the date of the proposal. He was suffering from 'Sleep Apnoea Syndrome' from 2002 and he finally died due to it. The life assured was an educated man and he had not informed the insurer about his accidents and spells of long leave, inspite of the fact that the proposal carried specific questions regarding accidents, hospitalization and absence from work on medical grounds.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.02.2190/2007-08
Sri.D.Saravanan
Vs
Life Insurance Corporation of India

Award Dated 31.07.2007

Sri R.Duraikannu submitted two proposals to LIC of India City Branch 17 of Chennai Division-II on 26.03.2003 & 31.08.2003. The Insurer issued him two policies numbered 717142074 & 717149886 respectively. Both the policies were under their Endowment Plan. The first was for Rs.50000/- and the second was for Rs.30000/- sum assured. Sri R.Duraikannu had to pay age extra as he had no standard proof and he had given a 'self-declaration' as proof of age. Sri R.Duraikannu died on 13.09.2004, within 1 year, 5 months and 15 days of taking the first policy and within 10 months and 15 days of taking the second. Sri. D.Saravanan, his son and nominee under the policies, preferred his claim with the Insurer. The Insurer repudiated his claim on the ground that the life assured had withheld material information regarding his age in both the proposals.

In the hearing the complainant stated that his father was working as a labourer in an oil mill. His father had two policies and mother had one policy. His father and mother had rental income to pay the insurance premiums. When questioned as to what was his age he said that he would be 38 years old approximately. He got married early at the age of 18 or 19. His father would be less than 60 years of age at the time of death. The representative of the insurer stated that the life assured died within 1 ½ years and 1 year from the date of commencement of policies. The proposals were accepted on the basis of Self-Declaration the Age given by the assured, where his age was shown as 55 and 56 years and nominee's age as 36 and 37 years. Their investigation revealed that the deceased life assured was considerably older than the age mentioned in the proposal.

This forum, after a careful consideration of all the facts of the case and after taking into account all the points decided that total denial of claim under the policies on the ground that age was understated by 12 years could not be justified. There is also merit in the contention of the insurer that they were put to some disadvantage due to false

declaration of age by the assured. In the circumstances, to ensure that the golden principles of 'equity and natural justice' are made applicable to both the contending parties in a fair and equitable measure, this forum by invoking Rule 18 of Redressal of Public Grievances Rules, 1998, decided to allow the claim on an ex-gratia basis for a sum of Rs.15000/- under policy number 717142074 and Rs. 10000/- under policy 717149886 in full and final settlement of the claim under the policies.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2185/2007-08

Smt. G. Latha
Vs

Life Insurance Corporation of India

Award Dated 08.08.2007

Sri. B.Govindarajan obtained a policy from City Branch-IV, Madurai of LIC of India after he submitted a proposal for life insurance on 11.08.2006. The policy was for Rs.100000/- under the insurer's Jeevan Anand Plan. Sri. B.Govindarajan, the life assured, had to pay the monthly premium of Rs.618/- for 18 years. Sri. B.Govindarajan died on 23.08.2006, within 12 days after submitting his proposal. Smt. G.Latha, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his health at the time of effecting assurance with them.

In the hearing as the complainant had expressed her inability to attend the hearing vide her telegram dated 13.07.2007, her contentions in the advocate's letter dated 12.05.2007 addressed to this Forum were read out to the insurer. The representative of the insurer gave the particulars of the policy. He said that the life assured died on 23.08.2006 within 11 days, after taking the policy. As per the claim forms submitted, the life assured died of Acute Myeloid Leukemia (AML). He was taking treatment in City Hospital, Madurai from 11.07.2006 to 14.07.2006 as in patient. They have produced the records of the hospital to this Forum. The Claims Investigation Report also confirmed the cause of death as Acute Myeloid Leukemia. Dr.P.Purushothaman of Govt. Rajaji Hospital, Madurai had certified in Claim Form B that late B.Govindarajan was suffering from AML and was treated in City Hospital, Madurai and the history was reported by the patient and the attendant.

In this instance the life assured was not maintaining good health on the date of the proposal. He was suffering from 'Acute Myeloid Leukemia' and he finally died due to it. The life assured had not informed the insurer about his illness and details of treatment, inspite of the fact that the proposal carried specific questions regarding cancer and hospitalization.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2212/2007-08

Sri. S. Sevagamoorthy
Vs

Life Insurance Corporation of India

Award Dated 16.08.2007

Sri. S.Silambarasan submitted a proposal for life insurance on 24.04.2004 to LIC of India, Tirupathur Branch of Madurai Division. The Insurer issued him a policy numbered 743431903 for a sum assured of Rs.50,000/- under their 'New Jana Raksha

Plan'. Sri.S.Silambarasan had to pay Rs.621/- as the quarterly premium for 21 years. Sri.S.Silambarasan died on 12.04.2005. Sri. S. Sevagamoorthy his father and the nominee under the policy preferred his claim with the Insurer. The Insurer vide their letter dated 31.03.2006 rejected his claim on the grounds that as the life assured had committed suicide within one year from the date of the policy, the policy had become null and void in terms of the policy contract.

In the hearing the complainant stated that his son was driving an auto-rickshaw on a salary of Rs.50/- per day and was not the owner of auto. He used to work even late night. Just 15 days before his death he was complaining of tiredness and difficulty in breathing. He vomited blood 2 days before his death. Around 05.30 a.m. on 12.04.2005, he complained of chest pain and asked for a cup of tea. When the complainant returned with tea, he found his son dead.. He denied that his son committed suicide. He was 18 years old at the time of death. The representative of the Insurer stated that the first claim investigation was conducted by the insurer and as per the first claim investigation report, the assured did not suffer from any illness and was suspected to have committed suicide. The insurer arranged for a second investigation, as no proof was available for the statements made in the first report. The second investigation revealed that the assured did not have any adverse health condition earlier – vomited blood 2 days prior to his death but no treatment was given. He had however reported that the assured was a minor on the date of proposing for insurance, according to the school certificate made available after the death. As per the Transfer certificate issued by the Govt. Higher Secondary School, Muraiyur the assured was born on 19.06.1986 and was 17 years 10 months old on the date of proposal and was thus incompetent to contract. However since there was suspicion that he had committed suicide they repudiated the claim on that grounds. Their zonal office on receipt of an appeal from the father of the deceased life assured had requested the divisional office to conduct another investigation. Accordingly they had conducted investigation and stated that there was no proof for suicide and also there was no doubt for suicide. He died out of heart problem only. The official further confirmed that the assured's date of birth was as per school records.

As evident from the available records and the three Investigation reports the insurer could not prove that the assured had committed suicide in the first year of the policy. Regarding the dispute of correct age, the insurer did not bother to check and verify the correct age at the time of underwriting even though there were number of corrections (in age) in the proposal form, in the age declaration given by the life assured and in the agent's confidential report. Also this has not been brought out by the insurer as the reason for repudiation.

The complaint was allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2189/2007-08
Smt. P. Pandiammal
Vs
Life Insurance Corporation of India

Award Dated 23.08.2007

On 30.03.2004 Sri. M.Paraman (decd.) an agricultural coolie, proposed for insurance on his life at Tallakulam Branch under Madurai Division of LIC of India. He proposed for a sum assured of Rs. 30000/- under T-91 –the 'New Jana Raksha Plan' for 15 years term. Sri. M.Paraman had to pay a quarterly premium of Rs.544/-. The policy lapsed when Sri M.Paraman did not pay the premium due on 28.06.2004. He revived the policy

on 28.09.2005 by submitting to the insurer, all the premiums that were due and a 'Personal Statement of Health' of even date. Sri. M.Paraman died on 30.09.2005-just after two days of reviving the policy. Smt P.Pandiammal the nominee under the policy preferred the death claim with the Insurer. The Insurer vide their letter dated 31.03.2006 rejected her claim on the grounds that the life assured had withheld correct information regarding his health in the 'Personal Statement of Health' that was submitted at the time of reviving the policy.

In the hearing the complainant stated that they have been paying premium every two months. The agent viz. Mr. Raman, who belonged to the nearby village, used to come and collect the premium. She said that the agent had died. She was not aware that the policy had lapsed and had been revived. When questioned whether her husband was hospitalized from 19.07.2004 to 20.09.2004 and was taking treatment for T.B. in Government Hospital, Thoppur, Madurai, she said that she was not aware of that. She used to get fits and so her husband might not have disclosed the same thinking that it would affect her health. She was also pregnant at that time and had gone to her mother's place for delivery. The representative of the Insurer stated that the assured while reviving the policy on 28.09.2005, had failed to disclose that he was not in good health, was suffering from TB for 3 years, had availed treatment in Govt. Hospital, Thoppur, Madurai from 19.07.2004 to 20.09.2004 as in-patient (No.893/04) and instead given false answers to Question Nos.2, a,b,c and 4 of the Personal Statement regarding his health. He died 2 days after revival of policy due to heart attack. The revival was held null and void.

The agent who originally canvassed the proposal also witnessed when the policy was revived. So he should have been aware of the health condition of the assured. The assured was treated for Tuberculosis from 19.07.2004 to 20.09.2004. This was prior to the revival of the policy in September 2005. However there is no proof to the effect that the assured had suffered from Tuberculosis after the above treatment. If one were to go strictly on technical grounds, then claim is not entertain able and the insurer is correct in repudiating the claim. However keeping the educational and economic background of the life assured in mind it is possible that he had no intention of suppressing his treatment. Still the fact cannot be ignored that the assured had not mentioned in the 'Personal Statement of health' about his having suffered from Tuberculosis and the treatment taken for two months.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2209/2007-08
Sri. P. Marimuthu
Vs
Life Insurance Corporation of India

Award Dated 23.08.2007

On 29.05.2003 Smt. M.Santhakumari (decd.) proposed for insurance on her life at Dindigul Branch-I under Madurai Division of LIC of India. She proposed for a sum assured of Rs. 50000/- under T-14 –the 'Endowment Plan' for 15 years term. Smt. M.Santhakumari had to pay a quarterly premium of Rs.886/-. Smt. M.Santhakumari died on 29.03.2006. Sri. P.Marimuthu the nominee under the policy preferred the death claim with the Insurer. The Insurer vide their letter dated 05.12.2006 rejected his claim on the grounds that the life assured had withheld correct information regarding her health at the time of effecting insurance.

In the hearing the complainant stated that his wife was not employed and was a housewife. The agent who introduced the policy is brother of his friend and neighbour. His friend was also his colleague and known to him since 1994. When questioned as to how long his wife was sick, he said that she was on and off sick right from 2002. Initially she was complaining of stomach pain. She was diagnosed to suffer from cancer during the later half of 2003. She died of blood cancer. When questioned as to who gave the history to CMC hospital, he said that his wife's mother who accompanied her would have given the details. The representative of the insurer said that the life assured was stated to be having a tuition centre whereas she was only a housewife. Death was due to Chronic Myeloid Leukemia (CML). As per the CMC hospital 'Death Summary' the life assured was admitted on 28th March 2006 with a history of Chronic Myeloid Leukemia diagnosed in 2002 from outside hospital – initially given Inj. Interferon 5 doses – subsequently started on Hydroxyurea for 1 month – later was on a course of Inj. Intereferon on alternate days for 6 months – subsequently on Cap. Hydroxyurea for 2 years. The policy was taken on 28.05.2003. The life assured had given false answers to Question numbers 11 a to e, i and j of the proposal form. The assured was treated for Chronic Myeloid Leukemia from 2002 itself. However the insurer has not produced any treatment particulars or test reports or prescription to conclusively prove that the assured was suffering from Chronic Myeloid Leukemia from 2002 itself. They have relied on the report of 'Christian Medical College, Vellore-which is a reputed and renowned hospital-to repudiate the claim. However the complainant has insisted that the assured was not aware of her disease and even he knew that his wife was afflicted by cancer only in the latter half of 2003. On the other hand he has also mentioned that she was not well in 2002 and that she was availing treatment for stomach pain.

The complaint was partly allowed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.04.2132/2007-08
Smt. R. Rajeswari
Vs
Life Insurance Corporation of India

Award Dated 28.08.2007

Sri M.Ramachandran (deceased) submitted a proposal for life insurance to City Branch 1 of Madurai Division of LIC of India on 30.06.2001. The Insurer issued him a policy numbered 742813765 for a sum assured of Rs.1 Lakh under their Endowment Plan. Sri M.Ramachandran had to pay a quarterly premium of Rs.2010/- for 15 years. The policy lapsed as he did not pay the premium due on 28.03.2005. He then revived the policy on 10.10.2005 by submitting a 'Personal Statement of Health' of even date. Sri M.Ramachandran died on 04.06.2006. Smt.R.Rajeswari, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer vide their letter dated 05.12.2006 rejected her claim on the ground that the life assured had withheld material information regarding his health in the 'Personal Statement of Health', submitted at the time of revival of the policy and had also understated his age in his proposal for insurance. Her appeal to the higher office of the insurer was also rejected.

In the hearing the representative of the complainant stated that his brother-in-law was engaged in agricultural work and was quite healthy. He did not have any health problems. When questioned whether he was diabetic or whether he had taken treatment in the General Hospital, Madurai he denied that his brother-in-law suffered from Diabetes. One day suddenly he fell sick and his right side was paralyzed. On

04.06.2006 he was taken to Deepak Hospital and since his condition was very serious the doctor advised that he should be taken to G.H., Madurai. While he was being taken in an auto, on the way to hospital, he died. When questioned about the case sheets of Government Rajaji Hospital, Madurai, he said that it might be pertaining to some other Ramachandran and not that of his Brother-in-law. He also said that there was another person by the same name of Ramachandran in the same address few years back. He strongly denied that his brother-in-law was ever admitted to any hospital. When questioned about the neighbour's statement that the life assured was suffering from diabetes for 8 years, the representative of the complainant said probably the person whom LIC contacted would not have had good relationship with them and hence could have given wrong information. The Insurer's representative read out that the assured died within 8 months from the date of revival. He was a chronic diabetic. He was admitted to GRH, Madurai in 2003 and was on drugs continuously. During the terminal illness, he had right side stroke. Their claims investigating officials has obtained the internal case records from GRH through the Medical Record Officer of the hospital. They confirmed that the assured was diabetic for the last 8 years. The assured had not disclosed these facts in the proposal form. Just a month before his death, he was in Deepak Hospital, situated near his residence. The case-sheets and a letter from Deepak Hospital were produced. Address given in GRH, Madurai and Deepak Hospital was the same as the life assured's address. In this instance the life assured by suppressing the material information regarding his health had deprived the Insurer a chance of correctly assessing the risk.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2241/2007-08
Smt. Shantha
Vs
Life Insurance Corporation of India

Award Dated 28.08.2007

Sri D.Devendiran (deceased) submitted a proposal for life insurance to Vaniyambadi Branch of Vellore Division of LIC of India on 18.10.2003. The Insurer issued him a policy numbered 733353083 for a sum assured of Rs.50000 under their New Janaraksha Plan (Table No.91). Sri D.Devendiran had to pay a quarterly premium of Rs.881/- for 15 years. The policy lapsed as he did not pay the premium due on 4/2004. He then revived the policy on 27.10.2005 by submitting a 'Personal Statement of Health' of even date and by paying the 7 quarterly dues of Rs.6237/- and interest of Rs.384/-. Sri D.Devendiran died on 17.06.2006. Smt.Shantha, his wife and nominee under the policy, preferred her claim with the Insurer. The Insurer vide their letter dated 06.02.2007 rejected her claim on the ground that the life assured had withheld material information regarding his health in the 'Personal Statement of Health', submitted at the time of revival of the policy.

The complainant stated that her husband was healthy. He was working as an agricultural coolie. When questioned whether her husband was taking treatment, she admitted that her husband took treatment for T.B at Athanavur and Vaniymabadi Hospital. Just 1 month before death, they came to Govt. General Hospital, Chennai for treatment. She pleaded for settlement of at least return of premiums paid. Her husband took loan from his friends and revived the policy. The representative of the Insurer

stated that the life assured paid two quarterly premiums and did not pay further premium and hence the policy lapsed. The policy was revived on 27.10.2005 on the strength of a Declaration of Good Health signed by him. He paid 7 quarterly premiums for reviving the policy. He died on 17.06.2006. At the time of revival, he did not disclose that he was suffering from T.B. and the details about his health. The revised 'National Tuberculosis Control Programme's Treatment card' stated that the assured was treated at Primary Health Centre, Athanavur for Pulmonary T.B. from 31.08.2005 and he continued with the treatment. The assured's case was transferred from Govt. Hospital, Vaniyambadi to GPHC, Athanavur on 01.09.2005. Dr.S.Sivasubramanian of Tamilnadu Medical Service, Vaniyambadi in Claim Form B has certified that the assured was suffering from 01.09.2005 and died of Immuno Deficiency Syndrome due to retro-viral infection and Pulmonary T.B. on 17.06.2006.

In this instance the life assured by suppressing the material information regarding his health had deprived the Insurer a chance of correctly assessing the risk.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2223/2007-08
Sri. N. S. Shanmugaraj
Vs
Life Insurance Corporation of India

Award Dated 18.09.2007

Sri N.S.Sathiamoorthy (deceased) submitted a proposal for life insurance to Polur Branch of Vellore Division of LIC of India on 31.08.1995. The Insurer issued him a policy numbered 730394960 for a sum assured of Rs.110000 under their Bima Kiran Plan (Table No.111). He had to pay a quarterly premium of Rs.371/- for 21 years. The policy lapsed as he did not pay the premium due on 11/2000. He then revived the policy on 23.08.2005 by submitting a 'Personal Statement of Health' dated 22.08.2005 and after paying 17 quarterly premiums in a lumpsum. Sri N.S.Sathiamoorthy died on 30.12.2005. Sri.N.S.Shanmugaraj, his brother and nominee under the policy, preferred his claim with the Insurer. The Insurer vide their letter dated 18.08.2006 rejected his claim for the full sum assured on the ground that the life assured had withheld material information regarding his health in the 'Personal Statement of Health', submitted at the time of revival of the policy.

In the hearing the complainant stated his brother used to drink alcohol in the evenings. He was drinking without knowing that he had jaundice. His brother used to be healthy. His brother took policy before his marriage. His brother was very affectionate to him and hence had nominated him. He knew that his brother had taken a policy but he did not know that the policy had lapsed. He came to know subsequently that the policy was revived. He admitted that his brother was suffering from Diabetes since 2000, was taking treatment and the sugar levels were under control. He was not aware of the treatment his brother had in November 2001 at CMC Hospital. When pointed out by the Forum that his brother did not declare the facts about his health in the proposal form, he said that probably his brother did not know that he had to disclose the same. The representative of the Insurer stated the policy was revived on 23.08.2005 on the strength of a Declaration of Good Health (DGH) and medical examination report. 17 quarterly premiums with late fee were paid by the life assured. The assured had stated that his health was good at the time of revival. He died on 30.12.2005 at CMC Hospital, Vellore due to Hepatorenal Syndrome and Alcoholic Hepatitis. The Claims Investigating Official of the Insurer had reported on the life assured's pre-revival illness, admission

in 2001 and 2004 at CMC, Vellore and the treatment availed. They have collected the Indoor case records from CMC Hospital, Vellore. The life assured gave false answers to Question Nos.2a, c and 4 of the said DGH form. They set aside revival and offered to pay the paid-up value of Rs.7791/- under the policy. Premiums paid for revival and after revival were forfeited.

There is nexus between cause of death and the illness that was suppressed.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2213/2007-08
Smt. S. Rajeswari
Vs
Life Insurance Corporation of India

Award Dated 21.09.2007

Sri. T.Samuthuvamani @ T.S.Mani (Decd.) had three life insurance policies from LIC of India, Katpadi Branch. The life assured died on 04.11.2003 and Smt.S.Rajeswari, wife of the life assured claimed the benefit under the above policies. The Insurer repudiated the claim on 06.04.2005 alleging that the Life Assured had not disclosed in the proposal, the fact that he had suffered from Acid Peptic Disease.

In the hearing the representative of the complainant stated that she is working as a staff nurse at Meenakshi Dental College Hospital, Chennai. She is the eldest daughter of the 3 daughters of the deceased life assured. Smt.S.Rajeswari is the second wife of the life assured. Her father was an S.I. in BSNL. The first wife got her father's pension. Though her father was living with them she was not aware that her father was suffering from Diabetes. When questioned about the medical leave availed by her father, she said that she was not aware of the same. The representative of the Insurer stated that late T.Samuthuvamani @ T.S.Mani had suffered from Diabetes for 10 years. He was also suffering from cellulitis right leg during 2002. He died on 04.11.2003 at CMC Hospital, Vellore due to Septicemia, Subdural Haemotoma, Diabetes Mellitus Type II. The Claim Form E – Certificate issued by the employer on the leave availed by the assured confirm the pre-proposal leave on medical grounds on many occasions. Dr.S.Amuthamani, Civil Asst. Surgeon of Govt. Hospital, Gudiyatham has issued the medical certificate stating that the assured was suffering from Acid Peptic Disease in October 1998. The assured was on medical leave for Typhoid from 15.03.2003 to 13.04.2003 and while on medical leave had proposed for 2 policies. The Claim Form B2 issued by Dr.K.M.Sivakumar confirmed that the assured first consulted him on 17.03.2001 for Polyuria of 6 months duration and he was also Type II Diabetic. The out-patient record of CMC Hospital, Vellore dated 14.05.2003 has referred the assured as a known case of Diabetes Mellitus for 10 years –on Tab. Daonil and the treatment was for non-healing ulcer.

Considering the health background of the insured as discussed, the incorrect answers to question 11a), 11b), 11c) and 11d) of the proposal signed on 15.09.2001 and proposal signed on 31.03.2003 (when he was on sick leave) was a clear case of suppression of "material facts".

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.08.2242/2007-08
Smt. G. Poongodi
Vs

Life Insurance Corporation of India

Award Dated 24.09.2007

Sri R.Selvaraji submitted a proposal to LIC of India, Tiruppathur Branch of Vellore Division on 23.01.2004. The Insurer issued him a policy numbered 733258532 under their 'New Jana Raksha' Plan for Rs.30000/- sum assured. Sri R.Selvaraji had to pay a quarterly premium of Rs.464/- for 20 years. Sri R.Selvaraji died on 27.11.2005. Smt. G.Poongodi, his daughter-in-law and nominee under the policy, preferred her claim with the Insurer. The Insurer repudiated her claim on the ground that the life assured had withheld material information regarding his age in the proposal.

The complainant did not attend the hearing. The contents of the complainant's appeal dated 08.08.2007 to this Forum were read out to the insurer. The representative of the Insurer stated that the first unpaid premium was 10/2004. His age at the time of proposing was 45 as per his declaration. He died on 27.11.2005 and the duration of the policy was 1year 10 months and 4 days. The policy lapsed and was revived on 22.11.2005. The declaration of good health was witnessed by the Agent Shri R.P.Selvaraj. 5 quarterly premiums were paid during revival. The assured died within 5 days of revival. The cause of death was Chronic Gastro Enteritis, Hypoglycemia with dehydration. They repudiated the claim on the ground that the life assured had understated his age by 10 years at the time of proposing. They contended that they were deprived of correct assessment of the risk. Section 45 was not applicable. The ID card of beedi workers welfare fund showed the age of the wife of the deceased life assured Mrs.Kannammal as 55 years. Therefore the DLA's age might be higher than that. The claimant had written to the Branch Manager of Tirupathur BO on 09.06.2006 that her father-in-law was 57 years of age on the date of death and had enclosed copies of the ration card and election card as proof.

Thus it is borne out by the documentary evidence available with this forum that the age of the assured was fraudulently understated to obtain insurance on his life, clearly suppressing the correct age in the proposal, thereby breaching the golden principle of 'Utmost Good Faith', which is the cornerstone of any insurance contract.

The complaint was dismissed.

Chennai Ombudsman Centre
Case No. : IO (CHN)/ 21.009.2225/2007-08
Smt. M. Subhasree
Vs
Bajaj Allianz Life Insurance Co. Ltd.

Award Dated 28.09.2007

Sri.S.Maheswaran (deceased) signed on 30.06.2006 a proposal for life insurance and submitted it to Bajaj Allianz Life Insurance Satellite office at Arupukottai. The Insurer issued him a policy numbered 0023534925 under 'Allianz Bajaj Unit Gain Plan' with Total/Partial Permanent Disability and Accident Death Benefit as Riders. Sri.S.Maheswaran died on 17.07.2006. Smt. M.Subasree, the beneficiary under the policy submitted her claim papers to the Insurer. The Insurer vide their letter dated 09.01.2007 repudiated the claim on the grounds that the life assured had not disclosed material facts in his proposal for insurance dated 30.06.2006.

In the hearing the complainant told the Forum that her husband took a policy with Bajaj Allianz. He died after one week. She told that her husband had developed shoulder pain all of a sudden. She took him to the hospital where she was informed by the doctor that he had died 20 minutes back. Her husband was working as a Clerk in the

Indian Bank, Thevaram and was under suspension. Her husband was suspended from work in 2000 and was getting half salary (Rs.5,000/-) from 2000 onwards. Her husband paid the first installment premium of Rs.5000/-. She said that terminal benefits, PF, Gratuity had not yet been settled by the bank authorities.

The insurer stated that there was misrepresentation in the proposal form about the nature of job, income, etc and the assured had mentioned that he was a bank employee but had failed to mention that he was under suspension.

In this instance the life assured by suppressing the material information regarding his source of income and his correct occupation, which has a moral angle, deprived the insurer in fittingly underwriting the case.

The complaint was dismissed.

Delhi Ombudsman Centre

Case No. LI/HDFC-187/06

Smt.Manju Luthra

Vs

HDFC Standard Life Insurance Company Limited

Award Dated 31.08.2007

The complaint was heard on 20.08.2007. The complainant, Smt.Manju Luthra, was represented by Shri Sanjeev Verma. The Insurance Company was represented by Shri Samir Mishra, Zonal Legal Executive.

Smt. Manju Luthra has lodged a complaint with this Forum on 08.03.2007 that her late husband Shri Sarju Luthra was insured for life by HDFC Standard Life Insurance Company Limited vide their policy No.10060318. He died all of a sudden on 10.06.2006 at All India Institute of Medical Sciences (AIIMS), New Delhi. She has mentioned in her complaint letter that she is not able to read and write. Her husband had taken a policy for her son Master Mukul Luthra on the insistence of the agent of the Insurance Company who told him that at the time of maturity of the policy, he would get a large amount of money and the same could be utilized for his higher study. He raised a few questions with her husband regarding his age, business, whether he took drink and chewed tobacco. Her husband replied and also mentioned that he sometimes drinks and did not consume tobacco as he believed in Sikh religion. After that her husband signed the proposal form. After the death of her husband, the agent came to demand the next instalment of premium and she gave him the cash next day. At the time of handing over the receipt, he enquired about her husband. She informed him that her husband was no longer alive. He informed her that this policy was on her husband's name and after two days, he came again with his boss Shri Iyer and told that he would help her to get the claim. She has further mentioned that she has three children who are studying and she did not have any other source of income and therefore her rightful claim be settled.

The Insurance Company, vide their letter dated 12.04.2007, informed the Forum that Shri Sarju Luthra, life assured had submitted an application for insurance on his own life dated 10.08.2004 for the purchase of a policy under the HDFC Endowment Assurance Plan. In the application, in reply to Question No.9 under Section C, the life assured had replied in the negative to consumption of Alcohol. Based on the information furnished by the life assured in his application for insurance, the company issued him policy No.10060318 on 12.08.2004. The life assured is reported to have died on 10.06.2006 at AIIMS, after the policy had been in force for around 22 months. The cause of the death as stated in the Doctor's/Hospital certificate issued by the AIIMS is "Alcoholic Intoxication". Since the duration of the policy was short, the matter

was investigated by them, which established that the life assured was consuming alcohol regularly for the last 3-4 years and that he was under the treatment of Dr.Mahender Sadana for the last few years. In view of the fact that the life assured had suppressed material facts regarding his health and habits in his application for insurance, but for which the company would not have issued the policy, they were constrained to repudiate their liability under the policy vide their letter dated 02.11.2006 addressed to the complainant.

At the time of hearing, Smt.Manju Luthra informed the Forum that she is unable to read and write and it was the agent of the Insurance Company who came to their house and talked to her husband that he should take the policy for their son so that when he would be on college going age, he would get a large money for continuing his higher study. It was only after the death of her husband, she had paid the instalment premium and on enquiry by the agent about her husband then she came to know that the policy was taken in the name of her husband. She further informed that she was not at her residence and she was in her mother's house when she got a call from her husband that he was not feeling good. He was taken to Dr.Sadana's clinic. He was given some medicine and was told that he would be all right. But till the morning, his condition remained the same. He was again taken to Dr.Sadana who asked to take him to hospital. He was taken to Saint Stephen Hospital for treatment and they diagnosed loss of potassium. His condition became very critical and therefore, they took him to All India Institute of Medical Sciences where in emergency they put him on ventilator immediately but after a hour they declared him dead. On enquiry by this Forum whether he used to drink, it was informed that he was a social drinker and on showing the proposal to Shri Sanjeev Verma, her brother that late Shri Sarju Luthra had declared that he did not consume alcohol, Shri Verma informed the Forum that the agent had mis-guided them since the policy was for their son and not for Shri Sarju Luthra who could not read and write. Since Smt.Manju Luthra was uneducated and she having three children, he requested that the claim may be paid.

The representative of the Insurance Company informed the Forum that there was concealment of material fact as far as consumption of alcohol was concerned as Shri Sarju Luthra has mentioned in the proposal form that he did not consume any alcohol as per the certificate dated 25.10.2006 issued by Dr.Mahender Sadana. It has been established that Shri Sarju Luthra was his regular patient of his for the last one year and he used to consume alcohol regularly for the last three to four years and on 09.06.2006 when he attended him, he developed quadriparases disease. Even as per the AIIMS Certificate the cause of death was "Alcoholic Intoxication". Since Shri Luthra has not declared the material fact at the time of proposal, they have rightly repudiated the claim.

After hearing both the parties and on examination of the papers submitted, it is observed that as per the proposal form, Question No.9: Section C, Shri Sarju Luthra had replied in Negative while answering whether consumed Alcohol. The Insurance Company had issued the policy on the basis of the proposal form. Since the death was within 22 months of the issuance of the policy, the matter got investigated and they had obtained a certificate from Dr.Sadana dated 25.10.2006 to whom Shri Sarju Luthra was first shown, mentioning therein that Shri Sarju Luthra used to take alcohol regularly for the last 3 to 4 years. As per the certificate issued by AIIMS doctor, the cause of death has mentioned "Alcoholic Intoxication". Shri Sarju Luthra has not rightly answered the question No.9, under Section C of the proposal form. He had concealed material information and the Insurance Company has rightly repudiated the claim.

I uphold the decision taken by HDFC Life Insurance Company Limited repudiating the claim of Smt.Manju Luthra.

The Insurance Company is advised to refund the premium collected after the death of Shri Sarju Luthra along with 8% interest.

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

The complaint is disposed of finally.

Delhi Ombudsman Centre
Case No. LI/DL-II/208/07
Shri Prakash Chand Singhal
Vs
Life Insurance Corporation of India

Award Dated 14.09.2007

The complaint was heard on 10.09.2007. The complainant, Shri Prakash Chand Singhal, was represented by his son Shri Himanshu Singhal. LIC of India was represented by Smt.S.S.Arawkar, Manager(Claims).

Shri Prakash Chand Singhal has lodged a complaint with this Forum on 02.06.2007 that his late wife Smt. Krishna Singhal had taken a Bima Plus Unit Linked Policy with the Life Insurance Corporation of India. Unfortunately, his wife died due to brain hemorrhage on 31.03.2005. He has filed a claim with LIC of India. They paid 90% of the surrender value and repudiated the claim because his wife had withheld material information regarding her health at the time of taking the policy. He has mentioned that Smt.Krishna Singhal had died due to brain hemorrhage and Epilepsy had no connection with that as she had taken full course of the treatment long back and was normal at the time of taking the policy. Her diabetes was normal and under control As the policy was taken for investment purposes, as it was linked to share market NAV basis and there was no medical examination required., the question in the proposal form were answered generally inadvertently and not intentionally as she was having normal health and did not understand the implication of the same. He has requested that he should be paid the full claim value and not 90% of the surrender amount. Secondly, LIC of India had taken long time (more than four months) to pay the claim and payment was made to him on 06.11.2006 whereas he had made his claim on 22.06.2006. They paid him on the basis of NAV as on 22.06.2006, that is, the date of claim, whereas money was lying in the scheme till the date of payment to him, that is, 06.11.2006. The money was not withdrawn by LIC of India and kept with them on 22.06.2006. He requested that the payment to be made to him should be on the basis of NAV as on 06.11.2006.

LIC of India, vide their letter dated 01.09.2007, informed the Forum that Smt. Krishna Singhal had placed a proposal dated 29.09.2004 on 20.09.2004 and they had issued Bima Plus policy under plan and term 140-10(01), bearing policy No.122682944. This was single premium policy of Rs.2,00,000/-. In April,2006, LIC of India received intimation of death of the life assured under the captioned policy, informing inter-alia death of policy holder on 31.03.2005 at Sehgal Nursing Home, Delhi. On receipt of the death intimation, they had issued necessary claim forms to the nominee of the deceased for compliance. On the basis of the information gathered from Form B,B-1 and discharge/death summary received from Shegal's Neurological Research Institute, Delhi, it was revealed that life assured was a known case of Diabetes Mellitus since last 12 years on oral hypoglycemic agents. On the basis of investigation conducted by their officials, the history of earlier illness as reported by Sehgal Hospital was confirmed by them long back. Smt. Krishna Sehgal was very much aware of the illness

prior to the submission of the proposal and had not disclosed the same and the claim was accordingly repudiated.

On receipt of the repudiation letter by the claimant, an appeal was made by him for the review of the Order before the Zonal Office Claims Review Committee in December,2006. Zonal Office Claims Review Committee after thorough review of the case uphold the decision taken by the Senior Divisional Manager of LIC of India. LIC of India has submitted that the contention of the complainant why 90% of the surrender value under plan for which insurance was taken is given as a result of repudiation of the claim. Secondly, the contention of the complainant why his money which was paid towards consideration amount in lieu of insurance taken was not invested in some normal bank account and instead a lower yield in the form of NAV was paid to him. They submitted that the investment portfolio and its pattern is determined by their Central Office only and yield through investment in stock market cannot be guaranteed. They have rightly paid the claim as per the terms and conditions of the policy.

At the time of hearing, the representative of Shri Prakash Chand Sehgal contested that he should be given 100% of the surrender value of the policy as well as he should be given on the basis of NAV on 06.11.2006. The representative was informed by the Forum that the Bima Plus insurance policy which was issued to Smt. Krishna Sehgal had the element of insurance component and investment elements and since there was non- disclosure of material facts, the insurance claim was rejected. The Insurance Company has decided to pay the surrender value of the investment portion of the premium. Further, the NAV had to be paid on the date the cause of action has occurred, that is, the death of the life assured and in this case Smt. Krishna Sehgal had expired on 31.03.2005. In view of the above facts, LIC of India has rightly paid the claim and the complaint is dismissed.

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

The complaint is disposed of finally.

**Delhi Ombudsman Centre
Case No. LI/DL-II/181/05-06**

Shri Parveen Chetan

Vs

Life Insurance Corporation of India

Award Dated 19.07.2007

The complaint was heard on 08.11.2006, 29.12.2006, 09.03.2007 and on 14.06.2007. The complainant, Shri Parveen Chetan, was represented by Shri Pankanj Chetan. LIC of India was represented by Smt. Seema, Manager(Claims) and Shri A.K.Khanna, Administrative Officer.

Shri Parveen Chetan had filed a complaint with this Forum on 06.07.2005 that his wife Smt. Uma Chetan had taken a policy No.120550745 for a sum assured of Rs.5,00,000/- under Table and Term 112-25 (Jeevan Shree) from LIC of India issued on 24.01.1996. Smt. Uma Chetan had expired on 15.06.1996 (correct date as per letter dated 13th July, 2005 is June 15, 1998) due to Epithelioid Hemangioendothelioma, known as Intravascular Bronchiolo-alveolar tumor resulting in restrictive lung failure. He being a nominee had filed a claim which was repudiated by LIC of India by letter dated 26.04.2004 received on 08.05.2004 on the grounds that LIC holds indisputable evidence to show that Smt. Uma Chetan had undergone certain pathological tests during December,1995 to February 1996, which were indicative of serious health problems the life assured was suffering from particularly from Pleural Effusion with marked deterioration during the same period, that is, prior to the date of proposal but

she did not disclose this in the proposal form. He had appealed to the Zonal Manager on 13.08.2004 but he has yet to receive any communication. LIC of India has taken a stand that she made deliberate misstatements and withheld material information regarding her health at the time of effecting the assurance and hence in terms of policy contract and the declaration contained in forms of proposal for assurance LIC is justified in forfeiting all policy moneys due to him. The grounds of appeal are that Smt. Uma Chetan at the time of proposal, was not suffering from Pleural Effusion and hence she had not made any mis-statements or withheld any material information regarding her health at the time of proposal. She had first consulted a medical practitioner regarding her health in June, 1996, which was much after the assurance on her life. She had not had any pathological tests during the said period and any information regarding such tests is misleading, inaccurate and false. He reiterated that the information provided in the proposal form was correct and true to the belief of the proposer. He has drawn the attention of the Forum Section 45 of the Insurance Act 1938. In terms of the Section 45, following three conditions must be established if a policy is called in question after expiry of two years from the date on which it was effected.

- (i) The statement must be on a material matter or must suppress facts, which it was false or that it suppressed facts, which it was material to disclose.
- (ii) The suppression must be fraudulently made by the policyholder; and
- (iii) The policyholder 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.

LIC of India, vide their letter dated 14.11.2005, has mentioned that Policy No.120550745 was taken on the life of Smt. Uma Chetan under Table and Term 112-25(16) with date of commencement was 24.01.1996 for a sum assured of Rs.5 lakhs. Policy resulted into death claim on 15.06.1998, that is, the date of death of the life assured. Death claim was repudiated on 26.04.2004 as the policy was taken by the life assured with malafide intention to defraud the Corporation. She herself was an agent of LIC of India. Deceased life assured took the policy on 24.01.1996, first premium for which was adjusted on 08.03.1996 while she had been a diagnosed case of pleural effusion since February 1996 and her x-ray taken during December 1995 to February, 1996 were also not normal. During her admission in Breach Candy Hospital from 12.03.1997 to 18.03.1997 followed by 20.03.1997 to 27.03.1997. She was diagnosed to have a case of Epitheloid Halmangis Enclothalina, as is evident from discharge summary of Breach Candy Hospital. She had died on 15.06.1998 due to same disease. There was intimate nexus between the cause of death and treatment taken and the pathological test under went during 12/1995 to 02/1996 and the information regarding the falling health condition of the life assured before the date of first premium receipt was not brought to the notice of the Corporation, even though she was aware of the same personally. The Divisional Medical referee opined that from the record, it seems that the client was aware that her x-ray were not normal since December, 1995. Life assured had suppressed material information regarding her suffering from Epitheloid Haemangis Enclothalina (Intera Vascular Bronchioalveolar Tumor) of lung. ZO-CRC reviewed the case and decided to uphold the decision of repudiation. LIC of India further stated that death claim was rightly repudiated as existence of critical illness was prior to taking the policy in question.

Shri Parveen Chetan, the complainant, has expired on 17.06.2006 and his son Shri Pankaj Chetan, a legal heir, on 08.11.2006 requested the Forum to expedite the settlement process. Shri Pankaj Chetan had submitted on 13.03.2007, Civil Appeal No.4186-87 1988 in the case of LIC of India Vs Smt.Asha Goel and ANR and has a

bearing on the referred case. He has requested to be present himself on the next date of hearing. Accordingly, the case was heard again on 14.06.2007. Shri Pankaj Chetan was present and LIC of India was represented by Smt. Seema, Manager(Claims) and Shri A.K.Khanna, Administrative Officer.

LIC of India on the date of hearing, in response to copies of the judgement sent to them provided by Shri Pankaj Chetan on 13.03.2007 for their observation, provided their letter dated 14.06.2007 wherein they have mentioned that they have carefully gone through and examined the judgement of civil appeal No.4186-87 of 1988 LIC of India and others Vs.Smt. Asha Goel(Respondent). In reply to the judgement placed before them, they take the opportunity to place before this Forum copy of civil appeal No.5334 of 2006 in the Supreme Court of India, LIC of India and others Vs.Surinder Kaur and others (Respondent) also another judgement in the special leave to appeal (Civil) No.10421/2006 also before Supreme Court of India, Kishan Chander Sharma Vs LIC of India. LIC of India requested the Forum that the cognizance of the judgment may be taken.

Shri Pankaj Chetan as per his letter dated 19.06.2007 has mentioned that he would like to bring the attention of this Forum towards the Orders provided by the representatives of LIC of India. The above orders are for appeals for admittance of the Special Leave Petition arising out of Writ denied by respective High Courts. They do not constitute judgements in themselves. The SLP (C) No.10421/2006 is irrelevant to the case as the facts and findings of the case are different. In his case the proposer had declared all the facts relating to her death correctly in the proposal form. The LIC of India has consistently maintained the stance that they have irrefutable evidence as to the contrary but they have not been able to present the evidence so even after repeated requests by this Forum and by him. It has been a proven stance that onus of proof lies heavily on party alleging fraud namely insurer. The same has been a critical point of contention in his case and the other case submitted by the LIC namely Civil Appeal No.5334 of 2006 in SC. He would also like to bring the attention of this Forum towards that fact that above case is admitted by the Hon'ble Supreme Court in appeal but a judgement is yet to be delivered in the said appeal. A mere admittance of an appeal does not constitute a judgement. It seems that representative of LIC of India have deliberately given the copies of the said appeals so as to mislead the Forum and prey on the legal limitations of the Ombudsman. He would request the Forum to exercise utmost care and caution and consider the above claim on human grounds.

After hearing both the parties and on examination of the papers submitted, it is observed that LIC of India had repudiated the claim of Smt. Uma Chetan vide their letter dated 26.04.2004 wherein it has been mentioned that Smt. Uma Chetan had concealed material information regarding her health while answering Question No.11 of the proposal form as follows :

Q.No.	Question	Ans.
11(a)	During the last five years did you consult a Medical Practitioner for Any ailment or requiring treatment for more than a week?	No
11(b)	Have you ever been admitted to any hospital or nursing home for general check up, observations, treatment or operation?	No
11(d)	Are you suffering from or have you ever suffered from ailment pertaining to Liver, Stomach, Heart, Lungs, Kidney, Brain or Nervous system?	No

11(e) Are you suffering from or have you ever suffered from Diabetes, Tuberculosis, high blood pressure, cancer, Epilepsy, Hernia, Hydrosol, Leprosy or any other Disease? No

11(i) What has been your usual state of health? Good

Shri Pankaj Chetan, son of deceased Smt. Uma Chetan has contested LIC's repudiation on the grounds that at the time of proposal, Smt. Uma Chetan was not suffering from Epitheloid Haemangis Enclothalina (Intera Vascular Bronchioalveolar Tumor) of lung and hence not made any mis-statement or withheld any information regarding her health at the time of proposal. She had first consulted the medical practitioner regarding her health in June, 1996 which was much after the assurance on her life. She had not had any pathological tests during the said period and any information regarding such tests is misleading, inaccurate and false. He has further drawn the attention of the Forum on Section 45 of the Insurance Act, 1938 wherein three conditions must be established if a policy is called in question after expiry of two years from the date on which it was effected.

I have examined the Section 45 along with the statements submitted by LIC of India and I have examined the report of Clinical Research Centre, V.P. Chest Institute, University of Delhi, in the history of past illness, it has been mentioned that Smt. Uma Chetan was diagnosed as a case of Pulmonary Koch's 18 years back (1978). In 1988, patient had a history of breathlessness, exertion and chest pain. X-ray was done which was negative and the patient was started on ATT (RHE) exceeding one year. In July 1994, she underwent LSCS at Lady Harding Medical Centre, Hypertensive and history of weight gain with swelling of face and feet. In December, 1995, history of right side chest pain increasing on bending and coughing. In April, 1996, history of right side chest pain. Further Smt. Uma Chetan after treatment at Patel Chest Institute, had shown herself at Breach Candy Hospital and Research Centre, Mumbai where she was admitted on 12.03.1997 and discharged on 18.03.1997 and again admitted on 20.03.1997 and discharged on 27.03.1997, and as per the discharge summary, it has been mentioned that 35 years old female patient admitted with the history of Dyspnoea since 2- ½ years increasing progressively. Right sided chest pain since one year, X-ray showed modular shadows both lung fields increased over 1-1/2 years (December 1995 to February 1996), Right plural effusion in February 1996.

As per the Safdarjung Hospital discharge summary dated 21.05.1998, case of Epitheloid Haemangis Enclothalina (Intera Vascular Bronchioalveolar Tumor) of lung and was on Ayurved treatment for the last one year, case of Dyspnoea etc. She was admitted in Rajiv Gandhi Research Centre and as per the discharge summary dated 07.06.1998, it has been mentioned "Now presented on 21.05.1998 with complaints of breathlessness and restlessness. Investigation results showed: CT Chest: Evidence of right sided pleural thickening and small to moderate pleural effusion associated with collapse consolidation of underlying right lung. Left lung shows numerous pulmonary nodules suggestive of pulmonary metastasis.

I would like to draw the attention to the repudiation letter dated 26.04.2004 of LIC of India and Smt. Uma Chetan's reply to proposal Form Question No. 11(e) which is as follows:

Q.No.	Question	Ans.
11(e)	Are you suffering from or have you ever suffered from Diabetes, Tuberculosis, high blood pressure, cancer, Epilepsy, Hernia, Hydrosol,	

Leprosy or any other Disease?

No

Smt.Uma Chetan was examined at Clinical Research Centre, V P Chest Institute, Delhi on 24.02.1997 and in the History recorded, it has been mentioned that she was diagnosed as a case of Pulmonary Koch's 18 years back (1978) on X-ray basis. Further, Smt. Uma Chetan has not disclosed this against Question No.11(e) where Tuberculosis is mentioned as one of the diseases. This question is very explicit wherein "suffering from or have ever suffered from" Smt.Uma Chetan has concealed material fact by not disclosing her ailment in 1978. Further, as per Breach Candy Hospital and Research Centre Discharge Folio for the period 20.03.1997 to 27.03.1997 under Case Resume, it is mentioned "X-ray showed Modular shadows both lung Fields c increased over 1-1/2 years (December 1995- February 1996) developed Rt Plural ethurian in February 1996". She did not disclose this fact also when she submitted the proposal as the dates mentioned in the Discharge Summary were prior to the proposal date. Smt. Uma Chetan being a LIC of India agent knew very well that in case she disclosed the same, her proposal may not be accepted. The above non-disclosure meets all the three conditions of Section 45 of the Insurance Act 1938.

I, therefore, uphold the decision taken by Life Insurance Corporation of India repudiating the claim.

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

Complaint is disposed of finally.

Delhi Ombudsman Centre

Case No. LI/UP-162/06

Aarti, Akshay, Arpit

Vs

Life Insurance Corporation of India

Award Dated : 29.05.2007

The complaint was heard on 09.05.2007 at Jaipur. Complainants Aarti, Akshay, Arpit(all minors) were represented by their uncle, Shri Shailender Patel and Akshay. LIC of India was represented by Shri Amrit Jhindar, Manager(Claims).

The complainants have lodged a complaint with this Forum on 10.01.2007 regarding non payment of death claim under policy No.182946741 on joint life of their parents Smt. Santosh and Shri Rajesh Kumar.

LIC of India, vide their letter dated 15.02.2007, informed that Shri Rajesh Kumar and Smt. Santosh Kalal purchased a joint life policy commencing from 15.12.2001 for sum assured of Rs.50000/- under table 89-20. Shri Rajesh Kumar one of the life assureds expired on 03.07.2004. Policy was under half yearly mode of payment of premium. Half Yearly premium due on 15.12.2003 was not paid and the policy was in lapsed condition. Policy was revived on 17.02.2004. LIC of India, vide their letter dated 29.11.2004 and 02.03.2005, has repudiated the death claim on the grounds of concealment of material fact regarding the health of the life assured. Shri Rajesh Kumar did not disclose material fact about his health and habits.

Late Shri Rajesh Kumar was hospitalized at Rajasthan Hospital, Ahmedabad vide registration No.U-15167 dated 27.06.2004. He was suffering from Bilateral extensive pneumonitis in case of acquired immune deficiency for the last one and a half years, that is, before the date of revival of the policy.

Accordingly, the claim was rejected and the same was conveyed to Smt. Santosh, wife of late Shri Rajesh Kumar, vide their letter dated 29.11.2004 and 02.03.2005. The grounds of repudiation being non-disclosure of material fact. Further, the legal heirs

have lodged a complaint with this Forum on 10.01.2007 which is after one year and 10 months and the same is also time barred.

On examination of the papers submitted, it is observed that as per the complaint letter of the minors dated Nil received by this Forum on 10.01.2007, the minors have represented that after the death of their father on 03.07.2004, their mother, Smt. Santosh, had lodged a claim with LIC of India and the Senior Divisional Manager, Udaipur had repudiated the claim on 29.11.2004. She had made a representation to the Zonal Manager at New Delhi for which she had not received any reply. The complainants being minors may not be able to trace the repudiation of the claim by the Zonal Office which was conveyed to them through the Divisional Office on 02.03.2005. Keeping in view the complainants being minors, the delay in lodging the complaint with this Forum can be condoned.

Further, on perusal of the papers submitted, it is observed that medical examination of Shri Rajesh Kumar was conducted at the time of revival of the policy on 07.02.2004 by Dr.I.J.Singh, Code No.20312-101(Panel doctor of LIC of India) wherein the doctor has made the following observations at Question 3 :

Is the general appearance healthy ? : Yes

Further as per the declaration in the medical form the doctor has confirmed that the person examined does not have any previous hospitalization. Further, it is observed against question No.7 of form No.3816 shows a follows which is signed by R.M.O.Rajasthan Hospital (GRMI), Ahmedabad.

7. (a) Any previous disease : HIV the AIDS
- (b) First time when the patient felt the disease : 1-1/2 years
- (c) Who cured the disease : Not Known
- (d) Who told the past history : (—) dash
- (e) Who has detailed the disease : (—) dash

LIC of India could not produce any evidence regarding the treatment taken by the life assured for the last 1-1/2 years. It is not clear who told the history of his illness as mentioned in Question No.7 c,d,e against which there is 'Not known' and 'Dash' is there respectively. Further, Shri Rajesh Kumar was also admitted in Government PHC hospital, Sajjangarh on 29.05.2004 when he was suffering from Diarrhoea and in the hospital certificate issued by Doctor, it is mentioned against question No.9

What was the condition of the patient at Diarrhoea cured and
the time of discharge from the hospital : physically fit

This admission in the hospital was on 30.05.2004 which was after the revival of the policy on 19.02.2004 and before his hospitalization on 27.06.2004 at Rajasthan Hospital, Ahmedabad. This shows that he was not suffering from AIDS.

I therefore pass an Award that Life Insurance Corporation of India shall pay Death Claim benefits with Bonus under the Joint Life Policy to Legal Heirs after completing formalities. Death claim payment shall be deposited in any Public Sector Bank as fixed Deposit till the attainment of majority by all three children of Life Assureds. Any minor child shall withdraw the 1/3 amount after obtaining maturity from the bank.

Death Claim Liability of Life Insurance Corporation of India shall be as follows under plan 89-20 Jeevan Sathi (Double Cover Joint Life Plan) with profits

1. Rs. 50000 S.A. with Bonus on the Death of Shri. Rajesh Kumar, one of the Life Assureds as per terms and condition of the policy.

2. Policy on the other life Smt. Santosh Kalal shall remain in force without payment of premium for basic Sum Assured of Rs. 50000/-. Smt. Santosh Kalal has also expired. Life Insurance Corporation of India shall obtain Death Certificate of Smt. Santosh Kalal and pay Death Claim Rs. 50000/-+ Bonus, as per terms and condition of the policy.
3. Life Insurance Corporation of India shall pay penal interest @ 8% on the Death claim amount on the life of Shri. Rajesh Kumar from 20.9.2004 till the date of payment of claim.
4. Life Insurance Corporation of India shall pay penal interest @ 8% on the Death Claim amount on the Life of Smt. Santosh Kalal after 30 days from the date of death till date of payment.

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.

Delhi Ombudsman Centre

Case No. : LI-SBI/129/06

Smt. Krishna Devi

Vs

SBI Life Insurance Company Limited

Award Dated : 19.07.2007

Smt. Krishna Devi has lodged a complaint on 01.12.2006 with this Forum that SBI Life Insurance Company Limited has not settled Death Claim on the life of her husband Late Shri Vijay Kumar Shakra under Policy No. 140051705, 47527, 47424, 47879.

The Insurance Company has informed this forum vide their letter dated 26.06.2007 that the complainant Smt. Krishna Devi has filed a case before the Hon'ble District Consumer Redressal Forum Dousa vide case No. 20/2007 on the same subject matter. Hence complaint does not lie with the Insurance Ombudsman as per RPG rules 1998, under 13 (3) (C).

The complaint is disposed of finally.

Delhi Ombudsman Centre

Case No. : LI-Max New York/146/06

Smt. Beena Jain

Vs

Max New York Life Insurance Co. Ltd.

Award Dated 12.06.2007

My office has received a complaint on 20.12.2006 from Smt. Beena Jain against Max New York Life Insurance Co. Ltd. regarding Death Claim on life of her husband Late Sh. V.C. Jain under Group Term Policy No. 100107.

The complaint was fixed for hearing on 07.06.2007. The complainant Smt. Beena Jain was absent and the Insurance Company was represented by Ms. Anu Prakash, Vice President (Legal), Shri Rajeev Sharma, Executive (Legal), During the hearing the Insurance Company has informed that the Death Claim has already been settled by them, vide their cheque No. 169596 dated 22.03.2007 for Rs. 700000/- which was drawn on UTI Bank.

Under the circumstances, there is no further relief to be granted to the complainant. The complaint is disposed of finally.

Delhi Ombudsman Centre

Case No. : LI-JD/54/05

Smt. Godavari Devi
Vs
Life Insurance Corporation of India

Award Dated : 14.05.2007

Complaint was made to this Forum on 08.04.2005 by Smt. Godavari Devi regarding non payment of Death Claim under policy No. 182406758, on the life of her husband Shri Bhanwar Singh.

Complaint was fixed for hearing on 14.11.2006 at Jaipur which was attended by Shri Shaitan Singh Panwar son of the complainant. Shri R.N. Meena, Manager Claims, Life Insurance Corporation of India, Jodhpur Divisional Office represented Life Insurance Corporation of India. Complaint was fixed for hearing on 12.02.2007 at Jaipur. Complainant was not present in the hearing. Shri R.N. Meena, Manager (claims) represented Life Insurance Corporation of India, Jodhpur Divisional Office.

Life Insurance Corporation of India vide their letter dated 19.12.1996 has repudiated the Death Claim on the ground that the declaration of good Health which was made on 11.03.1993 at the time of revival of the Insurance Policy was not made correctly. Material facts regarding health were suppressed by the complainant at the time of revival of the policy.

Policy commenced from 28.03.1991 which was under Salary Saving Scheme. Premium was received from the employer of the Life Assured after deduction from his salary. Sum Assured under the policy is Rs.25000/-. Policy was revived on 11.03.1993 due to non receipt of monthly premium due in Sep 1991 to May 1992 from the employer, on the basis of declaration of Good Health Signed by the Insured on 27.02.1993. Life Assured expired on 01.06.1994. Salary Savings Premium was received by Life Insurance Corporation of India regularly from the employer for the month of June 1992 till the date of the death of the Life Assured. Under the circumstances it is clear that the monthly premium due from Sep 1991 to May 1992 were not paid by the employer of the Life Assured in time. On record there is nothing to support that Life Insurance Corporation of India had made any effort to get the payment from the employer of the Life Assured. The lapse of policy and its revival has been caused due to administrative failure on the part of the Life Insurance Corporation of India.

Under the circumstances mentioned above, I am of the opinion that the lapse of the policy from Sep 1991 to May 1992 was not due to the Life Assured. Declaration of Good Health which was signed by the Life Assured is irrelevant because it was not required. Premium from Sep 1991 to May 1992 under the Salary Saving Scheme could have been adjusted after administrative approval.

I pass an Award that Life Insurance Corporation of India shall pay Death Claim of Rs.25000/- with Bonus to the complainant.

I also pass an Award under the circumstances of the case that Life Insurance Corporation of India shall pay Penal Interest @ 8% from 13.07.1994 when LIC of India received Form No. 3784 from the Medical Office, Sadri, till the date of payment of Death claim.

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

Guwahati Ombudsman Centre
Case No. : 21/01/165/L/06-07/GHY
Smt. Jamuna Kalita
Vs

Life Insurance Corporation of India

Award Dated : 29.05.2007

Facts (Statements and counter statements of the parties)

The complainant Smt. Jamuna Kalita resents that her death-claim on the occasion of death of her husband Chandra Kalita, who died on 04.04.03, was repudiated on insufficient grounds. That the D.L.A. (Deceased Life Assured) after procurement of the policy one day fell ill and was taken to hospital but he died after 15 days. She has claimed relief by way of payment of the sum assured.

The Insurance Company (LIC) has not submitted any 'self-contained note'. However, from the photocopies of the documents forwarded by insurer/LICI, it appears that the insurer wants to submit that as the DLA was suffering from TB for long time, it was a case of 'pre-existing disease' on the date of D.O.C. for which the claim had to be repudiated.

Decisions & Reasons

The Sr.M & H.O. of Palashbari State Dispensary issued the certificate on 18.05.07 stating that the DLA expired on 4.4.03 at the age of 50 years and next before his death he was suffering from COPD (Chronic Obstructive Pulmonary Disease) and was under his treatment for 15 days w.e.f. 20.03.03. The medical certificate issued stating cause of death also mentions that Chandra Kalita (life assured) died due to 'cardio respiratory failure'. It appears from the relevant documents forwarded to us that the date of commencement of the policy was 27.06.01 and the policy continued for 1 year 9 months 7 days before death of life assured. The insurance company has failed to produce any evidence to show that the DLA was suffering from any disease next before DOC and it appears that the mention of '15 days' suffering in the medical certificate has been mis-read as '15 years' without any supporting documents and accordingly, we find no basis to support repudiation of the claim. The act of repudiation of the death-claim therefore is liable to be set aside.

Order / Award

In view of the discussions aforesaid, it is hereby directed that the insurer will review its decision and make payment of the sum assured, as per the actual policy terms and conditions along with penal interest to be calculated at the prevalent bank rate.

Guwahati Ombudsman Centre
Case No. : 21/02/142/L/06-07/GHY

Ms Lorna Bang

Vs

SBI Life Insurance Co.Ltd

Award Dated : 30.05.2007

Grievance

Being aggrieved by decision of SBI Life Insurance Co. Ltd., Ms. Lorna Bang, the nominee of the life assured Late Mrs. Moureen Bang has lodged this complaint. The complainant states that her mother paid the housing loan instalment till November, 2005 next before her death. That she is not in a position to pay off any outstanding balance of the loan granted by the State Bank of India, Shillong Branch, to her mother the risk of which was covered by the policy in question.

Reply

The self-contained note dated 12/03/07 stated, inter alia, that Late Moureen Bang availed a housing loan of Rs.3,80,000/- from the SBI, Shillong Branch and she was

admitted into the 'SBI Life's Super Suraksha Scheme' for housing loan borrowers of SBI Group. That said late Moureen Bang before availing the loan/facilities filed a false DGH (Declaration of Good Health) statement in order to avail the facilities. The insurance company on scrutiny had to repudiate the claim on bonafide grounds depending on facts revealed from the medical reports and other informations collected etc.

Decisions & Reasons

Undisputedly, it is a Group Policy and the beneficiary herein was Late Moureen Bang. It is a "Home Loan Insurance – Master Policy" under terms and conditions of which the loan was taken. Schedule II of the policy mentions the 'Eligibility Criteria' as follows :-

"3. Eligibility Criteria :

The existing or new Home Loan Borrowers of the Grantees who at the time of their admission to the Scheme, are not less than 20 years and not more than 60 years of age, and are in good health and do not suffer from any critical illness and have duly signed the Good-Health-cum-Consent letter and who have fulfilled, to the satisfaction of the Company, the medical requirements, if any, as prescribed by the Company."

Under Schedule IV and the heading "General Conditions", Condition 11 & 14 (b) go as follows :-

"11. The Company shall not be liable for any action taken in good faith upon any statements and particulars furnished by the Grantees which shall be, or shall be proved to have been erroneous. Such of the Grantees' records in original as in the opinion of the Company have a bearing on the benefits provided or the premiums payable hereunder shall be open for inspection by the Company whenever required.

14. "An assurance effected hereunder shall be rendered null and void in the following events and all moneys paid in respect of that assurance shall belong to the Company :-

b. if it appears that an untrue or incorrect averment is made or misstatement or suppression of material information is contained in the Good health-cum-consent letter, medical reports, statements or any other information relating to the assurance or that any of the particulars referred to above has not been truly and fairly stated; provided, however, the Company may, at its sole discretion, grant relief subject to such conditions as the Company may prescribe. "

The discharge summary issued by Christian Medical College and Hospital, Vellore, stated, inter alia, as follows.

History

Mrs. Maureen presented with complaints of multiple joint pains since the age of nine years. The involvement was bilateral, symmetrical with early morning stiffness; involving both small and large joints but sparing the back and was diagnosed outside to have Rheumatoid arthritis. There is no history suggestive of SLE or sjogren's syndrome. She is not a known diabetic or hypertensive. Her Bowel and bladder habits are normal. She has been diagnosed to have Tahayasvis with gout to another place. She was on treatment with allopurinol, betnisol and a variety of analgesic on and off."

On the other hand, while submitting the proposal the deceased life assured put her signature admitting and endorsing the conditions in prescribed formats which go as follows :-

I declare that I am in sound health, and that I do not suffer from any critical illness or any condition requiring medical treatment for a critical illness as on date.

Therefore, we find that the Insurance Company has successfully pointed a case where the DLA had filed the false DGH in order to become a beneficiary under the scheme in

question and to take insurance cover. Thus, we don't find any ground to interfere with the decision of the insurer.

Order / Award

In the result and on the basis of discussions aforesaid, it is hereby directed that the complaint be treated as closed.

Guwahati Ombudsman Centre
Case No. : 24/01/016/L/07-08/GHY
Smt. Tara Devi Agarwala
Vs
Life Insurance Corporation of India

Award Dated : 05.06.2007

Facts

In brief, the complaint is against the act of repudiation of the claim which arose due to death of the insured. The sum assured was Rs.20,00,000/- (Rupees Twenty Lacs).

No self-contained note was received. However, from the copy of the letters forwarded and the copy of the investigation report submitted by Manager (F&A) would show that the claim was repudiated as in the opinion of the insurer the DLA deliberately concealed facts of his disease at the time of signing the proposal forms on 12.05.2003.

Decisions & Reasons

It appears that the claim in question arose within about 4 months from the date of purchase of the policy. On examination of the proposal, we find that the questions under item no. 11 regarding 'Personal History' was answered as follows.

"11. Personal History

Answer

'Yes' or 'No'

- | | |
|--|-----|
| 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 for general checkup, observation, Treatment or operation ? | No. |
| c) Have you remained absent from place of work on grounds of health during the last 5 years ? | No |
| d) Are you suffering from or have you ever suffered from ailments pertaining to liver, Stomach, Heart, Lungs, Kidney Brain or Nervous System ? | No |
| e) Are you suffering from or have your ever suffered from Diabetes, Tuberculosis, High Blood Pressure, Low Blood Pressure, Cancer, Epilepsy, Hernia, Hydrocele, Leprosy or any other disease ? | No |
| f) Did you have any bodily defect or deformity ? | No |
| g) Did you every have any accident or injury ? | No |
| h) Do you used or have you ever used ? | No |
| i) Alcoholic Drinks | No |
| ii) Narcotics | No |
| iii) Any other drugs | No |

Clinical Note :

Sixty year old, hypertensive, diabetic businessman from Maligaon, Guwahati, Mr. Gulap Ch. Agarwal was admitted in I.N.S. on 20-07-2003. He was apparently fine 4 days back when he complained of dizziness and generalized weakness. He had preceding complaints of unwellbeing followed by right sided weakness. He had difficulty in walking, sitting and had developed slurring of speech. There was no history of fever, vomiting, seizure, autonomic disturbance, chest pain, DOE or loss of consciousness. At the time of presentation, he was afebrile, pulse –80/min, B.P.-200/100 mm.Hg. Systemic examination of chest revealed B/L occasional rhonchi CVS and abdominal examination were normal. Neurological examination revealed GCS – E4 V4 M6 with left facial weakness and right hemiparesis. DTRs were normal with B/L extensor plantars. There were no signs of meningeal irritation. Blood examination revealed impaired RFT. Homocysteine level was 23.6 mic mo/l RE urine revealed 1-3 pus cells, 0-2Chest x-ray was initially normal, but later revealed opacities in the left lung field. CT scan of brain done elsewhere was suggestive of subdural hygroma. MRI of brain done elsewhere was suggestive of infarct in the right PICA with old ischaemic lesion. He was started on antihypertensive, antiplatelet, etc . insulin, antioedema, antibiotics and other supportive cares in the Neuro-ICU. He was intubated on 21-07-2003 and put on ventilator on 22-07-2003 due to poor respiratory effort. Tracheostomy was done on 28-07-2003. Due to his deranged renal parameters, Nephrology consultation was taken and necessary advice followed. He was diagnosed as chronic renal insufficiency. Presently, his GCS was – E3 V4 M2, on mechanical ventilator. He is afebrile, and is on Ryle's tube feeding and under constant supervision.”

In any case, we may opine on the basis of reproductions of the excerpts aforesaid that the disease mentioned by Dr. Agarwal are not of sudden origin and in that case non-mentioning of all the ailments while submitting the proposal form and answering of questions in item no.11 of the said form all in negative except one is definitely a case of withholding proper information while submitting the proposal form. In that event to opine that the information supplied misled the insurer in taking proper underwriting decision may not be out of context etc. The materials collected by the insurer, particularly the report of Dr. Agarwal and particulars of treatment in GNRC, are clearly demonstrative of the fact that there was an intention of procuring the policy by misleading, if not practising fraud upon LIC.

Thus there was no convincing facts to opine that the state of health of DLA was 'good' when he applied for the policy etc.

Award/Order

Concluding thereof, we find that it is not a case where this Authority need interfere and accordingly matter stands closed from our end.

Guwahati Ombudsman Centre
Case No. : 21/05/147/L/06-07/GHY
Shri Paresh Sarma
Vs

HDFC Standard Life Insurance Co. Ltd.

Award Dated : 04.07.2007

Brief Facts leading to complaint

The complainant Paresh Sarma, son of DLA Late Ananta Deba Sarma, has lodged this complaint. His father Late Ananta Deba Sarma expired at their residence due to Acute Cardiac Failure and before that he (DLA) purchased two policies from HDFC Standard

Life Insurance Co. Ltd. That on sudden death of the policyholder, he lodged the claim with the Insurance Company submitting requisite documents but the Insurance Company expressed its inability to accept the claim and hence this complaint.

Opponent's views

The contention of the insurer, inter alia, is that Late Ananta Deba Sarma, the life assured had been issued two policies on February 21, 2006 on the basis of his two proposals and policies were issued under the HDFC Unit Linked Young Star Plan of Insurance. That the life assured died due to Acute Cardiac Failure on March 18, 2006 and the duration of the policy was only 25 days. That the deceased life assured (DLA) was 49 years of age when he went to purchase the aforesaid policies stating that as per the proposals it was his first insurance. That the Company had made investigation into the bonafides of the claim and the investigation has revealed that the DLA was suffering from Vertigo at least since August 20, 2004 which fact he failed to disclose in the proposal form particularly in reply to the question no.12 in Section D of the proposal form. That it came to light during investigation that the DLA had purchased policies from Kotak Life Insurance Co. Ltd. on 31st March, 2005 for a sum assured of Rs.2,50,000/- , Tata AIG Life Insurance for 1.45 lakhs and SBI Life Insurance, sum assured of Rs.3 lacs. The relevant proposal of those policies would show that sometimes he described himself as illiterate and sometimes he stated that he studied upto Higher Secondary School Leaving Certificate. For age proof also, sometimes he gave driving licence, sometimes the affidavit as proof of date of birth etc., and all these proposals were made and policies were procured within a span of one year. That had the true disclosure been made particularly about suffering from Vertigo, the underwriting decision would have been different and accordingly, the company decided to repudiate the claim. It prayed for the dismissal of the complaint.

Decisions & Reasons

We find that the insurance company has procured sufficient documents to show that the proposals submitted for purchasing policies from other insurance companies with a span of one year, assured an amount of about rupees six to seven lacs. Undeniably, there is no mention of these proposals/policies in the latest proposal submitted before the present insurance company i.e., HDFC except one with LIC for sum assured of Rs.50,000/-. There is no denial of the fact that the question of suffering by the DLA from Vertigo was also not mentioned. The insurance company procured documents/prescriptions from doctors dated 10.02.05, 1.7.05, 5.10.05 etc., to show that he was suffering from such and other diseases. The question of suffering from Vertigo is a fact admitted but the complainant has given an explanation that the Vertigo was due to frequent Fast and sleepless nights by the DLA in prosecution of his profession as Priest. Be that as it may, Vertigo is a serious disease and the case may be investigated only by Doctor. We know that the date of proposal is 21.12.2005 and we find that on 20.08.04, the doctor issued a prescription diagnosing Vertigo (as a disease) of the DLA around 8 months earlier to the proposals. Even overlooking the question of Vertigo, we find that there is material failure on the part of the DLA in making the disclosure of the policies with other insurance companies with large amount of sum assured, while presenting the present proposal and naturally the frequent purchases of the policies from different companies within a span of one year with an unauthenticated income itself creates a doubt about bonafides of the DLA in going for purchase of the policies. Even, on a same day, he purchased another policy from LIC for an amount of Rs.50,000/-. Therefore, a motive can be imputed to alleged violation of the principle of 'Utmost Good Faith' and under the circumstances aforesaid, we

would not like to interfere with the decision of the Insurance Company in so far the sum assured is concerned.

However, the present policies were 'United Linked Young Star Plan of Insurance' where a percentage of the premium deposited was for purchase of units for investment but since there was death of the DLA within 25 days of the date of policies, the amount deposited has been freezed and is now liable to be released in favour of the successor/nominee of the DLA.

Order / Award

Under the facts and circumstances as discussed beforehand, we will not like to interfere in so far the repudiation of sum assured is concerned but will advise the insurance company to release such amount of Rs.7455.69 for policy no.10460538 and Rs.7532.62 for policy no.10460539 respectively in favour of the claimant without any interest.

Guwahati Ombudsman Centre
Case No. : 21/01/110/L/06-07/GHY
Mrs. Indira Gogoi
Vs
Life Insurance Corporation of India

Award Dated : 29.01.2007

Facts leading to grievance of complainant

The grievance of the complainant (wife of policyholder) is against repudiation of death-claims in connection with the policies taken by him. The LIC repudiated the claims on the ground of withholding material informations/suppressing material facts while submitting the concerned proposal forms. The complainant contends that the Deceased Life Assured (DLA) discharged his duties without any absence while under employment and she is financially hard-pressed on the death of the DLA and hence sought for relief etc.

Counter statements from Opp.party/Insurer

The insurer/LICI, on the other hand, would submit that DLA had suffered from various ailments like convulsive disorder, malaena, Bacillary Dysentery and in this connection he availed sick leave from 09.04.98 to 15.05.98, 30.8.99 to 15.09.99, 26.08.01 to 06.09.01 on different occasions. That the DLA failed to disclose these facts of availing sick leaves while submitting the proposal/personal statement and accordingly was guilty of deliberate mis-statement therein and hence the claim had to be repudiated as per the terms and conditions of the contract.

Decisions & Reasons

Undisputedly, the cause of death was Cardio Respiratory Failure resulting from 'extensive ...parenchymal hematoma with mass effect & ventricular extension'. In the case summary issued by G.M. Hospital (P) Ltd., Dibrugarh on 31/10/03, it is stated that the DLA was admitted on 13/09/03 with 'history of sustained head injury on 12/09/03 at 12 PM' and on examination he was found to have sustained right elbow abrasion, right scalp contusion on parietal region etc. In the certificate of hospital treatment (form no.3816/Claim Form-B) it is stated that the DLA was admitted with complaint of unconsciousness following head injury. As per entry in item no. 33 of the Claim Enquiry Report, the ABM (S), LICI, Naharkatia, it is stated that Enquiry Officer could understand from the enquiry that the DLA fell down when he was purchasing his daily essential commodities. It was also found by the Enquiry Officer that the DLA suffered from other ailments before DOC and availed sick leaves during his service period. So,

the stated injury sustained on head by DLA is not from 'external visible means' but due internal physical disorder (may be convulsive disorder) with which the DLA used to suffer next before the purchase of policies in question.

The LICl could collect informations from the employer of DLA to submit that the DLA availed sick leave as follows :-

9-4-98 to 15-5-98 – (37 days) Convulsive disorder.

30-8-99 to 15-9-99 – (17 days) Malaena

26-8-01 to 6-9-01 – (13 days) Bacillary Dysentery.

Therefore, the view taken by the LICl as per the 'official note' prepared that the DLA sustained head injury caused by sudden fall due to convulsive disorder has substance. It is also established by the documents produced by the LICl that DLA was an ailing person before DOC of the policy but there was no mention of these sufferings or diseases in the connected part of the proposal forms submitted by DLA.

Unfortunately, the proposal forms disclose that all the questions regarding 'Personal History' were answered in negative (excepting one where the state of health has been mentioned as 'Good'), refer answer to question no.11 of the proposal forms. Health condition is an important material for the insurer to take decision in the underwriting and accordingly, it has got serious implications for which any omission or commission therein cannot be overlooked. Convulsion as per medical dictionary is a violent involuntary contraction or series of contractions of the voluntary muscles and disorder is a derangement or abnormality of function etc. Therefore, convulsion disorder is a serious disease and needs to be mentioned in order to know the actual health condition of the proposer at or during time of submission of proposal for procurement of policy.

In this context, we find that during a service career the DLA availed both privilege leaves and sick leaves and sometimes extending over 37 days. (from 9/4/98 to 15/5/98 due to convulsive disorder).

We also observe that the policy duration in these cases were 2 years 8 months 18 days and 1 year 9 months 21 days respectively procured in consecutive years of 2000 and 2001, although the DLA was in service from 1997 onwards, if not from earlier period, as per available datas which contradicts the statement of the complainant in her complaint where it is stated that the DLA 'discharged his duty without any absence from his work'. In the result, we don't find any strong ground to interfere with the decision arrived at by the insurer.

In view of the discussions aforesaid, the matter stands closed.

Guwahati Ombudsman Centre
Case No. : 21/01/076/L/06-07/GHY
Smt. Sarita Agarwalla

vs

Life Insurance Corporation of India

Award Dated : 31.01.2007

Facts (Statements and counter statements of the parties)

The complainant is the wife of the Deceased Life Assured (DLA) who purchased the policy (the particulars of which is noted above) vide proposal (DOC dated 28/02/2000) and it is stated by the complainant that the DLA died on 6th December, '03. That the LICl issued discharge voucher for Rs.2,49,200/- in December, 2003 but thereafter is not responding to the queries regarding the full and final settlement of the death-claim lodged.

The Branch Manager of Moran Branch Office of LICl vide his letter dated 25.09.06 stated that the Divisional Office Jorhat has repudiated the claim on 31/07/04 but the connected file/record of the claim case was missing.

Decisions & Reasons

Correspondences were made unfortunately with negative results to get the self-contained note from the LICl. Although it is stated in the complaint that 4 years premiums have been paid by the DLA, in support thereof no documents or copy of the premium receipts etc. or any other documents have been filed by the complainant. The clear ground of repudiation is also not available from the concerned Divisional Office or Branch Office of LICl. It is stated that the DLA died of Cardio Respiratory Failure but the position is not clear whether before death the policy was in running condition without any break or it was revived before death of DLA after any lapse in payment of premium. In any case, it is most unfortunate that clear picture is not coming from LICl in spite of several reminders issued from this Office. It is true that for effective disposal of the complaint, matters available are insufficient. But then, we cannot keep this case pending for unlimited period and accordingly, it is ordered as here-in-under.

The Divisional Office Jorhat in consultation with the concerned Branch Office will take up the matter/issue seriously and try to resolve the issue within 60 days from today as per the available records. It is suggested that the possibility of refund of the premiums deposited may be considered if other method for settlement of claim appears to be not practicable under the particular facts and circumstances of this case.

The matter stands disposed of accordingly for the time being.

Guwahati Ombudsman Centre
Case No. : 21/01/137/L/06-07/GHY
Smt. Urmila Talukdar
Vs
Life Insurance Corporation of India

Award Dated : 12.02.2007

Brief Facts leading to complaint

This is a complaint against repudiation of death-claim in connection with the policy of the life assured. The complainant Smt. Urmila Talukdar is the wife of the insured Late Kanak Sen Talukdar. The complainant states that DLA (Deceased Life Assured) died an untimely death and left behind 3(three) minor daughters and 1 (one) son and on his death they are finding it difficult to keep the body and soul together. That the reason for repudiation of the claim was neither known to the DLA nor is known to them. That if and when the repudiation is upheld, matter may be re-considered by this Institution on humanitarian ground etc.

Opponent's view

In its self-contained note the insurer, through its A.O. (Claims), submits that the Policy in question did not acquire paid-up value before revival and it was revived after payments of premiums for two and half years. That as per evidence collected the DLA was on leave under medical ground w.e.f. 23.08.04 to 30.09.04. That as per doctor's certificate dated 06.09.04, the DLA was treated as outdoor patient in the Gastro-entriology Department of Guwahati Medical College from 06.09.04 i.e., 3 days prior to the revival, and was referred to attend Cancer Institute of Adiyar, Chennai/CMC, Vellore. That DLA did not disclose the fact of his suffering from such diseases while

signing the DGH (Declaration of Good Health) on 09.09.2004 for revival of policy and hence the claim had to be repudiated and the order of repudiation was also upheld by the Eastern Zonal Office of the insurer (LIC) etc.

Decisions & Reasons

We find from the Office Note etc of the insurer, (it appears) that the DLA purchased two policies. One of the policy for sum assured of Rs.25,000/- was admitted for processing etc. But the present policy had to be repudiated as it was in lapsed condition w.e.f.

09/2003 and was revived only on 09/09/04 signing DGH. The certificate issued by the Assam Medical College has clearly stated that the DLA was being treated in Gastro-Enterology department of that College w.e.f. 06.09.04 as outdoor patient i.e., next before the date of revival of the policy. The D.G.H. was signed on 9th September,'04

The Medical attendant's certificate (Form No.3784 : Claim Form 'B'), and certificate by employer (Form 3787; claim form 'E') have clearly mentioned that DLA started suffering from 04-09-04 and died of Carcinoma of gall bladder. Thus, answering the question aforesaid in negative was not proper and correct. The employer of the DLA has issued a certificate stating that the DLA availed commuted leave on medical ground w.e.f. 23.08.04 to 30.09.04. Therefore, evidence collected by the insurer appears to be sufficient to establish that the policy in question was revived only after having the knowledge that the DLA was suffering from serious disease like cancer etc and policy was also in lapsed condition. Therefore, revival of policy was with concealment of material facts and it appears that repudiation of the claim under facts and circumstances as discussed, was done on the genuine grounds and there is hardly anything to agitate against such acts of insurer.

However, considering the collateral prayer of the complainant that the family has been led to great misfortune on the death of the sole earning member, some considerations from this Authority may be made to help them to come out of the sufferings to some extent. It appears that approximately, an amount of Rs.15,512/- has been deposited by the DLA as premiums in connection with the policy in question prior to his death and LIC may not lose much if, as a special case, an amount nearer to such amount is paid to the complainant as ex-gratia relief on the strength of provisions of Rule 18 of the R.P.G. Rules, 1998. This step is considered necessary by this Authority particularly in reference to the prayer of the complainant in the last few lines of complaint that 'in case repudiation is upheld she may be given some pecuniary relief'.

In view of the discussions aforesaid, it is hereby ordered that insurer will pay a sum of Rs.20,000/- (Rupees Twenty Thousand Only) as an ex gratia relief.

Guwahati Ombudsman Centre
Case No. : 24/01/112/L/06-07/GHY
Smt. Dipali Bhuyan
Vs
Life Insurance Corporation of India

Award Dated : 01.03.2007

Facts (Statements and counter statements of the parties)

The grievance is for non-settlement of death-claims under the three policies despite approaches made by the complainant on the death of insured, her husband Late Joy Bhuyan on 27.12.2004.

The contentions of the insurer/LIC, inter alia, are that death claims under policy nos. 480684991 and 481840210 were admitted by the Competent Authority on 27.11.06 and

the Branch concerned were advised to make payments. That in regard to policy no. 481841755, which was assigned to P.G. Bank, policy documents were received from the Bank, but on examination it was found that the claim under said policy was liable to be repudiated by setting aside the revival as it was found on investigation that the DLA (Deceased Life Assured) was bed-ridden on the day of revival of policy and had been under treatment of Doctors Dr. B.N. Sarma and Dr. B. Hazarika since 01/09/2004. Accordingly, the death claim in so far the sum assured was repudiated but the heirs of the DLA were held to be entitled to receive the 'paid-up value along with accrued bonus upto first unpaid premium (FUP) due on 28/03/03' etc.

Decisions & Reasons :

We have considered the photocopies of the documents placed before us. The certificate by employer (Form No.3787/Claim Form E) stating that on 24th December, 2004, the DLA complained of illness and died on 27th December, 2004 and that DLA had availed sick leave on medical ground from 01/09/04 to 14/12/04 and again from 25/12/04 till 27/12/04. The certificate issued by Dr. Hazarika says that DLA was under his treatment from 25th December, '04 and expired on 27th '04 at 8.25 p.m. due to cardiac failure. It has rightly been pointed out that 'PERSONAL STATEMENT REGARDING HEALTH' for revival of the lapsed policy was signed by the DLA on 27th December, '04 i.e., on the date of death of DLA, which can be confirmed from the photocopy of such statement forwarded to this Office.

Therefore, we find that there is nothing wrong in the decision of the insurer/LICI and such decision requires no interference from this Authority.

Guwahati Ombudsman Centre
Case No. : 21/01/160/L/06-07/GHY
Smt. M.Ibeyaima Devi
Vs
Life Insurance Corporation of India

Award Dated : 20.03.2007

Grievance

The grievance of the complainant Smt. M. Ibeyaima Devi is that on the death of her husband Shri W. Biren Singh the death-claim lodged by her has not been settled by LICI. She, being the widow of the Deceased Life Assured (DLA), has requested for reimbursement /refund of the money/amount already deposited so that it may be helpful to her family as she has no other source of income. She has sought for intervention of this Authority on humanitarian ground.

Reply

The contention of the LICI , inter alia, is that the DLA revived the policy on 09/08/03 on the basis of DGH (Declaration of Good Health) paid three quarterly premiums due from 01/03 to 07/03. Thereafter, the life assured died on 11.02.04 due to Alcoholic Cirrhosis with history of Alcoholism. He was a known Ethanolic for 10 years for which the claim had to be repudiated by Competent Authority for suppression of facts at the time of taking the policy as well as the at the time of revival of the policy. The order of repudiation was passed on 30/03/05 was duly communicated to the complainant, wife of the DLA vide letter of the LICI dated 15.05.05.

Decisions & Reasons

It appears that total quarterly premium paid was Rs.853.00 x 14=Rs.11,942.00 and at the time of revival three quarterly premiums amounting to Rs.2,559/- along with late fee of Rs.70.00 were paid. The copy of the proposal form shows that while filling up the proposal form in item no.11 under heading 'Personal History' all queries except one were answered in 'negative' thereby meaning, that the usual state of health of the proposer was 'good;' during last five years he did not consult any Medical Practitioner for any ailment requiring treatment for more than a week; he had never been admitted to any hospital or Nursing Home for general check up, observation, treatment or operation; he had not remained absent from place of work on ground of illness during the last 5 years; he had never used and does not use alcoholic drinks and that he was not suffering from ailments pertaining to Liver, Heart, Lungs, Kidney, Brain or Nervous System etc. The Discharge Summary issued by down town hospital, Guwahati has clearly mentioned that DLA Mr. W. Biren Singh reported to hospital with a complaint of yellowish discolourization of the eyes and swelling of abdomen for last 20 days, history of known ethonolic for ten (10) years, and he was diagnosed to be a case of Cirrhosis of Liver with decompensation in precoma, and was managed conservatively. The date of admission being 05/02/04 and discharged being 07/02/04. The RIM Hospital of Imphal where DLA was treated from 7/2/04 till 10/2/04 (a day before the date of death) also issued a certificate that Shri W. Biren Singh was diagnosed as an Alcoholic Cirrhosis on his admission on 08.02.04. The employer of DLA also issued a certificate stating that DLA availed 30 days earned leave on medical ground w.e.f. 28.09.02 to 27.10.02 due to fracture of left leg.

It is also seen that it is a policy which ran for 3 years 3 months 25 days since DOC including the lapse period and after revival the duration of the policy was 6 months 2 days only. Thus, repudiation appears to be justified. But the complainant has also prayed for reliefs otherwise on humanitarian ground due to her pathetic financial condition.

Situated such, we find no ground to interfere with the decision of repudiation of the claim on merit but are of the opinion to grant an ex-gratia relief of Rs.15,000/- on the strength of Rule 18 of the R.P.G. Rules, 1998. The LICl may pay the same within reasonable time with intimation to this Authority.

Guwahati Ombudsman Centre
Case No. : 21/01/150/L/06-07/GHY
Smt. Geeta Mali
Vs

Life Insurance Corporation of India

Award Dated : 29.03.2007

Facts (Statements and counter statements of the parties)

The complainant states that her husband expired on 13th April, 2005 and death-claim in connection with two policies were repudiated by LICl (Jorhat Divisional Office). That representation to Zonal Manager was also without any positive result. Hence this complaint.

The stand taken by the LICl is that the Deceased Life Assured (DLA) had given two different dates of birth, i.e., 09/06/63 and 20/04/64, in the concerned proposal forms. That LICl could procure certificate from employer of the DLA where his date of birth (DOB) has been stated as 28/06/1946 and thus, there was large difference to the extent of about 17 years or so in between the given ages and real age (collected from employer). That had the actual age been disclosed, the insurer would not have

accepted his proposals and accordingly, as per terms and conditions of the policy, the death-claims were repudiated.

Decisions & Reasons

We have considered the views expressed by the parties and perused the documents and noted the contents thereof. Interestingly, it appears that the policies were accepted by the insurance company without 'age proof' and now at the time when the claims have arisen, it is demanding 'proof of age'. The complainant has stated that due to devastating fire her house was completely burnt down for which she is not in a position to supply 'age proof' certificate. It appears that in the policies different DOBs were given and hence there was scope for the insurance company to ask for clarification to remove the doubt before accepting the proposals. Evidently this was not done and now, the insurance company has raised the issue after collecting a certificate from the employer where a different DOB has been mentioned.

On the circumstances aforesaid, it appears that the DLA was in the habit of being casual in mentioning date of birth or it may so happen that the concerned Agent put the DOB at his sweet will or never tried to verify the same or to collect authenticated documents regarding proof of age before forwarding the proposals for acceptance of the insurance company. So, it was clearly a fault on the part of the Agent of the Insurance Company or the Insurance Company itself in accepting the proposals without proof of age and the insurer would be debarred logically to raise the issue now in order to repudiate the claim. It is brought to my notice that it is permissible as per the policy condition to recalculate the premiums as per the correct age at entry and the accumulated premiums along with interest on the difference of age may be recovered from the payable amount of claims. It is also brought to my notice that for both the cases in question under the mentioned plans, the DLA would have been eligible for entry, his correct age being 57 & 58 years respectively. We are of the considered view that repudiation of the claim on the ground shown is neither logical nor acceptable. There was perhaps no intentional suppression of age. At best it may be a confusion and inadvertent approach of both the sides for which the DLA alone cannot be punished. At any case, it is a default on the part of the LIC not to stick to verification of the age proof while accepting the proposal forms.

In conclusion thereof, we cannot agree with the view expressed and the decisions taken by the insurer. The act of repudiation is hereby set aside.

Hyderabad Ombudsman Centre
Case No. : L-21-005-0461-2006-07
Sri Ch.S.Prabhakar Rao

Vs

HDFC Standard Life Insurance Co. Ltd.

Award Dated 16.4.2007

The complaint is about repudiation of death claim under Policy No.10147365 issued by HDFC Standard Life Insurance Co. Ltd. The policy was taken by (late) Ch.Venkata Naresh for Rs.5 lakhs sum assured with the commencement date of 30.12.2004. The LA was an agent of the insurance company at the time of proposal and also at the time of his death. The LA committed suicide on 12.3.2006 and the claim was rejected by the insurer on the plea that the LA utilized his knowledge as an Insurance Advisor to make false statements in the proposal regarding his income and occupation that led to the issue of the policy.

As per the contentions of the insurer, the LA described himself as a 'Landlord and certified consultant' in his proposal dated 27.12.2004. After his death, the insurer made

enquiries about the bonafides of the claim and noted that the LA was not having income from lands and that his income from insurance agency was very little. They also observed that the LA had taken another policy for Rs.4 lakhs sum assured in 01/2005, under which his wife was nominated as the beneficiary. While committing suicide, the LA left a long suicide note, in which he declared that he was committing suicide due to heavy debts. The LA had even given a list of creditors in his suicide note. Suicide clause is not operative under both policies as the limitation period of one year was over on the date of death.

As per evidence produced, the LA was the only son to his parents and their family owned about six acres of land at the time of proposing for insurance. Portion of this land was sold away and as per the complainant, the sale proceeds were utilized to clear the debts raised by the LA. The family of the LA still owns about 4 acres of land as on the date of death and as per MRO certificate, the lands yield about Rs.1 lakh per annum.

As per the complainant, the cause of death is domestic problems like lack of understanding with his newly married wife and not on account of financial problems.

The complaint was admitted and the insurer was asked to settle the claim for the following reasons:

- a) The insurer could not produce any proof to show that the lands owned by the family of the LA are dry lands and do not yield any income. The complainant submitted a certificate from revenue authorities showing that the lands yield an annual income of Rs.1,00,000.
- b) The total premium commitment of the LA was Rs.21700 under the two policies and as per record produced, the LA was in a position to afford that commitment.
- c) The LA was working as an Insurance Advisor with the insurer and they could have verified his financial status before accepting the proposals for a heavy sum assured of Rs.9,00,000 in a short period.
- d) Suicide clause is not in operation.

Hyderabad Ombudsman Centre
Case No. : L-21-005-0424-2006-07
Smt. Ch. V.K.D.Vijaya Lakshmi
Vs.

HDFC Standard Life Insurance Co. Ltd.

Award Dated 16.4.2007

The complainant is the wife of the DLA. (Late) Ch. Venkata Naresh obtained policy no.10167866 for a sum assured of Rs.4 lakhs from the insurer with the commencement date of 31.1.2005. The LA committed suicide on 12.3.2006 and the claim was rejected by the insurer on the plea that the LA made false declaration regarding his financial position. The LA was an Insurance Advisor with the insurer and the contention of the insurer was that the LA utilized his knowledge as an Insurance Advisor to commit a fraud on them. They contended that the LA was not in a position to afford premium under two policies for a total sum assured of Rs.9,00,000. The LA had taken another policy for Rs.5 lakhs in 12/2004 and he declared his occupation as 'Land Lord cum financial Analyst'.

The insurer contended that the LA left a suicide note in which he declared that he was committing suicide due to heavy personal loans. The insurer's contention was that the LA was not a position to afford payment for two policies and that the policies were taken to gain financially. They also held that the LA knew about the suicide clause and

committed suicide in a pre-planned manner after one year from the date of risk to avoid suicide clause under the policy. It was held by the insurer that there was no income from the landed property held by the family members of LA during three years before the date of death.

The complainant contended that the LA committed suicide due to domestic quarrels and not due to financial problems. As per the complainant, all major loans were cleared by selling lands held by their family and still they hold about four acres of land. A small portion of the personal loan taken by her husband is yet to be repaid and reasons for suicide is not solely due to financial indebtedness. The sum assured under the two policies was within the financial capacity of their family and there was no malafide intention in taking the policies. The total premium commitment of Rs.22000 was within their affordable limit.

After a personal hearing of both sides, it was decided to allow the complaint for the following main reasons:

- a) Suicide clause is not in operation on the date of death
- b) The complainant's side produced an income certificate issued by the MRO concerned who certified that the income of the LA and his family from agricultural lands was about Rs.1 lakh per annum. The complainant's side produced records relating to the holding of agricultural land in the names of the family members of the LA. The insurer could not produce any substantive proof to the contrary.
- c) The LA was an Agent/Advisor with the insurer and they could have checked his financial status before issuing him policies for heavy amounts.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0433-2006-07
Smt. K.Nirmala Devi
Vs.
SBI Life Insurance Co. Ltd.

Award Dated 30.4.2007

The complaint is against repudiation of death claim under Group Policy no.83001000587. The group policy 'Super Suraksha' is meant for the borrowers of housing loans from State Bank of India and its associate banks.

(Late) Sri Katikaneni Lakshmana Rao became a member of the policy, effective from 21.9.2004 and he borrowed a loan of Rs.6 lakh from SBH, Anandnagar branch, Hyderabad. The sum assured will be equal to the outstanding loan including outstanding interest. The life assured died on 10.7.2006 allegedly due to cardio respiratory arrest. The LA was admitted into the scheme on the basis of a 'Good Health' declaration.

The claim was rejected by the insurer on the plea that the LA was a known case of HTN/DM/DCM/CAD+/with LV dysfunction and non anti thrombotix. The insurer obtained a certificate from the last medical attendant and claimed that the LA was under treatment since six years for heart related problem. Finding the LA to be guilty of a false declaration of good health, the insurer repudiated the claim for reasons of suppression of material facts.

The claimant questioned the authenticity of the medical certificate produced by the insurer and stated that her husband was never treated in Apollo Hospital, from where the insurer produced the last medical attendant's certificate. She claimed that her husband showed symptoms of disease for the first time in 06/2006 and not before as claimed by the insurer. She produced a running case sheet from Yashoda Hospital,

Hyderabad and in that there was no adverse information to show that the LA was under treatment prior to entry into the scheme. Section 45 of the Insurance Act, 1938 is applicable and the insurer could not produce any substantive evidence to prove their point. Hence, the repudiation action was set aside and the insurer was asked to admit the claim as per policy conditions.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0001-2007-08
Sri G.N.Manjunatha
Vs.

Life Insurance Corporation of India

Award Dated : 30.4.2007

The complaint is against the decision of LIC to repudiate death claim under a policy no.622370966 held on the life of (late) Smt. Ratnamma. The policy was issued for a sum assured of Rs.40,000 with the commencement date of 28-3-2003 under 14-21 plan. The LA died on 18.6.2004 and the claim was rejected by LIC on the plea that he LA did not disclose details of two previous policies for Rs.1 lakh each. The insurer contended that they would not have issued the policy in the event of disclosure of previous policies in the normal course. They held that as per their rules, the LA would be categorized as a self-employed female and eligible for a maximum insurance of Rs.1,00,000 and insurance above that limit would require a matching insurance on husband's life. It was their contention that the LA declared a wrong policy number while taking the second policy for Rs.1,00,000 and that itself was questionable. Though she was not eligible for the second policy of Rs.1 lakh, they settled the claim.

The nominee under the present policy is her brother and in the proposal form dated 31.3.2003; there was no disclosure about the previous policies for one lakh each. It was the contention of the insurer that non-disclosure about previous policies would affect their underwriting decision and held that the action of the LA would amount to willful suppression of material information and hence they rejected the claim.

The complainant contended that his sister is from a rural area and does not know the implications of not disclosing such details. He claimed that his sister furnished all information to the LIC Agent and the particulars in the proposal were filled by the Agent. According to him, the mistake was a bonafide one which needs to be condoned and the claim to be settled.

A personal hearing into the complaint was held on 27-4-2007. After the hearing and on the basis of the documents produced, it was decided to uphold the decision of LIC as it was felt that information about previous policies would certainly amount to material information. Considering the occupation of the LA, relationship of the nominee, it was decided to reject the complaint.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0453-2006-07
Sri M.S.Krishna Murty
Vs

Life Insurance Corporation of India

Award Dated : 30.4.2007

The complainant is the husband of (late) Smt. B.R.Pushpalatha, on whose life the disputed policy no.614737722 for Rs.2 lakh sum was taken. The policy was issued by Bangalore -I Division of LIC with the commencement date of 28-4-2004. The LA died in a road accident on 29.5.2005 and on the date of death, the policy was not in force due to non payment of the yearly premium due on 28-4-2005 and the days of grace were

over. The claim was rejected by LIC on the plea that the policy was not in force and that the grace period was also over on the date of death.

The complainant pleaded that the policy was issued with the commencement date dated back to 28-4-2004 without any request from his deceased wife. He held that the proposal was dated 18.11.2004 and that the next premium would fall due on 18.11.2005. The insurer held that the policy was dated back as per the wish of the LA expressed in the proposal form and they issued the policy strictly as per the proposal form. As per them, rejection was done strictly as per policy conditions and not otherwise.

A personal hearing of both sides was held on 27-4-2007. Considering the arguments put forth by both sides, it was decided to take a lenient view in view of the harrowing experience underwent by the complainant on the date of accident. It was decided to allow the complaint on exgratia basis to the extent of refund of premium.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0414-2006-07
Dr. P.Stalin
Vs.
Life Insurance Corporation of India

Award Dated : 30.4.2007

The complaint is about rejection of death claim under Policy no.621870208 for a sum assured of Rs.200, 000 held on the life of (late) Dr. M.Kasturi Bai.

The complainant is the husband of the DLA and nominee under the policy. The policy was taken with the commencement date of 28-8-2004, under Plan 14-12 and the LA died on 30.11.2004. The claim was rejected by LIC on the plea that the LA was a diabetic prior to the proposal form dated 20.8.2004 and that she was on regular treatment for diabetes. Section 45 of the Insurance Act, 1938 is not applicable.

As the claim turned out to be a very early claim, the insurer investigated the matter. Their enquiries revealed that the LA was a known diabetic for 8 to 10 years prior to the commencement of the policy and was on regular medication. As per hospital records, the final cause of death was due to Diabetic Ketoacidosis- with acute renal failure. The LA was treated in Garden City Hospital and Wokhardt Hospitals, Bangalore during her final days. In the case sheet of Garden City Hospitals, Bangalore, there was a recording of past history of diabetes for 8 to 10 years and usage of Tab.Glycimet 425 mg to 825 mg. In that hospital, she was given heavy dosage of Actrapid (human insulin) for control of diabetes, which showed that she was a chronic diabetic. The policy was obtained without disclosing previous history of diabetes. The insurer contended that the final cause of death has a close nexus to the past medical history of the LA. Hence they rejected the claim for reasons of suppression of material information.

The complainant argued that the proposal form was not filled by his wife and she only signed the proposal. He stated that LIC agent had failed to disclose about past history of diabetes in the proposal form and that his wife would have paid necessary extra premium for diabetes. He held that his wife cannot be called as a liar.

The facts of the case clearly indicate that LA was a diabetic even before submission of the proposal and there was no denial from the complainant about this point. Section 45 is not applicable and the insurer produced relevant medical records in support of their repudiation action. The complainant's contention was found to be not sustainable and hence the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-003-0019-2007-087
Sri E.V.Kuruvilla
Vs.

TATA AIG Life Insurance Co. Ltd.

Award Dated : 30.4.2007

The complaint was filed by Sri E.V. Kuruvilla against decision of the Insurer to reject death claim under policy no.C311243459 for Rs.2 lakhs taken on the life of his deceased son (late) Mathew Kuruvilla. The policy commenced on 11.11.2005 and the LA (late) Mathew Kuruvilla died on 4.6.2006 due to lung cancer. The LA was aged 53 years at the time of proposing for insurance and was self-employed. As this is a very early claim, the insurer investigated the claim and observed that the LA underwent a surgery for CABG in 08/2002. The insurer also observed that the LA was a known hypertensive and diabetic patient before 2002 and also a known case of smoking and alcohol. They obtained relevant medical records from Manipal Hospital, Bangalore and rejected the claim for reasons of non-disclosure about past medical history.

The complainant's contention was that his son was given the policy after a medical check up by the insurer and after a thorough verification by the insurance advisor. He stated that his son was cured of the heart problem after surgery in 08/2002 and final cause of death was not due to heart ailment but due to lung cancer. He held that the claim should be paid, as previous medical history has no relevance to the final cause of death. His contention was that insurer cannot revoke a policy after its issue.

A personal hearing session was held at Bangalore on 27-4-2007. The complainant did not attend the session owing to his personal reasons. As per the facts of the case, the LA did undergo surgery for CABG in 08/2002 and it was well supported by hospital records. In the hospital record, there was a clear mention that the LA was a known diabetic, hypertensive and was diagnosed to be suffering from facial palsy. The insurer submitted enough medical record to prove that the LA suppressed material information at the time of proposal. Section 45 of the Insurance Act, 1938 is not applicable. Hence it was decided to uphold the action of the insurer and accordingly the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0412-2006-07
Smt. H.S.Rudramma
Vs

Life Insurance Corporation of India

Award Dated : 30.4.2007

The complaint is against repudiation of death claim under policy no.621986355 for Rs.50000 held on the life of (late) A.Nagarajappa, who died on 28.7.2004. The disputed policy commenced on 28.9.2001 and it was revived on 29.6.2004 on the strength of a DGH and medical report. The LA survived for about one month after revival of the policy and hence the insurer enquired into the bonafides of the claim.

At the time of revival, the LA paid three installments of premium, which were in arrears. As per the evidence gathered by the insurer, the LA was admitted into KMC Hospital, Manipal on 21.2.2003 and discharged on 27.2.2003 and the LA had a history of diabetes and was on treatment since 5-6 years. The LA was admitted into the same KMC Hospital for three more spells from 30.6.2003 to 11.7.2003; 19.7.2003 to 29.7.2003 and on 16.4.2004 for treatment of various ailments like diabetes, diabetic nephropathy, HTN, renal failure etc. The LA did not disclose these details while

proposing for revival on 28.6.2004. Hence, the claim was rejected by LIC for non-disclosure of material information.

The complainant appealed for consideration of her claim on sympathetic consideration and requested for refund of premiums at least.

A personal hearing of the parties was held on 27-4-2007. The insurer produced discharge summary issued by KMC hospital, Manipal for treatment taken by the LA prior to revival of the policy. The complainant did not deny the evidence produced by the insurer. In view of the clinching evidence produced by the insurer, it was decided to uphold the decision of the insurer. However, considering the appeal made by the complainant, it was decided to allow an exgratia refund of premiums paid at the time of revival.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0506-2006-07
Smt. A.V.V.Padmavathi
Vs.
Life Insurance Corporation of India

Award Dated : 30.5.2007

(Late) A.Satyanarayana Murty obtained a policy bearing no.803424252 for Rs.2,00,000 sum assured from Kovvur branch of LIC. The policy commenced on 28.6.2005 under Table 14 for 29 years, with an annual premium of Rs.8966.00. The LA was a cultivator, aged 46 years at the time of proposal and he died on 29.11.2005 allegedly due to sudden heart attack. The claim was rejected by LIC after obtaining evidence relating to the treatment taken from Sri Aditya Hospital, Rajahmundry during the period 14.5.2005 to 24.5.2005. During that period, the LA was treated for pyrexia associated with mild renal failure. In the hospital, he was diagnosed to be suffering from Rt. Basal pneumonitis, vomiting also. The LA did not disclose details of past treatment in his proposal dated 24.6.2005. For the said reason of non-disclosure, the claim was rejected by LIC.

The complainant pleaded that the proposal form was filled by LIC Agent and that her husband would have certainly disclosed about previous treatment if was asked by the agent to do so. She also stated that the final cause of death was cardiac arrest and not renal failure. She denied the allegation of the insurer about non-disclosure of material facts.

A personal hearing of the contesting parties was held on 16.5.2007. In view of the conclusive evidence produced by the insurer regarding hospitalization of the DLA for treatment prior to the proposal date, it was decided to uphold the decision of the insurer. The complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0003-2007-08
Smt. K. Nagooramma
Vs.
Life Insurance Corporation of India

Award Dated : 30.4.2007

The complainant is the widow of the LA (late) K.Syamsundaram, who died in a road accident on 7.5.2005. The LA was engaged as a lorry driver with a private firm. The policy bearing no.842603652 was issued with accident benefit coverage for a sum assured of Rs.1,00,000 and with the commencement date of 28.3.2005. At the time of

issue of the policy, the insurer obtained an occupation questionnaire and accepted the proposal with an occupational extra of Rs.2/00. Further, the policy was issued with a restrictive clause no.85, as per which if the life assured shall die or gets disabled as a result of accident while the life assured is engaged in the hazardous occupation, DAB/EPDB is not payable.

The contention of the insurer is that the extra of Rs.2/00 charged by them is to cover the risk of death while the LA is engaged in hazardous occupation and clause 85 restricts admissibility of DAB/EPDB if death occurs while the LA is engaged in hazardous occupation.

The present complaint is about rejection of DAB. The complainant pleaded that she received the claim for basic sum assured of Rs.1 lakh only and that she should be paid DAB also.

As per facts of the case, the LA was engaged in a hazardous occupation at the time of accident and hence provisions of clause 85 became operative. The complainant contended that the clause no.85 was not imposed initially but was added subsequently. The insurer produced consent obtained by them from the DLA for imposition of the clause. LIC also contended that rules regarding imposition of clause 85 in case of policyholders engaged in hazardous occupation are uniform throughout the country. They produced their administrative circular dated 17.12.2003 to give details on the imposition of such a restrictive clause.

After examining the wording of the clause, it was decided to uphold the decision of LIC as they decided the case as per policy conditions. The complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0027-2007-08
Smt. N.Laxmidevi
Vs.
Life Insurance Corporation of India

Award Dated : 31.5.2007

(Late) N.Linga Murty was holding two policies bearing nos.650040513 and 651315207 on his life at the time of his death on 23.12.1998. The first policy was issued on 26.11.1986 for Rs.25000 and the second policy on 28.8.1997 for Rs.50000. The policies were under SSS mode. The LA was killed by extremists on 23.12.1998 and he was working as a Tester in APSEB at the time of death. Both policies covered accidental death, but LIC settled claim for basic sum assured only. The complaint is about non-payment of AB under both policies.

As per police records, the LA was killed by CPI (ML) on 23.12.1998 anticipating that the LA was keeping party funds with him. LIC rejected AB claim under the policies on the plea that the LA was engaged in anti social activities that led his murder. LIC contended that they rejected AB payment, as per the policy condition.

The complainant held that her husband was killed due to accidental reasons and under mistaken identity. She submitted that her father was associated with CPI(ML) and the naxalites killed her husband under the presumption that her father might have given custody of party funds to her deceased husband. She submitted that the State Government provided a house site to her and paid her ex gratia. She also stated that she was given a compassionate appointment, medical facilities etc., which clearly show that her husband was not engaged in anti social activities.

A personal hearing of the parties was held on 16.5.2007. The complainant produced certificate issued by the CI of Police, Guntakal, in which the LA was given a clean chit about past criminal record. The benefits after the death of the LA accorded to the complainant clearly show that the LA was not engaged in anti social activities. Hence it was decided to accept the pleading of the complainant. Accordingly the complaint was allowed under both policies and the insurer was asked to settle accident benefit.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0060-2007-08
Smt. R.Satyamma
Vs
Life Insurance Corporation of India

Award Dated : 31.5.2007

The complaint is against rejection of AB under three policies by LIC. (Late) R.Bapu was holding three policies bearing nos. 682561489; 682567553; 682848681 at the time of his death on 18.3.2002. The policies commenced on 15.7.98; 5.8.99; 28.7.94 for rs.25000; 25000 and 50000 respectively. The policies covered AB and the LA died while crossing railway tracks.

LIC admitted the claim for basic sum assured only and they rejected AB payment on the plea that crossing railway tracks would amount to breach of law and that as per policy conditions, the benefit is not payable if death occurs while the LA was involved in breach of law.

The complainant pleaded that crossing railway track would not amount to breach of law.

As per facts of the case, the police registered an FIR, investigated the matter and finally decided to close the case as death due to accident. LIC has not produced any evidence to show that death was not due to accidental reasons. LIC's contention that crossing of railway tracks would amount to breach of law was held to be unacceptable. The complaint was upheld and LIC was asked to admit AB claim as per policy conditions.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0527-2007-08
Sri K.Ganesh
Vs
Life Insurance Corporation of India

Award Dated : 31.5.2007

The complaint is against the decision of LIC to reject death claim under pol.no.693417972. The policy was held on the life of (late) Smt. K. Kalyani, who died on 22.2.2005.

The policy was issued by Parvathipuram branch of LIC for Rs.50000 sum assured, with the commencement date of 14.5.2004 under 75-20 plan. The complainant is the nominee under the policy and he is the husband of the LA. The policy was completed under medical scheme.

The claim was rejected by LIC on the plea that the LA was suffering from abdominal pain and underwent a total abdominal hysterectomy (TAH) in a hospital five years before submitting proposal for the present policy. LIC obtained a copy of the case sheet and rejected the claim on 31.3.2006. The final cause of death as reported in the

claim forms is peritonitis associated with pain in abdomen. The LA did not disclose in her proposal dated 12.5.2004 about the TAH underwent by her in the past.

As per the case sheet dated 20.2.2005 issued by Jayasree Hospital, Parvathipuram the LA was admitted into the hospital on 20.2.2005 and discharged on 21.2.2005. In that case sheet it was recorded that the patient was operated for removal of ovarian mass.

As LIC could prove in a convincing manner about suppression of material facts, it was decided to uphold the decision of rejection in principle. However, keeping the pleading of the complainant in view and since the policy was issued under medical scheme; it was decided to order for refund of the first installment premium of Rs.3435 on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0002-2007-08
Smt. P. Bamma
Vs
Life Insurance Corporation of India

Award Dated : 21.6.2007

The complaint is about rejection of claim for full value. The complainant is the widow of the DLA and nominee under the policy.

Facts of the case: A policy bearing no.646817240 for Rs.1 lakh sum assured was taken on the life of (late) Persani Kathaliah R/o Pebbair coming under Gadwal branch of LIC. It was under 'Bima Plus' plan, a unit linked policy, which commenced on 4-1-2005. The LA expired on 5.12.2005. LIC admitted the claim for a reduced sum of Rs.65391 and refused to pay total amount on the plea that the LA made a deliberate understatement of his age by at least 15 years.

Contentions of the Insurer: Being a very early claim, they investigated the matter. As per enquiries with neighbours, the LA was much older than the declared age of 55 years. The policy was completed on the basis of voter identity card. The insurer estimated the age of the LA based on the ages of his sons as declared in their life insurance policies. They compared the family history given by the LA's sons in their policies and noted that the LA must be about 70 years of age. On the basis of such estimation, they came to a conclusion that the LA must be around 70 years of age at the time of proposal and the upper age limit for issue of a policy under Bima Plus' plan is 55 years, hence they rejected the claim. Their contention is that they would not have issued the policy had the LA disclosed his correct age. The observation drawn from the policies held by the DLA's sons indicate that the LA would be about 10 years old on the date of proposal, which is highly unlikely. Further, the policy was canvassed by the son in law of the LA.

In view of the involvement of the family member of the LA and in view of other evidence produced by LIC regarding understatement of age, it was decided to dismiss the complaint without any relief.

Hyderabad Ombudsman Centre
Case No. : L-21-003-0054-2007-08
Smt. Udit De
Vs
TATA AIG Life Insurance Co. Ltd

Award Dated : 21.6.2007

The complaint is about rejection of death claim under policy no.C230027206 held on the life of (late) Sri Sanjay De. The complainant is the nominee under the policy and widow of the LA.

Policy details: The policy was taken for a sum assured of Rs.3,16,000 under Maha Life plan for 12 years term, with the commencement date of 27.7.2005. It was issued from Durgapur branch of the insurer and it was basically a whole life plan with accident benefit and dismemberment benefit. The LA died on 5.11.2006 while undergoing treatment in Yashoda Hospital, Hyderabad. The LA died allegedly due to Deep Vein Thrombosis (DVT) and Pulmonary Thrombo Embolism (PTE). The claim was repudiated for reasons of non-disclosure about previous medical history, vide the insurer's letter dated 8.3.2007.

Insurer's contentions: As per their enquiries, the LA was admitted into the hospital during his terminal illness on 21.10.2006 and died on 5.11.2006. The insurer collected questionnaires from the complainant and last medical attendant about past medical history. As per such questionnaires, the LA was under medication with 'Acitron' for DVT and he was hospitalized during 2004-Sept-2006 every six months. The claimant admitted that the LA was admitted into NIMS, Hyderabad and had a history of coughing up of blood for about three years and was suffering from problem of lungs. Further, the LA was heavily overweight with morbid obesity and was on anti coagulation therapy for about three years before death. These facts were not disclosed in the proposal. The claim was rejected by the insurer for the reason of suppression of material facts.

Contentions of complainant: The proposal was not filled by the LA but by his father. The LA was not at Durgapur when it was submitted to the insurer. It was fabricated by the LA's father and the LA signed only on the tick marks. The LA's father manipulated to get the proposal signed by hypnotizing the LA. The evidence produced by the insurer is false and manipulated. She denied the treatment taken by the LA from NIMS, Hyderabad during 27.2.2005 to 12.3.2005.

Decision: The complainant alleged that the policy was issued against IRDA guidelines. She admitted in some of her written statements given to the insurance company that her husband (LA) was suffering from morbid obesity, hypothyroidism etc. The insurer produced sufficient medical record to prove that the LA was unwell prior to the commencement of the policy. The petition was held to be lacking from clarity of thought and hence ruled to be not maintainable.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0088-2007-08
Smt. A.Appalakonda
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 27.6.2007

Nature of complaint: Complaint about repudiation of death claim under group insurance policy.

Policy details: (late) Adari Subbarao joined the group 'Super Suraksha' policy of SBI, Munagapaka branch effective from 4.1.2006. The sum assured is Rs.1 lakh and the LA died on 23.2.2006 allegedly due to sudden heart attack. The claim was rejected by the insurer stating that the actual date of death is different and the claim is not payable as per the exclusion clause of 45 days from the date of risk.

Insurer's contentions: The LA died on 7.1.2006 and not on 23.2.2006 as claimed by the complainant. As per evidence gathered by them, the LA died in the KGH, Visakhapatnam while undergoing treatment. As per the master policy, the death benefit is not payable if death occurs within 45 days from the date of entry into the scheme. They obtained a copy of the death certificate from Municipal Corporation, Visakhapatnam and rejected the claim under the exclusion clause.

Contentions of the complainant: The date of death is 23.2.2006 and not 7.1.2006 as claimed by SBI Life. Death occurred at their village suddenly and the LA was not taken to any hospital. The death certificate produced by the insurer does not pertain to her husband.

Decision: As per policy conditions, the claimant is not eligible for any death benefit, if the LA dies within 45 days from the date of entry into the scheme. There is a dispute between both sides about the date of death. Two different certificates are produced by the two sides and there are counter allegations about the genuineness of the certificate produced by the opposite side. The decision taken by the insurer appears to be premature and the insurer was asked to make a further probe to find out the correct date of death. They were also advised to take help from police authorities, if necessary. The insurer was asked to review their decision after a thorough probe into the matter. The complaint in the present state was decided to be not admissible.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0495-2006-07
Smt. Amaramma
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 28.6.2007

The complaint is about rejection of death claim under 'Super Suraksha' group policy. (Late) Basavarj s/o Sharanappa joined the master policy w.e.f 8.11.2003. He became a member of the scheme on the basis of a 'Good Health Declaration' and he was covered for Rs.1,00,000. The LA is reported to have died on 25.3.2005 due to pulmonary edema and pulmonary tuberculosis. The claim was rejected by the insurance company on the plea that the LA was suffering from tuberculosis even before joining the scheme on 8.11.2003 and they produced a Medical Attendant certificate issued by the CMO, Hutti Gold Mines showing details of treatment from 6.11.2003 to 11.11.2003. The LA was employed in Hutti Gold Mines and the complainant contended that her husband never suffered from TB as alleged by the insurer. She pleaded that her husband might have suffered from silicosis due to his underground duties and maintained that silicosis is not a disease but only a symptom.

Decision: As per the Medical Attendant's certificate produced by the insurer, the L A was having the symptoms of illness for 1 ½ years with cough, breathlessness, fever, loss of weight and loss of appetite. However, the medical pass book does not contain the diagnosis arrived at by the doctor and the entries in the book indicate that the LA was sick on 8.11.2003, without other details. The DGH obtained from the LA was found to be not bearing any date and it is the basis for the contract of insurance. Being a group policy, the text of the DGH is also very brief and there was a stress on existence of four major diseases and TB is not in the list of such excluded diseases. The evidence produced by the insurer was found to be wanting and hence the insurer was asked to pay the claim. Section 45 of the Insurance Act, 1938 is applicable.

Hyderabad Ombudsman Centre

Case No. : L-21-001-0038-2007-08
Sri Malleshappa M. Chikkeri
Vs
Life Insurance Corporation of India

Award Dated : 28.6.2007

(Late) Sri Srishail Malleshappa Chikkeri took a policy bearing no.633327247 for Rs.1 lakh from LIC's Dharwad Main Branch under Bima Kiran plan (111-30). The LA was a student and he nominated his father as beneficiary under the policy. The premium was fixed @Rs.222.00 per quarter and the policy commenced on 22.2.2002.

The LA was murdered on 4.5.2005 and at that time the policy was in a lapsed state due to non-payment of quarterly premiums due from 22.2.2005. As per policy conditions, a grace period of one month but not less than thirty days is allowed for payment of premium and if premium is not paid within days of grace, the policy lapses and nothing is payable under the policy. Since the days of grace expired on 22.3.2005, LIC repudiated the claim.

The complainant contended that he paid the premiums due on 22.2.2005 & 22.5.2005 on 28.7.2005 vide transaction no.14443. He admitted that the premiums were paid after the death of his son and he claimed that he paid the arrears of premium after receiving notices from LIC. He maintained that payment of premiums without evidence of health does not amount to revival and he is not at fault as he paid the amount on receipt of notice. He stated that he received notice for payment of premium even after intimating death information and hence he paid the arrears of premium, without submitting any evidence of health.

The insurer claimed that payment of premiums after death will not bring the policy back to force and hence they refunded the premiums.

Interestingly in this case, the policy was introduced by another son of the complainant as LIC agent. The complainant stated that he paid the arrears of premium on being challenged by a staff member of LIC that premiums will not be accepted by LIC's computers after death intimation.

The insurer contended that premium notices are issued as a matter of courtesy and not as an obligation. They claimed that payment of premium after date of death is not a valid payment and that the policy was in a lapsed state.

After hearing both sides and after examining the policy conditions, it was decided to uphold the decision taken by the insurer. The complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0496-2006-07
Sri H.S.Siva Kumar
Vs
Life Insurance Corporation of India

Award Dated : 28.6.2007

(Late) Smt. M.R.Asha was the holder of the disputed policy bearing no.622469798. The policy was issued by Davangere-I branch with the commencement date 28.7.2003 for a sum of Rs.50000 under 14-20 plan and with a yearly premium of Rs.2399.00.

The LA was an agriculturist and she nominated her husband as beneficiary under the policy. She died on 14.8.2005 allegedly due to fever. The policy lapsed after payment of the first yearly installment and was revived on 13.8.2005 and the duration from revival was only one day. Two yearly premiums were paid at the time of revival and the

LA submitted a DGH dated 13.8.2005, declaring herself to be in good health at the time of revival.

The insurer rejected the claim on coming to know that the LA was admitted into Sajjan Hospital, Holakere on 13.8.2005 at 8.00 am with complaints of gross anemia and viral fever. The policy was revived at 11.15 am on the same day. As per the case sheet of the hospital, the clinical recordings started at 1.00 pm and it takes about 2 ½ hrs to 3 hrs to travel from the place of residence to the Hospital. As per the insurer, the policy was revived from the hospital bed.

The complainant stated in one of his letters dated 22.2.2007 that the agent of LIC obtained his wife's signature on the DGH form from the hospital bed. He claimed that premiums for 07/2004 & 07/2005 were promptly paid to the agent but the agent failed to remit the amounts to LIC.

The complainant contended that his wife did not give any false information in the DGH and maintained that she was not aware of the contents of DGH. In view of the statement made by the complainant about the role of the agent in the revival of the policy, it was decided to dismiss the complaint. The complainant was advised to proceed against the insurance agent, if he so wishes.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0037-2007-08
Smt. Irawwa
Vs.
Life Insurance Corporation of India

Award Dated : 28.6.2007

The complaint is against the decision of LIC to repudiate death claim under policy no.634193025 held on the life of (late) K.N.Lekkihal. The policy was issued by Badami branch of LIC for Rs.50000 sum assured, with the commencement date of 28.8.2004. It was under non-medical scheme with a half yearly premium of Rs.1709.00. The LA died on 18.11.2004 allegedly due to heart attack.

After a due inquiry, the insurer noted that the LA was suffering from TB prior to the commencement of the policy and consulted TB Hospital, Gadag during 01/2003 for treatment. Since past treatment particulars were not furnished in the proposal dated 25.9.2004, LIC rejected the claim alleging suppression of material facts.

The insurer obtained claim form B-1 issued by the Health officer, MGM TB & Chest Hospital, Gadag, as per which the LA was admitted into the hospital with a past history of cough, expectoration and breathlessness for about six months. They also obtained relevant case sheets from the said hospital.

The complainant refuted the allegations made by the insurer and claimed that her husband never took treatment from any hospital in Gadag. She declared that LIC officials met some neighbours in their village who are not having good relations with them and collected wrong information. She claimed that her husband died due to a sudden heart attack and not as a result of TB.

The material submitted by both sides was analyzed. Section 45 of the Insurance Act, 1938 is not applicable. The hospital records clearly indicate the name of the LA as the patient and his wife's name also matches with the hospital record. After a personal hearing held on 21.6.2007, it was decided to uphold the decision of the insurer in general and allow exgratia refund of the first installment of premium.

The complaint was partly allowed for refund of premium of Rs. 1709/- on exgratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-007-0534-2006-07
Smt. K. M. Hemalatha

Vs.

Max Newyork Life Insurance Co. Ltd.

Award Dated : 06.7.2007

The complaint is about rejection of death claim under policy no.240017491 and the amount of relief sought was Rs.18380/-. The complainant is the wife of the DLA and LA was (late) Sri C. Umesh. The policy was for a basic sum assured of Rs.104, 402 under whole life participating plan with a term of 10 years and premium of Rs.6126.96 p.a.

The DLA submitted a proposal/ application dated 5.5.2004 and medical report dated 22.5.2004 for issue of the policy. The policy commenced on 7.5.2004 and the LA died on 2.8.2006. After submission of claim forms, the insurer rejected the claim vide a letter dated 5.12.2006 alleging non disclosure of material information. As per the Death Summary submitted by the complainant, the LA was suffering from Diabetes from 20 years and Hypertension since 10 years. This fact was not disclosed in the proposal form which tantamount to misrepresentation of material facts.

The complainant in her claim forms submitted to the insurer, admitted that her husband was suffering from hypertension for about 10 to 12 years before death. The complainant also requested for refund of premium paid for three years. She also complained that the Insurance Advisor pestered her husband to take the policy, even though her husband had no intent to take a policy. She further stated that she revealed all information to the investigating officers of the insurer and pleaded for refund of premium.

In this case, the insurer relied on the information furnished by the claimant to repudiate the claim. It was observed that the insurer conveniently relied only on one part of the revelations made by the complainant and ignored the other part regarding the role of the insurance advisor. It was observed that failure of the systems available with the insurer have led to the issue of the policy. Hence, it was decided to allow an exgratia payment of refund of premiums, as requested by the claimant.

Hyderabad Ombudsman Centre
Case No. : L-21-008-0026-2007-08
Sri A. Surya Prakash

Vs

Kotak Mahindra Life Insurance Co. Ltd.

Award Dated : 16.7.2007

The complaint is about rejection of death claim under policy no.159733 on the ground that the policy was not in force on the date of death. The policy was taken on the life of (late) Achanta Babu, a resident of Dommeru for a sum assured of Rs. 200, 000. The LA was engaged in Fertilizers business and he submitted a proposal dated 30.9.2004, which finally resulted into the policy under dispute.

The complainant is the nominee under the policy and brother of the DLA. The LA committed suicide on 21.4.2006. The commencement date of the policy was 14.2.2005 and the second yearly installment premium due on 14.2.2006 was paid on 24.4.2006. As per policy conditions, a grace period of 30 days is allowed for payment of premium and if premium is not paid within the grace period, the policy lapses. As per evidence produced by the insurer, a DD bearing no.265364 dated 22.4.2006 was tendered for payment of the premium and it was received in their office on 24.4.2006.

As per the contentions of the complainant, the premium was paid by the DLA to the corporate agent of the insurer much before death of the LA. He claimed that the policy was in force on the date of happening of the claim event. However, he has not produced any evidence to show payment of money to the corporate agent.

Based on the evidence produced, it was decided to uphold the decision taken by the insurer as the policy was found to be in a lapsed condition on the date of death. The insurer was asked to refund the second year premium in full, as the premium was received by them after the death of the LA.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0105-2007-08
Sri M. Suryanarayana
Vs
Life Insurance Corporation of India

Award Dated : 25.7.2007

The complaint is about repudiation of death claim under pol. No.673236781 for Rs.800,000. The complainant is the nominee and husband of the DLA. The policy was taken on the life of (late) Smt. M. Gangaratnam and she had five policies on her life in force, at the time of death. The LA died on 8.6.2005 while undergoing treatment for paralysis. The claim was rejected by LIC on the ground that the LA did not disclose information about the road accident that occurred on 4.3.2000, in which she suffered grievous injuries.

Contentions of the complainant: The policy was taken in the year 2003 and they were under the impression that details of recent accidents only to be disclosed in the proposal form. Non disclosure was due to lack of knowledge and not due to any bad intention. The final cause of death was due to paralysis, which has nothing to do with the accident. The policy was introduced by his son as an Agent of LIC and contended that under another two policies, which were also introduced after the accident, claims were settled by LIC. They hold insurance policies to the tune of about 80 lakhs sum assured among their family members and they are highly insurance conscious.

Contentions of the Insurer: The claim under this policy was treated by them as an early claim since it occurred in less than two years time. They settled non-early claims, including claims under two more policies that were introduced after the accident, as they were categorized as non early. As per their enquiries, the LA met with a road accident on 4.3.2000 and suffered severe injuries, for which she was admitted into a hospital. The LA did not disclose about her hospitalization from 4.3.2000 to 13.3.2000 in her proposal dated 27.3.2003. The LA died due to paralysis and the final cause of death has a nexus to the injuries suffered by the LA. They would not have accepted the proposal of the LA for such a large sum assured, in the event of disclosure. Section 45 of the insurance act, 1938 is not applicable.

Decision: As per evidence produced by LIC, the LA was hospitalized for about 17 days after the accident and evidently there was no disclosure in the proposal dated 27.3.2003 about the details of accident. During the personal hearing session, the complainant held that the policy was introduced by his own son and that they could not give correct information due to lack of understanding in English language. After examination of the papers, it was decided to uphold the decision of the insurer, particularly because of the involvement of the son of the LA as an Agent. However, considering the family insurance, it was decided to allow refund of the premiums paid on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-008-0075-2007-08
Smt. M.Anitha
Vs
Life Insurance Corporation of India

Award Dated : 25.7.2007

The complaint is about rejection of death claim under policy no.644437905 on the ground that the LA did not disclose about previous policy details while submitting proposal for insurance. Complaint not allowed.

The disputed policy was taken on the life of (late) Motha Nageswar Rao for Rs.100,000 from CB-19, Hyderabad. The policy was under 'Jeevan Anand ' plan (149-18), with a quarterly premium of Rs.1915/-; commencement date of 28.9.2005; accepted under non-medical scheme. The LA was aged 47 years at the time of application/proposal, engaged in a hotel business, submitted a proposal dated 30.9.2005; proposal received in LIC office on 29.11.2005 and accepted by LIC on 30.11.2005 with a dated back commencement of 28.9.2005. The LA died on 14.12.2005 i.e in about 14 days from the acceptance of the proposal and he was having three more policies, other than the policy under dispute. This being a very early claim, LIC investigated the claim, settled claims under earlier policies and rejected claim under the present policy. Their contention is that the LA did not disclose details of the three old policies in the proposal dated 30.9.2005. They held that the LA would not have got a policy under non-medical scheme had he disclosed about his old policies and they would have called for special medical reports before taking a decision on the acceptance of the proposal.

The LA admitted into a hospital on 10.12.2005 during terminal illness and he died on 14.12.2005 while undergoing treatment. The cause of death was cardio respiratory arrest, following a pontine hemorrhage. The complainant submitted that non disclosure of previous policies was not an intentional act and that the omission happened because of the lapse of LIC'' s Agent.

The insurer contended that the LA was a hypertensive patient as per the discharge summary issued by the hospital and that they were misled by the insured due to non disclosure of previous policies.

After a personal hearing, it was decided to reject the complaint as the insurer was found to be justified in rejecting the claim for reasons of non disclosure of previous policies. Section 45 of the Insurance Act,1938 is not applicable and the insurer can question a claim for reasons of misrepresentation of material facts.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0181-2007-08
Smt. D.Ranemma
Vs
Life Insurance Corporation of India

Award Dated : 30.7.2007

The complaint is against repudiation of death claim under pol. No.842046270 by LIC. The complainant is the nominee under the policy. The policy was taken by (late) D.Sreenivasulu Reddy for Rs.100,000 under Plan 14-10 Years term, which commenced on 20.3.2004, issued under non-medical scheme. The LA died on 24.5.2004, while taking treatment in SVIMS, Tirupati with a history of altered sensorium, fever, irrelevant talk etc. As the claim occurred in about one month time, LIC investigated the

claim and noted that the LA was under treatment since 11/2003 as an in-patient for urological and nephrological problems. On the basis of their investigations and evidences gathered, LIC thought it fit to reject the claim for non disclosure of past medical history and issued a letter dated 26.12.2005, rejecting the claim.

Contentions of the complainant: The LA died due to cardio respiratory arrest on 24.5.2004 and past medical history has no relation to the actual cause of death. LIC settled claims under four more polices, but rejected claim under this policy only for invalid reasons. She contended that the actual cause for death was diagnosed just one day before death and LIC rejected the claim on the basis of antecedent cause of 'encephalopathy' mentioned in the death summary.

Contentions of Insurer: As per their enquiries, the LA was treated as out-patient in Urology unit of SVIMS, Tirupati on 30.10.2003 and as in-patient from 27.11.2003 to 3.12.2003. As per claim form 'B' issued by SVIMS, the secondary cause for death was suspected Encephalopathy and Dyselectolemia. The LA did not disclose the treatment particulars in his proposal dated 29.3.2004. They would not have accepted the proposal had there been a disclosure about past treatment particulars. Section 45 of the Insurance Act, 1938 is not applicable.

Decision: As per evidence produced by LIC, non disclosure of material information was established beyond doubt. During the personal hearing session, the representative of the complainant admitted that his father was treated for mental disorder in 11/2003. As it was proved beyond doubt about non disclosure of material information, the complaint was dismissed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0089-2007-08
Smt. S. Mehrunnisa
Vs
Life Insurance Corporation of India

Award Dated : 31.7.2007

The complainant is the nominee under policy no.652627874 held on the life of (late) S.S.Nazeer Basha. The LA was employed in BSNL, Kadapa as a lineman and the policy was for Rs.50, 000 sum, with a commencement date of 28.2.2005. It was under endowment plan (14-14), SSS and issued under non-medical scheme.

The LA died on 6.7.2005 due to cirrhosis of liver and he was treated in the Government Hospital, Kadapa during terminal illness. Since the claim event occurred in about four months time from the commencement, LIC enquired into the bonafides of the claim and noted that the LA had an adverse medical leave record from 08/2003 onwards, which was not disclosed in the proposal dated 20.2.2005. Section 45 of the insurance Act,1938 is not applicable and LIC issued a letter dated 27.12.2006 to reject the claim.

Contentions of the Complainant: Claim was rejected on the basis of false information given by their neighbors to the investigator. As a lineman, her husband used to get disturbed at odd hours, for rectification faults in telephone lines. Leave on most occasions were taken to avoid such outdoor work and not for real sick reasons. Sometimes, her husband took medical leaves to attend family functions, as getting leave on medical grounds is easier than on real reasons.

Contentions of the Insurer: The cause of death is cirrhosis of liver and such a disease cannot develop in a very short time. As per the leave record collected from the employer, the LA was on sick leave for long durations from 08/2003 onwards. The LA was on medical leave from 19.1.2005 to 28.1.2005 to undergo medical check up at

Hyderabad. The manner in which the leave applications were made does not suggest any casual reasons and the LA must be really sick. The LA was treated for Hypertension for 10 days from 23.9.2003. They would not have given the policy had the LA disclosed about his past medical record.

Decision: The insurer substantiated their repudiation action by producing necessary leave record. The application for insurance is subject to a declaration given by the LA, as per which the LA was under an obligation to disclose all material information. A breach of this declaration was established by LIC and hence the insurer is found to be justified in rejecting the claim. However, considering the appeal made by the complainant, a sympathetic view was taken and it was decided to order an ex gratia relief of Rs.10, 000.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0149-2007-08
Smt.P. Ratnamma
Vs
Life Insurance Corporation of India

Award Dated : 13.8.2007

The complaint is about rejection of death claim under policy no.841507149. The policy was taken on the life of (late) P. Ramachandra Mandadi for a sum assured of Rs.100,000 under Table 149-16 with a yearly premium of Rs.9685.00. The LA was aged 59 years at the time of proposal and he was an agriculturist at the time of proposal. The policy commenced on 28.3.2004 and the LA died on 3.5.2005 allegedly due to a sudden heart attack.

The second yearly installment of premium, which became due on 28.3.2005 was paid on 3.5.2005 at 15.30 hrs., after expiry of days of grace. As per the insurer's investigations, the LA died on 3.5.2005 in the morning hours and premium was paid after death.

As per the complainant, the LA died on 3.5.2005 at 5.35 p.m (i.e. in the evening).

The claim was repudiated by LIC stating that the policy was not in force at the time of death and a letter dated 20.12.2006 was issued. The point of dispute between both sides is about the exact time of death. As per evidence produced by the insurer, the death of the LA was condoled by local MLAs and wreaths were placed on the dead body in the morning hours on 3.5.2005 and the matter was published in local newspapers. The insurer submitted a copy of such reporting in 'Andhra Bhoomi' a Telugu Daily paper. Further, several discrepancies were observed in the claim forms submitted by the complainant regarding the time of death. In view of the convincing evidence submitted by LIC, it was decided to uphold the decision taken by LIC and accordingly the complaint was rejected.

The insurer was directed to refund the premium paid after death, on ex gratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0009-2007-08
Sri M. Seethayya Naidu
Vs
Life Insurance Corporation of India

Award Dated : 14.8.2007

The complaint is against rejection of death claim under policy no.802822318 issued on the life of (late) Smt. M. Lakshmi. The complainant is the Appointee under the policy and he filed the complaint on behalf of the minor nominee.

The policy was issued for a sum of Rs.100,000 under plan 106 with the commencement date of 15.12.2003, with a yearly premium of Rs.12634/-. The life assured was working as a Teacher in a Government School. The life assured died on 11.2.2005 allegedly due to Acute Broncho Pneumonia. The claim was rejected by LIC after due enquiries and a repudiation letter dated 25.4.2006 was issued. According to the insurer, the LA was suffering from cancer of cervix prior to the issue of the policy and she did not disclose information about her medical history in her proposal.

According to the complainant, the LA was on medical leave to go abroad to take up employment and not for treatment of cancer. He produced copies of Passport and other travel papers to show that the LA went to Sultanate of Oman during the period of leave.

As per the record produced by LIC, the LA was granted sick leave from 19.9.1997 to 29.10.2002 for treatment of cancer. Further, they established nexus between the final cause of death and the past illness. From the record, it is very clear that the LA was on sick leave for a continuous period of five years and there was no disclosure in the proposal about the same. Though it was decided to uphold the repudiation action, keeping the age of the minor nominee in view, it was decided to order for refund of the premiums paid on exgratia basis.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0165-2007-08
Smt. Madhavi C.Shetty
Vs
Life Insurance Corporation of India

Award Dated : 31.8.2007

The complaint is about rejection of death claim under policy no.622347722 issued on the life of (late) Chandrasekhar Shetty.

According to the insurer, the disputed policy was issued by their Karkala branch under Plan 14-16, with commencement date of 28.10.2002 for a sum assured of Rs.68000. The life assured submitted a proposal dated 24.10.2002 and he died on 28.1.2004 allegedly due to cardiac arrest. LIC rejected the claim vide their letter dated 26.3.2005, alleging that the LA was under treatment for malignant melanoma about two months before submitting his proposal to LIC. This information was not disclosed by him in his proposal form. The policy was introduced by the LA's own brother, as Agent of LIC and a 'Disclaimer' on stamp paper was submitted to LIC, relinquishing the claim.

According to the complainant, no such 'Disclaimer' was submitted by her to LIC and it was manipulated by the Agent and Development Officer of LIC. Cause of death was due to heart attack and not due to the cause attributed by LIC. Her contention is that she gave only an affidavit to speed up claim settlement and it was wrongly used by the Agent of LIC to show it as a 'Disclaimer'. The policy was issued under medical scheme by LIC and the doctor should have pointed out to LIC about amputation of three toes. Her contention is that the final cause of death has no relevance to the previous treatment taken for malignant melanoma in 08/2002.

Both sides were heard during a personal hearing session held on 30.8.2007. The insurer produced medical record relating to the treatment taken in different spells commencing from 28.8.2002. As per hospital records, the LA suffered from cancer and underwent chemotherapy for six cycles. The treatment taken was almost continuous

after 28.8.2002 and death was not due to sudden heart attack. The insurer established that the policy was taken with a fraudulent intent. Hence, the complaint was not allowed.

**Hyderabad Ombudsman Centre
Case No. : L-21-001-0152-2007-08**

Sri Jade Gowda

Vs

Life Insurance Corporation of India

Award Dated : 13.8.2007

The complainant is the husband of (late) Smt. Bhaktamma, the policyholder under pol. No.722546677.

The DLA submitted a proposal dated 30.9.2002 in the Kollegal branch of LIC and secured the policy for a sum assured of Rs.50000. The policy commenced on 25.2.2003, with a half yearly premium of Rs.1763/-, issued under medical scheme, under plan 75-20. The LA died on 17.3.2004 allegedly due to sudden heart attack. The claim was rejected by LIC on the ground that the LA was suffering from cancer of cervix and was under treatment at Kidwai Memorial Institute of Oncology on 23.5.2002. According to LIC, the LA secured the policy without disclosing about her treatment for cancer of cervix.

According to the complainant, death was due to a sudden heart attack and not due to cancer. The record produced by LIC does not belong to his wife. There are several persons in their village with the same name and record produced by LIC could be of some other person. The LA was an illiterate woman and she affixed her thumb impression wherever she was required to do so.

Both sides were heard during the personal hearing session held on 30.8.2007 held at Bangalore. According to the evidence produced by the insurer, the treatment of the LA for cancer commenced about four months before the date of proposal dated 30.9.2002. During the hearing session, the complainant did not totally deny the consultation at Kidwai memorial Institute of Oncology, Bangalore but admitted that the hospital was consulted only for some tests. Further, it was observed that the name of the patient, husband's name, village name etc. tally with the particulars of the DLA. Hence it was decided to disallow the complaint.

**Hyderabad Ombudsman Centre
Case No. : L-21-001-0171-2007-08**

Smt.G. Padmavathi

Vs

Life Insurance Corporation of India

Award Dated : 5.9.2007

(late) Gude Ramakrishna a/s G.V.Rama Rao, a resident of Kanchikacherla village secured policy no.674054635 for Rs.200,000 from Jaggiahpet branch of LIC, with the commencement date of 9.3.2004 under Plan 149-13, with a half yearly premium of Rs.9917/-. The policy was under 'Medical' scheme and the DLA was 38 years old. The LA died on 5.10.2005 allegedly due to a sudden heart attack. The claim was rejected by LIC vide their letter dated 25.3.2006 on the ground that the LA did not disclose details of another policy no.673069079 for Rs.50000 which was existing. As per LIC, disclosure of the previous policy would have made them to call for certain special medical reports and due to non disclosure of the policy; they were denied the opportunity of assessing the risk properly. According to LIC, previous policy

information is material for their underwriting decisions and non disclosure amounts to suppression of material information.

According to the complainant, there was no deliberate non disclosure about the policy information. It was a lapsed policy and full information must have been given to the Agent of LIC by her deceased husband. Further, her husband underwent medical test conducted by LIC at the time of issue of the policy and hence rejection of the claim was improper.

Both sides were heard during the personal hearing session held on 21.8.2007. Section 45 of the Insurance Act, 1938 is applicable in this case. Though the insurer could establish suppression of material information, they could not establish any fraudulent intent. The insurer also could not establish any adverse health condition of the LA. Hence, it was decided to admit the complaint and the insurer was asked to settle the claim.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0172-2007-08
Sri Ch. Bhaskar Rao
Vs
Life Insurance Corporation of India

Award Dated : 7.9.2007

(late) Chintala Narasimha Rao, a resident of Gudivada obtained policy no.674203132 for Rs.200,000 sum from Gudivada branch of LIC under their plan 149-20, with a yearly premium of Rs.11174/-. The policy was completed under non-medical scheme and the DLA nominated his brother as the Nominee under the policy. The LA died on 1.11.2004 allegedly due to a sudden heart attack and the duration of the policy was about five months from the commencement date of 28.5.2004.

The claim was rejected by LIC on the basis of claim form no.5152 obtained from Dr. G.Satyanarayana, as per which the DLA had undergone treatment for complaints of fever, cough, loss of appetite about six months before submitting the proposal for insurance under the policy. The insurer also alleged that the LA did not disclose his family history correctly and declared himself to be unmarried even though he was married with a wife and two children. It was further alleged by the insurer that the LA was known be suffering from AIDS and was a chronic alcoholic with several vices, which finally led to his separation from wife and children.

According to the complainant his brother never suffered from any disease before issue of the policy and death was sudden due to heart attack. His brother got separated from his wife and hence the reason for not disclosing about wife and children under the 'Family History' column of the proposal. He also claimed that Dr. G.Satyanarayana's statement was obtained by LIC under a false pretext and he submitted another statement from the same doctor, withdrawing his earlier remarks.

Both sides were heard during a personal hearing session held on 21.8.2007. Family history is certainly material information and the LA ought to have disclosed about marital status. Family history not only gives information to the insurer about longevity but also indicates presence of moral hazard in cases of this nature. Section 45 of the Insurance Act, 1938 is not applicable and hence it was decided to uphold the decision of the insurer. The complaint was not admitted.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0150-2007-08
Smt.Y. Gangabhavani

Vs
SBI Life Insurance Company Ltd.

Award Dated : 11.9.2007

(late) Sri Y. Gangaraju was the life assured under the disputed policy no.16002674902 and the complainant is the nominee.

The DLA submitted a proposal dated 15.7.2006 to secure policy no.16002674902 for Rs.300,000 under 'Shield-A' plan for a term of 5 years. The LA was employed as a Khalasi in Visakhapatnam steel Plant at the time of proposal for insurance. The LA died on 7.10.2006 allegedly due to sudden heart attack. The claim was investigated by the insurer and rejected vide their letter dated 21.2.2007. According to the insurer, the LA had a past medical history of hypertension, Diabetes, chronic gastric ulcer since 2002 and was taking treatment from Company's hospital. The LA obtained the policy without disclosing details of past ailments and hence committed breach of the principle of 'Utmost Good Faith' and the claim was rejected for reasons of non disclosure.

According to the complainant, her husband was very healthy till the date of death. Death was very sudden due to heart attack and the LA could not be taken to any hospital or doctor on the fateful day. The policy was taken by her husband as collateral security for a personal loan and there was no element of concealment of material information.

Both sides were heard during a personal hearing session held on 21.8.2007. The insurer produced a copy of the medical pass book of the DLA issued by the Steel plant Hospital. In the said book, a clear record of treatment for various ailments was available. The pass book running from 2002 to 2006 contained several entries relating to the treatment of the DLA for Diabetes, Gastric Problem etc. These details were evidently not disclosed in the proposal form. Hence, for reasons of non disclosure of material information, it was decided to uphold the decision of the insurer. Thus the complaint was not allowed.

Hyderabad Ombudsman Centre
Case No. : L-21-003-0177-2007-08
Smt.V.Vani
Vs
TATA AIG Life Insurance Co.Ltd.

Award Dated : 13.9.2007

(late) Sri Somasekhar Reddy was insured with the insurer under policy no.C320119134 for a sum of Rs.100,000. The policy commenced on 17.6.2002 for a 28 years term, with a semi annual premium of Rs.2351/-. The proposal for this policy was also dated 17.6.2002. The policy was lapsed after payment of four half yearly installments and was revived on 30.4.2005 on the strength of a Good Health Declaration dated 15.4.2005. The revival was done on non-medical basis. The LA died on 19.9.2006 allegedly due to AIDS and disseminated Kochs.

The claim was investigated by the insurer and rejected for reasons of suppression of material information. According to the insurer, the LA was treated in NIMS, Hyderabad during terminal illness. The duration of the policy was only 1 year and 6 months. From the hospital records secured by them, the LA was diagnosed to be suffering from HIV+ even before revival of the policy. According to the insurer, the LA's wife gave a statement to them stating that her husband was suffering from HIV+ for about two years before death.

According to the complainant, her husband did not know about his medical condition at the time of revival on 18.4.2005. As per her statement, the LA was admitted into hospital on 8.2.2006 for the first time and then only it was revealed that he was suffering from HIV.

Both sides were heard during a personal hearing session held on 21.8.2007. From the record, it can be concluded that the LA was tested positive for HIV prior to the reinstatement of the policy. In the case history recorded, it was recorded clearly that the LA was a HIV + patient since three years prior to hospitalization on 8.2.2006. Section 45 of the Insurance Act,1938 is applicable and the insurer is required to prove fraudulent intent on the part of the life assured. Though the insurer produced circumstantial evidence, no clear evidence was produced regarding the exact date on which the LA was tested positive. Keeping the facts of the matter in view, it was decided to allow an ex gratia payment of Rs.50,000.

The complaint was allowed partially.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0178-2007-08
Smt. K. Lakshmi Devi
Vs
SBI life insurance Company Ltd.

Award Dated : 19.9.2007

(late) K. Raghuramiah, a resident of Proddatur town obtained policy no.06020993306 for Rs.100, 000 from SBI Life under 'Sudershan' plan. The LA was aged 53 years at the time of issue of the policy and the policy commenced on 2.6.2006. The LA died on 21.3.2007 due to cardiac arrest. The policy was issued under non-medical scheme. The claim was repudiated on the plea that the LA was suffering from diabetes before issue of the policy and took treatment before taking the policy.

A personal hearing session was held on 21.8.2007.

Contentions of Insurer: It was an individual policy under non-medical plan for 15 years. According to their investigations, the LA was under treatment of Dr. S. Laxminarasiah of M/s Srinivasa Nursing Home, proddatur from 2002 to 2007 as an outpatient. They obtained copies of prescriptions given by Dr. Laxminarasiah on 9.8.2004 & 24.4.2006. They could also secure laboratory test reports of the LA dated 3.8.2004 and 24.4.2006. Since the treatment was prior to Good Health Declaration submitted by the LA, they rejected the claim on the grounds of suppression of material facts.

Complainant's contentions: To her knowledge, her husband was very healthy at the time of application for insurance. Previous ailments, if any suffered by her husband have nothing to do with the final cause of death. Death occurred due to sudden heart attack.

Decision: The duration of the policy was 9 months and 19 days. The contentions of the complainant are proved to be wrong by the insurer, as per evidence produced by them. Section 45 of the Insurance Act, 1938 is not applicable. The evidence produced by the insurer was found to be in order and accordingly the complaint was disallowed.

Hyderabad Ombudsman Centre
Case No. : L-21-002-0151-2007-08
Smt R.Kalavathi
Vs
SBI Life Insurance Co. Ltd.

Award Dated : 24.09.2007

The complaint is about rejection of death claim under a master policy no.83001000909 issued by SBI Life to the borrowers of GE Countrywide Financial Services Ltd.

(late) K. N.Ravi Kumar had borrowed a loan of Rs.15000 from GE Countrywide and opted for coverage under the master policy known as 'Super Suraksha', with effect from 18.12.2003. The insured person died on 20.2.2007 in a railway accident (i.e run over by a train). The coverage extended to the LA was Rs.300, 000 under P.A. cover benefit. The insurer rejected the death claim payment on the ground that the loan account of the insured with GECW was delinquent for more than three billing cycles continuously and not payable as per master policy conditions. The insurer issued a repudiation letter dated 30.4.2007.

A personal hearing session was held on 30.8.2007 at Bangalore. According to the complainant, the loan account was not delinquent as claimed by the insurer. It was submitted by her that all arrears were paid before the death of the LA.

As per the insurer, the loan account was delinquent for a continuous period of more than three billing cycles on at least two occasions and insurance cover ceased from 7.4.2006 as per policy conditions.

The master policy conditions were examined in detail and as per policy conditions, claim is not admissible if the loan account goes into default. Further, there is no provision for restoration of insurance cover in the event of clearance of dues. There is no denial from the complainant about delinquent status of the loan account and the complainant tried to justify the reasons for default. The insurer produced a statement of account from the beginning and as per that, it became evident that the loan account was not regular.

From the policy conditions, it became clear that the insurance cover is not admissible at least under two conditions stated under 6.2 clause and hence the complaint was disallowed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0220-2007-08
Smt Ganti Adi Laxmi
Vs
Life Insurance Corporation of India

Award Dated : 26.09.2007

The complaint is about rejection of death claim under policy no.801489554 for Rs.100, 000 held on the life of (late) Ganti Prasad.

The deceased LA secured the policy under Plan 133 (Triple Cover Jeevan Mitra) from Kovvur branch of LIC, with the commencement date of 10.8.2002 and with an annual premium of Rs.4352/-. The policy lapsed after payment of the first year premium and it was revived on 24.10.2004. The LA submitted a 'Good Health Declaration" and paid two instalments of premium at the time of revival. A medical report also was obtained by LIC from one of their panel-doctors. The LA died on 5.3.2005 allegedly due to loose motions. LIC rejected the claim vide their letter dated 17.4.2006 alleging suppression of material information. LIC submitted a copy of laboratory report dated 13.11.2002 issued by SRL Chemical Reference Laboratories, Mumbai as evidence to show that the LA was first detected to be suffering from HIV+.

According to the complainant, the LA never suffered from HIV and was very healthy at the time of issue of the policy. Her claim is that death of the LA was very sudden and she alleged that the evidence produced by Lic does not pertain to her husband.

Section 45 of the Insurance act, 1938 is applicable. During the course of personal hearing session, the complainant stated that she got herself tested for HIV and the result was negative. It appears she got tested for HIV at least twice and she had submitted copies of test reports. She also got her minor children tested for HIV and the circumstances of the case would certainly indicate that the cause of death must be AIDS as alleged by LIC. Accordingly, the complaint was disallowed.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0212-2007-08
Smt Islavath Keesli
Vs
Life Insurance Corporation of India

Award Dated : 27.09.2007

(late) Islavath Janya, a resident of Mahabubabad obtained policy no.681769730 for Rs.100,000 from Mahabubabad branch of LIC, with the commencement date of 28.4.1998; yearly premium of Rs.5113/-. The policy was lapsed after payment of yearly premium due on 28/4/2000. It was revived on non-medical basis on 6.5.2004, on the basis of a 'Good health Declaration' under loan-cum-revival scheme. The LA died on 3.8.2005 allegedly due to fever and jaundice. Since the duration of the policy from revival date to claim date was about 1 Y- 3 M, LIC investigated the claim. According to their enquiries, the LA died due to TB and was undergoing treatment for TB prior to revival in 05/2004. LIC secured prescription slips dated 15.10.2003 and X-Ray film dated 15.10.2003 to establish that the LA was under regular treatment for pulmonary TB since 10/2003. LIC rejected the claim stating that the LA was guilty of non-disclosure of past medical history for TB. They annulled the revival done on 6/5/2004 and offered to pay paid-up value under the policy as final claim payment.

The complainant made an appeal to the Zonal office of LIC, Hyderabad for a revision of their decision. On a reconsideration of the matter, LIC offered to pay Rs.50,000 as ex gratia amount and the complainant accepted the amount. After taking payment of the ex gratia, she lodged the present complaint.

Section 45 of the Insurance Act, 1938 is applicable in this case. The evidences produced by the insurer were evaluated thoroughly and the objections raised by the complainant also were considered. It was observed that LIC has not done a thorough job in getting foolproof evidence and did only a sketchy job. They have not produced a copy of the acceptance letter given by the complainant while accepting the ex gratia payment.

Considering the merits of the case from various angles, it was decided to allow a further ex gratia amount of Rs.25000/- and thus the complaint was admitted partially.

Hyderabad Ombudsman Centre
Case No. : L-21-001-0233-2007-08
Smt G. Nagamalleswri
Vs
Life Insurance Corporation of India

Award Dated : 28.09.2007

(late) Ganta Benerjee, a resident of Gudivada town obtained policy no.674213782 for Rs.100,000 sum assured under Triple Cover Jeevan Mitra Plan (133-22), with a quarterly premium of Rs. 2693/-. The policy commenced on 28.3.2005 and the LA died on 4.6.2005 allegedly due to sudden heart attack. The LA was a private Registered Medical Practitioner.

Being a very early claim occurring in less than three months, the insurer investigated the matter. According to their information, the LA had a past history of HT, DM, HIV etc and the LA did not disclose his past ailments in the proposal form dated 30.5.2005. The LA died in a Private Nursing Home during his terminal illness. Based on the past medical history recorded in the Discharge Summary of the hospital, LIC rejected the claim. As per claim intimation given to LIC, the LA died due to acute renal failure. In the case sheet, it was recorded that the LA was a known smoker and alcoholic, with a history of hypertension and diabetes mellitus for about five years prior to death. Since the LA did not disclose his past ailments, the insurer rejected the claim on the ground of non-disclosure of material information.

According to the complainant, the allegations made by the insurer are not correct and not based on any record. She claimed that the LA was subjected to a medical examination and several special medical reports were obtained before issuing the policy. She also claimed that LIC charged an extra premium @ Rs.8.20 per thousand sum assured on account of adverse reading observed by them in the special reports. The complainant contended that the decision of LIC is highly arbitrary.

A personal hearing session was held on 13.9.2007 at Hyderabad. The evidences submitted by the insurer were carefully analysed. As claimed by LIC, the case history recorded in the hospital record clearly indicates manifestation of various physical disorders of serious nature. They also speak about regular medication for HTN and DM and death was not sudden but due to prolonged chronic illness. Hence suppression of material information is evident. However, considering the number of special medical reports obtained by LIC and acceptance of the proposal with a health extra premium, it was decided to award payment of basic sum assured of Rs.100, 000 on ex gratia basis.

The complaint is thus allowed partially

Hyderabad Ombudsman Centre
Case No. : L-21-009-0232-2007-08
Smt Jaheda Begum
Vs
Bajaj Allianz Life Insurance Co. Ltd.

Award Dated : 28.09.2007

(late) Mohd. Rafeeq obtained a policy bearing no.22011811 for Rs.300, 000 from Bajaj Allianz Insurance Co. for a 15 year term under "Unit Gain Regular' plan. The policy was issued under medical scheme, with commencement date of 18.7.2006. The life assured died on 8.2.2007 while undergoing treatment in Sai Krishna Super Specialty Neuro Hospital, Kacheguda, Hyderabad. The LA was an agriculturist and aged 47 years at the time of issue of the policy.

The insurance company repudiated the claim on the basis of case history recorded in the hospital record.. According to the case history recorded, the LA was a known diabetic, Hypertensive and had suffered right side Hemiplegia 2 years back and was treated conservatively. The insurer also obtained a certificate from the family physician of the DLA stating that the LA was a known Hypertensive patient and was under his treatment as an outpatient. The LA was in the Neuro Hospital from 7.2.2007 to the time of death on 8.2.2007. The hospital record is very clear about past history of Hemiplegia and the specialist doctor's attention was specially drawn to this fact .

According to the complainant, the LA died due to cardiac arrest and not due to Hemiplegia. She alleged that the investigator sent by the insurance company collected some false information given by persons who have no acquaintance with the DLA..

A personal hearing was held on 13.9.2007 and arguments of both sides were heard. Keeping the hospital record in view, it was decided to uphold the decision of the insurance company. However, as the policy was issued under a Unit scheme, it was decided to allow refund of the savings portion of the premium and the insurer was directed accordingly.

The complaint was allowed partially.

Kochi Ombudsman Centre
Case No.IO/KCH/LI/21-001-306/2006-07
Smt.Saraswathy J
Vs.
Life Insurance Corporation of India

Award Dated : 18.04.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules, 1998 arose out of repudiation of a claim by respondent insurer under Policy No.782306421 owned by mother of complainant. The complainant's mother took a life insurance policy in December 2000, without disclosing her previous illness. The policy was allowed to lapse due to non-payment of premia and was revived on 7.7.2003 on the basis of a declaration of good health dated 7th July 2003. In this declaration also previous illness particulars was not disclosed. The case was referred to Zonal Claims Review Committee of the insurer which uphold the decision of repudiation of claim. The cause of death shown in the medical attendants' and hospital certificate was Cardio respiratory arrest and carcinoma tongue. As per certificate issued by RCC, Trivandrum, the life assured was diagnosed of Carcinoma tongue through excision biopsy done on 1.6.1998 and she was registered at RCC vide Regn.No.983673 dated 30.5.1998. A perusal of the records shows that the life assured had undergone excision biopsy on 1.6.1998 and she was suffering from carcinoma tongue and she died of Cardio-respiratory arrest and carcinoma tongue. It was clear that the life assured had suppressed the fact of undergoing treatment for carcinoma tongue in 1998 while proposing insurance in 2000 and she died as a result of recurrent of the disease on 1.12.2005 and hence the decision of the insurer to repudiate the claim was justifiable and the complaint was therefore dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-281/2006-07
Smt.Sreevalli
Vs.
Life Insurance Corporation of India

Award Dated : 19.04.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 arose out of repudiation of claim under a life insurance policy No. 774276589. The complainant's son has gone to sleep on 03.08.2005 along with other members of his family, but he was found dead in a nearby pond. The claim for insurance was rejected by the insurer on the ground that the insured was suffering from somnambulism and mental delusions which was not disclosed in the proposal form. The final police report and statements of the deceased relatives and neighbours as given in the police inquest report confirm that the deceased was under psychiatric treatment about 3 years back. A representation given by the complainant to the Claims Review Committee of the insurer also upheld the decision to repudiate the claim. A perusal of the records shows that the insurer has based their record only on police inquest report and statement given by

some neighbours in the police report. There is no medical proof to show that the insured was mentally deranged and had undergone treatment for the same. Also there was no eye witness to prove that the life assured died as a result of drowning by falling into a pond, while walking in his sleep. The decision to repudiate the claim is found untenable and the insurer is directed to treat the death of the life assured as a case of accidental death due to drowning and settle the claim accordingly. The complaint is disposed off in favour of complainant.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-261/2006-07
Smt.P.V.Kadiyumma
Vs.

Life Insurance Corporation of India

Award Dated : 11.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998 arose out of repudiation of death benefit under policies of insurance bearing No.791813582 and 793813730 for Rs. 6 lakhs each held by the husband of the complainant. The claim was repudiated on the ground of non-disclosure of preproposal illness. The life assured died on 17.12.05 due to heart attack. In the proposal for insurance existence of any disease was not mentioned. However, in the claim form it was clearly mentioned that the deceased life assured was having Diabetes Mellitus for the last 10 years. had this been disclosed in the proposal underwriting decision would have been different. It may be noted that if controlled effectively diabetes mellitus does not hinder day-to-day activities of any person. The deceased life assured was insured for Rs.6 lakhs each under two different policies. As a matter of prudence and justice the life assured ought to have revealed the existence of diabetes in the proposal form. In order to meet the ends of justice on both sides an ex-gratia of Rs.2.5 lakhs each is awarded and the insurer is directed to pay Rs.2.5 lakh under each policies and the complaint is therefore dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-310/2006-07
Smt.Sulochana S
Vs.

Life Insurance Corporation of India

Award Dated : 12.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998 arose out of repudiation of death benefit under policies of insurance bearing No.391965096 held by the husband of the complainant. The complainant's husband was an employee of Malayalam Kumbazha estate and died on 23.10.05 just after 17 days of taking policy. The claim was repudiated on the ground of non-disclosure of material facts. In the proposal for insurance all health related questions were answered as if the life assured was hale and healthy and also he has not undergone any treatment for any disease before proposing for insurance. However, medical reports from Kumbazha General hospital reveals that he was on regular treatment for various ailments from 3.4.07 to 23.10.05. He was even admitted in hospital on 3.5.03. He has also allowed 14 days sick benefit from the employer in 2003, 2004 and 2005. As the insurer was able to prove with clinching evidence that there is suppression of material facts at the time of taking insurance policy, the Forum

do not find any reason to interfere in the decision of repudiation of claim and the complaint is therefore dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-255/2006-07
Smt.Elsy Jose
Vs
Life Insurance Corporation of India

Award Dated : 11.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998 arose out of repudiation of death benefit under policies of insurance. The complainant's husband whose life was assured by Pol.no.7744772168 for Rs.50000/- and with date of commencement 14.1.04 passed away on 2.5.05. The claim for insurance amount was turned down by the respondent insurance company on the ground of non-disclosure of material facts. The existence of any disease or treatment taken for any disease was also not mentioned in the proposal form dated 13.1.04. The life assured died due to Cirrhosis of liver, hepatic encephalopathy and upper GI bleed. As per hospital reports issued by St.Mary's hospital, Thodupuzha, he was treated on admission from 17.10.03 to 24.10.03 for Cirrhosis of liver and some other disease. The insurer did succeed in proving that the deceased life assured was having preproposal illness and he has not disclosed the same in proposal for insurance. Hence this Forum found no reason to interfere in the decision of insurer to repudiate the claim. However, the decision of insurer to forfeit the premium paid appear to be unfair. The policy is for a period of six years out which 2 years premium stands already paid. In the hospital reports produced date of admission and discharge on 3 different occasions are clubbed together. No efforts were taken by the insurer to obtain case sheets for each occasions and to ascertain whether he was diagnosed of the same disease for 3 different occasion. Therefore this Forum find it fit to award an ex-gratia of Rs.15000/- to the complainant.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-009-295/2006-07
Smt.P.P.Leela
Vs.
Bajaj Allianz Life Insurance Co.Ltd.

Award Dated : 12.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 relates to repudiation of claim under a life insurance policy issued by Bajaj Allianz Life Insurance Co.Ltd. on the life of complainant's husband for a sum assured of Rs.50,000/-. The claim was repudiated by the insurer on the ground of non-disclosure of material facts. The deceased life assured was an engine driver of Southern Railway who used to run good train. In one of the periodical medical report by Sr.Medical Officer, S.Rly, it was stated that his BP reading was 140/90 mm Hg and he was on treatment for hypertension. Decision to repudiate the claim was taken merely on the basis of this certificate of periodical medical examination by Railway authorities. No other records regarding treatment was produced. Even after this medical examination Sri.Ramachandran was allowed to continue his duties and he was not debarred from running goods train which require high degree of physique and mental stability. Also no expert opinion was sought to verify whether a B.P. reading of 140/90 mm Hg. is on

higher side for a person aged 55 years. As the insurer failed to obtain clinching evidence of preproposal illness, the repudiation of claim was set aside and Insurance Company is directed to settle the claim.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-317/2006-07
Smt.T.Krishnakumari
Vs.
Life Insurance Corporation of India

Award Dated : 27.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 arose out of repudiation of a claim under life insurance policy held by the complainant's husband for a sum assured of Rs.1 lakh. The claim for insurance amount was rejected on the ground of non-disclosure of preproposal illness. He was hale and healthy at the time of taking policy and all the illness have started only after taking the policy. However, the insurer was able to prove with clinching evidence that the deceased life assured had suppressed material information at the time of taking policy. As per the certificate issued by Sree Chitra Tirunal hospital for medical Sciences the deceased was suffering from head ache, and visual blurring early in the morning since 15 years. He has also had an episode of behavioural and memory fluctuation with loss of orientation forgetfulness since 15 years and bronchial asthma for 6 years. The policy has run only for 1 year 6 months and 27 days. As he has not disclosed existence of any of these disease in the proposal for insurance, this Forum finds no reason to interfere in the decision of insurer to repudiate the claim and hence the complaint is disposed of accordingly.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-339/2006-07
Smt.Sheela Sankaran
Vs.
Life Insurance Corporation of India

Award Dated : 27.06.2007

The matter in dispute is the repudiation of a claim under policy of insurance held by the complainant's husband. The policy bearing No.782851771 for a SA of Rs.2 lakhs was commenced on 23.6.03 and resulted into a death claim on 4th March 2006. The primary cause of death as mentioned in the claim form was Pyothorax with rupture abdominal aorta aneurism and secondary cause diabetes. The policy has run only for 1 year 8 months and 11 days. The insurer was able to prove that the deceased life assured was a diabetic while taking the policy and he has undergone treatment from Karthika Clinic for the same which he has not disclosed in the proposal. It was also submitted by the representative of insurer that deceased life assured has taken ECG and BST at the time of taking policy with the intention of proposing for 5 lakhs sum assured. As the BST value was found higher than the normal limit he submitted proposal for 2 lakhs only to avoid submission of BST. Even though there is no evidence to prove that deceased life assured has planned to propose for 5 lakhs, and then reduced to 2 lakhs in order to avoid submission of BST reports, the fact remains that deceased life assured was a diabetic at the time of proposing for insurance and hence the decision of insurer to repudiate the claim is justifiable and hence the complaint is dismissed.

Kochi Ombudsman Centre

Case No. : IO/KCH/LI/21-001-320/2006-07

Smt.T.K.Mathai

Vs.

Life Insurance Corporation of India

Award Dated : 28.06.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 arose out of repudiation of a claim under life insurance policy held by the complainant's son. The complainant's son Sri.Prince Mathew has taken a policy bearing No.773750620 from LIC of India, covering a sum assured of Rs,25000/- with date of commencement 27.11.01. The policy which was lapsed without acquiring paid up value was revived for full sum assured, on the strength of a declaration of health on 9.6.03. Sri.Prince Mathew committed suicide on 8.1.05. The claim was repudiated on the ground that while reviving the policy on 9.6.03 he has fraudulently not disclosed having undergone treatment from Bipolar mood disorder. The insurer has produced extracts from hospital records which clearly show that he has been admitted to hospital and undergone treatment for Bipolar mood disorder from 13.5.03 to 19.5.03. The final police report also reveals that he has some psychiatric complaints for the last 3 years. As the insurer was able to prove that he has undergone treatment just before revival in June 03, the decision of insurer to repudiate the claim was upheld and the complaint is therefore dismissed.

Kochi Ombudsman Centre

Case No. : IO/KCH/LI/21-002-283/2006-07

Dr.K.Syed Imamuddeen

Vs.

SBI Life Insurance Co.Ltd.

Award Dated : 16.7.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is by the holder of Pol.No.19005129303 of SBI Life Insurance Co. Ltd as his claim was not settled. He has taken a policy for Rs.5.00 lakhs with an annual premium of Rs.1.00 lakh under SBI Life Unit Plus Regular Plan. In the first premium receipt issued it was noted that out of first premium of Rs.1.00 lakh Rs.25183/- was deducted towards entry fee and only Rs.74817/- was made available for investments. His contention is that the policy was taken without the assistance of an agent and the deduction of Rs.25000/- towards service charge is unlawful and against the assurance given to him at the time of taking policy. As per the prospectus entry charges for Unit Plus regular plan is 25% of first premium and hence the deduction of 25% towards service charges seem to be fair. It looks that the complainant has taken it as a Unit Plus single plan where service charges recoverable is only 2%, but the proposal form shows that the proposal was submitted under unit plan regular. Hence it cannot be said that the recovery is improper. It looks that on account of certain mistaken understanding the proposal was made.

His other complaint is that he received the policy only on 19.9.06 and he has requested for refund value of amount deposited invoking the Free look option, as he lost trust in the insurance company, which was turned down by the insurer. He has received the policy document on 19.9.06 and informed the insurance company on 28.9.06 that he lost his trust in the insurance company and the Fund value must be refunded. As he has virtually stated that, he lost trust in the insurance company and fund value must be returned, and all points in his letter disclose an intention to put an end to the transaction, the decision of insurer to deny refund value seems to be unfair. The

complaint was originally addressed to RBI Ombudsman, who in turn forwarded the complaint to us. The Forum directed to refund the entire premium deducting the proportionate risk premium for the period 15.6.06 to 30.9.06 and stamp duty charges, also the profit they have earned on the unit along with an interest @9% from 1.10.06 till payment and also a cost of Rs. 1000/- to the complainant.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-004-340/2006-07
Smt.Megy Aravindakshan
Vs.
ICICI Prudential Life Ins.Co.Ltd.

Award Dated : 16.7.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 was against repudiation of a claim under Life time policy No.01749662 issued by ICICI Prudential Life Insurance Co. The policy was issued with date of commencement 13.7.2005 and life assured died on 5.11.05 due to cancer. The claim was repudiated on the ground of non-disclosure of pre-proposal illness. The records produced from Lakeshore Hospital, Ernakulam where he was treated immediately before death shown, that the treatment for critical ailment started in May 2004 at Kollam, and there after he was treated at RCC, Trivandrum. The medical certificate of Dr.Cherian Kuruvila of Sankar Institute of Medical Sciences, Kollam also shows that he has attended the OP Dept. of hospital on 21.7.04. As the insurer was able to prove with clinching evidence that deceased life assured has undergone treatment before proposing for insurance and he has not disclosed the same in the proposal form, the decision of insurer in repudiating the claim was found sustainable.

But the total repudiation is not found sustainable as the policy is a unit linked policy in which 80% of first premium was invested by allocating units and out of this mortality charges are recovered for covering risk cover. Hence the petitioner is entitled to get refund value of units as per NAV. An award is passed directing the insurance company to refund the value of units in the credit of the deceased on the date of claim, according to NAV, together with an interest 9% till date of payment.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-380/2006-07
Smt.K.R.Padmakumari
Vs.
Life Insurance Corporation of India

Award Dated : 20.7.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of claim under a policy of insurance held by the complainant's husband with Life Insurance Corporation of India. The claim was repudiated on the ground of non-disclosure of preproposal illness and also there are initial gaps in payment of premium under the policy. The policy was taken with DOC 28.3.02 and recovery of premium started only from October 2002. It was specifically admitted that from Oct.02 to May 04, premium was received and adjusted without any default and hence, the contention of insurer that the policy is in a lapsed condition is not tenable. The policy was taken on 28.3.02 and life assured died on 30.4.04 due to complications like Hepatic failure with septicemia with diabetes mellitus. It was argued on behalf of insurer that deceased life assured had taken treatment on admission in a hospital from

9.4.99 to 16.4.99 for deviated nasal septum which was not disclosed in the proposal form. It is to be noted that the claim was repudiated after 2 years of taking policy and hence insurer has to prove that material facts have been fraudulently concealed from the insurer. Here in this case the insurer has produced only a certificate from doctor stating that deceased life assured has been treated on admission for 7 days; and not even a copy of case sheet was produced. On verification of leave records it shows that he was on leave only for 5 days. He was admitted in hospital for nasal bleeding which has nothing do with ailment that has resulted into death. The ailment was only a minor ailment which was not expected to be disclosed. The certificate relied on by insurance company did not show that life assured was suffering from diabetes mellitus. Hence there is no fraudulent non-disclosure of any material facts and hence the decision of insurer to repudiate claim is overturned.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-319/2006-07
Smt.Anie T.K.

Vs.

Life Insurance Corporation of India

Award Dated : 20.7.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under an insurance policy No. 791938776 held by the husband of the complainant. The complainant's husband Mr.P.D.Raju has taken a policy for a SA of Rs.1.00 lakh on 23.8.04 and he died of Cardiac complaint on 27.4.05. The claim was repudiated on the ground that the deceased life assured was a cardiac patient since 1983, which was not disclosed in the proposal form. It was submitted on behalf of the insurer that as per certificate issued by Dr.Joseph Joy of Trichur Hospital it was stated that deceased life assured was a known case of Mitral valve prolapse for last 20 years. The claim form issued by Sree Chitra Tirunal Institute, Trivandrum also certifies that the deceased life assured was suffering from heard disease during routine check up. In the case history though it was mentioned that the deceased life assured was suffering from cardiac problem since 1983, what was the source of such information is not known. Also no records were produced to show that he was undergoing treatment for the last 20 years. In the case history it was stated that the information regarding cardiac disease is reported by deceased life assured himself. But the exact statement of deceased life assured is not known and the statement is not made at the time of declaration. Hence this report bears not much significance. Also he entered the service as an Engineer on 1983, married in 1989 and he died only in 2005. On analyzing all these aspects this forum finds no justification in repudiating the claim and the decision to repudiate the claim is turn down.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-043/2007-08
Smt.Sarasamma

Vs.

Life Insurance Corporation of India

Award Dated : 01.8.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against the repudiation of a Life Insurance Policy invoking suicide clause. The complainant's son has taken a life insurance policy with date of commencement 7.9.05 and he committed suicide on 19.2.06. The complainant herself has admitted that her son had committed suicide, copies of post mortem report, inquest report and FIR also confirms death by suicide. Hence the decision of insurer to repudiate the claim is upheld. However, the

complainant has pleaded that they belong to average poor family and the only income was for the earnings of her son. Her husband also cannot do any work as he is also ill. In this circumstance it has been found proper to award an ex-gratia payment. The insured had paid a total amount of Rs.2095/- towards premium. An award is passed directing the insurer to pay a amount of Rs.2095/- on an ex-gratia basis.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-054/2007-08
Smt.Santha
Vs.
Life Insurance Corporation of India

Award Dated : 02.8.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of death claim under policy of insurance taken by the husband of deceased. The policy was commenced on 28.9.05, and while the policy was in force the policy holder died on 1.11.05, within 33 days of taking policy. The claim was repudiated on the ground that life assured died due to cirrhosis of liver and deceased life assured was alcoholic which was not disclosed in the proposal form. The insurer mainly based their decision on a certificate issued by Dr.Radhika which states that "he was a known case of alcoholic liver disease". But it is not stated that Dr.Radhika has treated him for alcoholism. Also the information was taken from hospital records and no discharge summary or case sheet is produced. As it is not clear from where this information is recovered, much importance cannot be given to this certificate. Liver Cirrhosis may occur for reasons other than alcoholism also. As no material evidence is produced to show that deceased life assured was an alcoholic, this is not sufficient for insurer to repudiate the claim and hence repudiation is not sustainable.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-058/2007-08
Smt. N.P.Laila
Vs.
Life Insurance Corporation of India

Award Dated : 02.8.2007

The complaint is against repudiation of a DAB claim under a Policy of insurance where basic sum assured was settled on the basis of presumption of death. The policy was issued with DOC 8.10.96. While the policy was in force, the policy holder, a fisherman by profession went for fishing in sea along with two others. During a storm the boat was capsized, only one among three could be saved, dead body of another could be recovered. The insured could not be saved nor his body was able to be traced. Basic sum assured was settled on the basis of presumption of death and DAB was disallowed as there is no conclusive proof of cause of death. It is conceded that the policy holder has gone for fishing with two other persons and one alone returned and dead body of other person traced. The co-fisherman who was saved from the sea have reported that he had seen him sinking in the deep sea and drowning at the site of accident. If in a deep sea one involves in an accident and he was seen sinking into deep waters, and he had not been seen afterwards the natural turn of event will be only death and death alone. Another argument put forward by the insurer is that the complainant has received the basic sum assured in full satisfaction of claim under the policy and hence she could not claim DAB. But it is a fact that without such a receipt insurer will not grant basic sum assured. Hence such a receipt was given only on compulsion and not

voluntary. The Forum finds no reason in denying the DAB under the policy and insurance company is directed to settle DAB also.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-18/2007-08
Smt. P.V.Shylaja
Vs.

Life Insurance Corporation of India

Award Dated : 24.07.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under policy of insurance taken by husband of the complainant from LIC of India for a sum assured of Rs.5.00 lakhs. The claim was repudiated on the ground that deceased life assured knew before issue of first premium receipt that he was a cancer patient, which he has not informed the insurer. The proposal was dated 24.3.05 and submitted with necessary medical report, special reports like ECG, BST etc. As the proposer was aged 62 medical report by DMR has become necessary and hence a fresh proposal and medical report from DMR was submitted later. Underwriting decision was taken at ZUS on 11.4.05. The contention of the complainant, who is also an LIC agent, that, deceased life assured and herself were not aware that he was suffering from cancer and they came to know about this only after getting biopsy report. The insurer was able to prove with convincing reasons that deceased life assured knew he was suffering from cancer on 5.4.05 itself. The GI endoscopy report from Justice KS Hegde Charitable hospital clearly shows that he was diagnosed as having Carcinoma stomach. Both husband and wife being LIC agents, very well know all rules regarding disclosure of material facts, it can be seen that the decision of insurer to repudiate the claim is justified and the complaint is therefore dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-09/2007-08
Smt. Kochurani K P
Vs.

Life Insurance Corporation of India

Award Dated : 24.07.2007

The complaint is against repudiation of death claim under a policy of insurance No.791790343 issued by LIC of India. The claim was repudiated on the ground of non-disclosure of preproposal illness. The proposal was dated 28.9.98, life assured died on 21.11.99. The first premium receipt was issued on 5.10.98. As per the declaration given in the proposal form life assured is bound to inform the insurer any changing in health condition from date of proposal to the date of acceptance of risk. Insurer has produced hospital records relating to treatment at Kasturba Medical College, Manipal to prove that deceased life assured was having preproposal illness. The proposal dated 28.9.98 was submitted in the office on 29.9.98. He has consulted the doctor on 28.9.98 and undergone endoscopy. The result of biopsy test was made known to deceased life assured before 5.10.98 the date of issue of First Premium Receipt. Hence deceased life assured was very well aware that he was suffering from carcinoma, which he has willing not disclosed in the proposal and also not informed before issue of first premium receipt. As insurer has sufficient ground for repudiation of claim, the decision to repudiate claim is upheld and complaint is dismissed.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-044/2007-08

**Smt.Beena Madhavan
Vs.
Life Insurance Corporation of India**

Award Dated : 06.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under a life insurance policy taken by the complainant's husband. The complainant's husband was Sales Manager of Marketing division of FACT and he took a policy for Rs.40000/- on 27.3.06. He died on 9.9.06 due to liver cirrhosis. The claim was repudiated on the ground that even before taking policy the life assured was having the illness which he had not disclosed while taking the policy. The policy holder died within 6 months of taking policy. The insurer was able to establish with clinching evidence that the deceased life assured was suffering from liver cirrhosis since 2004 itself and he knew the same while proposing for insurance on 27.3.06. The certificate issued by Lakeshore hospital shows that he was admitted on 7.1.04 and discharged on 8.1.04. He reached the hospital with history of jaundice for one week and the diagnosis arrived at the hospital was liver cirrhosis. It was also stated in the reports that he was a chronic alcoholic patient. The complainant herself has admitted that he has some disease and after discharge from hospital he had taken 2 weeks leave for Ayurvedic treatment. From the foregoing it is very clear that deceased life assured had pre-proposal illness and it was known to him very well and hence insurer has very reason to repudiate the claim and the complaint is therefore dismissed.

**Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-050/2007-08
Smt.M.C.Sathy
Vs.
Life Insurance Corporation of India**

Award Dated : 03.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under policy of insurance taken by the complainant's husband Sri.Dinesan. Sri.Dinesan was a Police Constable, and he met with a motor accident and as a result of the injury sustained he died on 10.10.05. The claim was rejected on the ground that he was treated for cirrhosis of liver from 19.11.03 i.e., 2 years before taking policy and policy was taken without disclosing the illness. Had this been disclosed, the policy would not have been issued on the same terms and condition issued now. It was submitted by the complainant that though he was having some disease before taking the policy, he died due to an accident and the alleged non-disclosure has no nexus with the cause of death. From the claim form B from Ojus Clinic it is very clear that he was under treatment from 14.10.03 as inpatient for cirrhosis of liver. As the condition remained unchanged he was referred to Medical Trust Hospital. On previous occasion also he was admitted in hospital on 12.1.02 and discharged on 25.2.02 for treatment of cirrhosis of liver. Though the life assured had died due to accident the fact remains that at the time of taking the policy on 28.7.04 he was well aware of the treatment taken and the policy was obtained by suppressing material facts. The policy has run only for 1 year 2 months and 12 days. The insurer was bale to prove non-disclosure of material facts with supporting evidence, this Forum find no reason to interfere in the decision of the insurer to repudiate the claim and the complaint is therefore dismissed.

Kochi Ombudsman Centre

Case No. : IO/KCH/LI/21-001-376/2006-07
Smt.Susamma Kurien
Vs.
Life Insurance Corporation of India

Award Dated : 31.07.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under a life insurance policy taken by Sri.C.K.Kurien, husband of complainant. The policy was issued with DOC 28.5.03 based on a proposal dated 21.5.03. On 31.10.05 i.e., after 2 years 5 months and 2 days life assured died due to Cirrhosis of liver. Claim was repudiated on the ground that life assured has undergone treatment for cirrhosis of liver from 21.1.03 itself which he has not disclosed while taking the policy. The entire record on file is perused. In the claim statement it was stated that the diseased first complained of stomach complaints on 21.1.03. In column no.4 it was stated that consultation was for stomach complaint and where as in column no.6 it was stated that the consultation was for Liver cirrhosis, by Dr.Mathew Philip of Lakeshore hospital. There is some inconsistency between the answers given in column 4 and 6. But the complainant has stated that deceased life assured was not treated by Dr.Mathew Philip, but by Dr.Philip Augustine and Liver cirrhosis was not diagnosed at that time. The claim enquiry report by Divisional Office of insurer states that deceased life assured was treated by Dr.Matehw Philip from 21.1.03 for diabetes mellitus and hypertension. If that statement is accepted as such it is clear that life assured had undergone treatment from Dr.Philip Mathew from 21.1.03 was not for liver cirrhosis. This alone is sufficient to show that this statement is not correct but false. The certificate issued by Dr.Philip Augustine of Lakeshore Hospital also certifies that he was treated only as an outpatient on 21.1.03 and not treated on admission. He was admitted only in July 2003 that too for control of Diabetes Mellitus. From the above discussion the forum is of the opinion that there is no sufficient ground for repudiation and repudiation is unsustainable and direct the insurer to pay all amount due under the policy to the complainant.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-009-049/2007-08
Smt.Bindu M
Vs.
Bajaj Allianz Life Insurance Co.Ltd.

Award Dated : 21.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under a life insurance policy, Unit Gain Super Silver policy of Bajaj Allianz Life Ins.Co.Ltd. Pursuant to proposal dated 15.5.06 policy bearing No.21215801 for a sum assured of Rs.2,50,000/- was issued to Sri.K.Ramachandran, husband of complainant with date of commencement 18.5.06. Life assured died due to Hepatic Encephalopathy and chronic liver disease on 3.7.06, i.e., only after 1 month and 15 days of date of commencement of policy. The claim was repudiated on the ground that the deceased life assured was a known alcoholic and he has taken treatment for the same before taking policy. The cause of death was chronic liver disease also which is due to alcoholism, which he has not disclosed in the proposal form. Had it been disclosed, the policy would not have been issued at the same terms and conditions and hence they are justified in repudiating the claim. The insurer based their decision mainly on the hospital report. It was stated that he was admitted at Ideal Clinic earlier in a semi unconscious stage as led by intoxication as a result of

consuming alcoholic beverages and he was treated as OP from 1.1.04 to 9.5.04 and IP from 14.4.05 to 16.4.05 and from 30.3.06 to 31.4.06. As prior health history it was stated that he was brought to Medical College from Ideal clinic, Karunagapally. But the duration of illness, details of treatment etc. are shown as Not known. From the above it is clear that though he was referred from Ideal clinic, Karunagapally, history, durations of illness and nature of treatment etc. are not known on the date of admission at Medical College on 24.6.06. In order to show the patient was treated before date of proposal insurer mainly relied on certificate of hospital treatment issued by Dr.George Matthew of Ideal clinic, Karunagapally. It is stated that he was admitted in hospital on 23.6.06 at 11 a.m. and nature of complaint was drowsiness and semi-unconscious state and duration of complaint 36 hrs. It is also stated that patient himself did not give any history, but it was given by his wife. But his wife didn't give any history of prior treatment or illness. It looks that at the time of admission no diagnosis arrived at based on either from history or from other examination. In part IV of the report pre-existing or co-existing disease is reported as NIL and treatment details as Not applicable. From the above it is clear that at the time of admission on 23.6.06, the doctor who has certified was not having any information as to any pre-existing or co-existing disease or any treatment. As the insurer failed to prove with the evidence that life assured was a known alcoholic and he has suppressed material facts at the time of proposing for insurance, the repudiation is set aside and insurer is directed to settle the claim with interest at 8% p.a. from date of claim till payment.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-009-049/2007-08
Smt.S.Sajitha
Vs.
Life Insurance Corporation of India

Award Dated : 07.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of a claim under a life insurance policy held by the complainant's husband. The policy was commenced on 15.12.00 and life assured died on 6.10.03 on account of renal failure. The claim was repudiated on the ground of suppression of preproposal illness. Deceased life assured was employed in KSRTC, as a driver. It was submitted on behalf of insurer that, as per hospital records received, the deceased life assured had a history of Hepatitis at the age of 30 years, and hypertension for 6 years and was on irregular treatment. The claim form B completed from Medical College Trivandrum states that the life assured was admitted on 31.1.96 and discharged on 6.2.96 for cirrhosis of liver. All these informations were not disclosed while proposing for insurance and hence they are justified in repudiating the claim. On verification of records it can be seen that the repudiation of claim was done after 2 years of commencement of policy and in order to repudiate the claim insurer has to prove beyond doubt that material evidence has been suppressed with fraudulent intentions at the time of taking policy. Here the only evidence produced by the insurer is the statement given in claim form B and it was stated in the claim form B, completed by Dr.Jacob George, Asst.Prof.Nephrology, MCH, Trivandrum, that life assured was admitted on 31.1.96 and discharged on 6.2.96 for Liver cirrhosis. It is further stated that one Dr.Seetha M Nair had attended the patient in the department. It is to be noted that the certificate was issued by Dr.Jacob George, and not by Dr.Seetha M Nair, who has attended the patient and Dr.Jacob George has no direct knowledge of the treatment, he would have obtained these information from hospital records, but copies of hospital reports were not produced before this Forum. It was submitted on behalf of

insurer that their attempt to get hospital report failed. As per this report also he was admitted for liver cirrhosis but the life assured died due to renal failure. The diseased life assured being an employee of KSRTC has not availed any leave on medical ground. As the insurer has failed to prove with clinching evidence that material evidence have been suppressed at the time of taking policy, the complaint is admitted in favour of the complainant and insurance company is directed to settle the claim with 8% interest since date of claim till date of payment.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-068/2007-08
Smt.M.Vimala Boopathy
Vs.
Life Insurance Corporation of India

Award Dated : 03.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998 is against repudiation of claim under a life insurance policy taken by husband of the complainant. The claim was repudiated on the ground that the treatment taken by deceased life assured for diabetes, hypertension and cataract were not disclosed in the proposal while taking the policy. The policy commenced on 28.5.03 and life assured died within 1 year 10 months and 5 days due to cardiac respiratory arrest, ischemic heart disease, hypertension, diabetes etc. It was submitted by the insurer that the diseased life assured was a known diabetic, hypertensive and ischemic heart disease patient since 2000. He was admitted for cataract operation of right eye from 28.6.00 to 30.6.00 and operation was done on 29.6.00 and from 21.4.03 to 23.4.03 for cataract operation of left eye. In the report of Aravind hospital where cataract operation was done it was reported that he was a diabetic for 8 years. It was argued on behalf of insurer that the Tab. Daonil 30 prescribed by Aravind hospital is for diabetic and it is to be taken that deceased life assured was diabetic. Insurer also produced a certificate obtained from Dr.M.Srinivasan, Director of Aravind hospital in which it is stated that the patient was a diabetic for 8 years. It is to be noted that this certificate is an undated one and surgical operation was done by Dr.Rajesh and not by Dr.Srinivasan. No case sheet or discharge summary was produced to show that deceased life assured was a diabetic at the time of admission. The extent of blood sugar is also not known and on what ground the diagnosis made was also not known. Only a nominal amount of Rs.60/- is charged as diabetic charges in the hospital bill. The case sheet and discharge summary are not produced to show what tests were conducted for identifying diabetes or what was the extent of blood sugar or urine sugar. He was admitted for cataract operation which is not a disease and hence there is no material in the argument of the insurer that material information have been suppressed while taking the policy and hence the repudiation action is set aside and insurer is directed to pay claim amount under the policy.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-001-363/2006-07
Smt.Vasantha kumari. M
Vs.
Life Insurance Corporation of India

Award Dated : 13.08.2007

The claim under Rule 12(1)(b) read with Rule 13 of the RPG Rules 1998. Late Sri.M.Narayanan, husband of the complainant had taken a policy w.e.f. 1.3.00 for a

sum assured of Rs.50000/- with Hly.yearly premium. The policy was allowed to lapse for non-payment of premium since 3/04 and later renewed on the strength of a declaration of good health on 1.1.405. Life assured died on 4.6.05 and the claim was repudiated and only paid up value and accrued bones was paid treating the revival as null and void as material information has been suppressed at the time of revival. It was submitted on behalf of the insurer that some ailment which the life assured suffered were not disclosed for getting the policy revived and hence revival is void. Revival being a de-novo contract, insurer is justified in treating revival as void. Here the question to be considered is whether after revival repudiation can be made on account of illness caught during the currency of policy. In the matter of suppression of material facts for getting revival was considered by Supreme Court in Muthulal Vs.LIC of India (AIR 1962-SC 814) and Supreme Court held operation of Sec.45, the period of 2 years for the purpose of Sec.45 has to be taken from the date on which the original policy was affected. Hence it can be seen that the period of 2 years mentioned in Sec.45 to be taken from date of commencement and not from date of renewal. It can be seen that at the time of taking the policy he was not having any disease and he was hospitalized only after taking the policy. In a revival, what is to be performed is the revived contract and not the contract by which it was revived. From the above discussion, the lapsed policy has been revived. There is no case that the lapsed policy was obtained fraudulently or by suppressing material facts and hence insurer is not entitled to repudiate the claim. An award is passed directing the insurer to admit the death claim and make payment of all amount under the policy to the complainant.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-137/07-08
Smt.Ambili
Vs.
Life Insurance Corporation of India

Award Dated : 06.09.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998. The deceased Sri.P.K.Mohanan had taken a Bima Gold Policy for Rs.50000/- with double accident benefit. During the currency of policy, he died by hitting a train while crossing the railway gate. Though death benefit for basic sum assured was admitted, DAB was denied, as crossing the railway gate is a breach of law. It was submitted on behalf of insurance company that accident occurring while committing a breach of law is not covered under the policy. The question to be decided is whether crossing of railway gate is a breach of law. It is to be noted that railway gates are provided only for crossing the rail. It was argued by the insurer that the gates are provided only for vehicles to pass through and not for pedestrian. But it is to be noted that wicket gates are provided for pedestrian when the gates are closed. Hence it cannot be said that crossing a railway gate is not a breach of law. The only thing is that while crossing the railway gate one should make sure that train is not coming. It is only a negligent act of a passenger which led to the train accident. More than that mere entry to others property will not amount to trespass unless it is to commit an offence or intimidate. Hence the decision of insurer to deny DAB is not standing and an award is passed directing to pay DAB with interest at 8%.

Kochi Ombudsman Centre
Case No. : IO/KCH/LI/21-001-111/07-08
Smt.Valsala Devi D
Vs.

Life Insurance Corporation of India

Award Dated : 21.08.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998 is against repudiation of double accident benefit under a policy of insurance bearing No.392591075 held by the husband of complainant. While the policy was in force the insured had fallen from a height and sustained head injury due to which he expired on 11.6.05. The insurer admitted the claim for basic sum assured and repudiated the double accident benefit as the accident was not solely due to outward, violent and visible means. On going through the policy conditions it can be seen that for becoming eligible for double accident benefit it must be an accident caused by outward violent and visible means. In the hospital certificate it was shown that cause of death is head injury due to fall from a height. There is nothing to show in the file that the accident was due to violent, outward and visible means. It was on account of a fall, but no force was applied on the body. No where it was stated that the fall was due to any violent impact by any external agency. In the complaint also it was not showed that any external force was used on the body which lead to the fall. As the fall do not come under accident coming under Cl.10(2)(b) of policy condition, accident benefit will not be admissible under the policy and the complaint is therefore dismissed.

Kochi Ombudsman Centre
Case No. IO/KCH/LI/21-002-381/06-07
Smt.P.Sarala
Vs.
SBI Life Ins.Co.Ltd.

Award Dated : 25.09.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998. The deceased Sri.A.Unni had taken a Unit Linked policy for an assured sum of Rs.5 lakhs. The policy commenced on 25.7.06. Life Assured died on 19.10.06 due to tuberculosis and hepatitis. The insurer repudiated the claim after allowing refund of fund value, on the ground of non-disclosure of pre-proposal illness. It was submitted by complainant that deceased life assured was hale and hearty before taking policy and he never had any disease. He was employed in military service as a physical training instructor. After serving for more than 24 years, he retired on superannuation and after his retirement he was working as security personnel in private firms. The decision of insurer to repudiate the claim was mainly based on a certificate of hospital treatment obtained in the format of the insurer where in it was stated that deceased life assured was having L.N.TB for the last 2 years. This is the only document based on which, the decision was taken to repudiate the claim. If he was having such a disease 2 years back, it would have been developed while he was in military service and he would have taken treatment for the same from military hospital. But no records of treatment taken was produced by the insurer. The discharge book produced shows that he was discharged after more than 24 years of service and is fit for civil employment. He has also earned four medals while in service. In the above circumstances it can be seen that the material produced by insurer is not at all sufficient to prove that deceased life assured was a TB patient while taking the policy and he had concealed the same while taking policy. The repudiation is set aside and insurer is directed to pay the death claim with 8% interest till date of payment.

Kochi Ombudsman Centre

Case No. : IO/KCH/LI/21-003-026/07-08

Smt.Anu Mathew

Vs.

Tata AIG Life Insurance Co.Ltd.

Award Dated : 06.09.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998. Sri.Vinod Kumar Mathew had taken an investment assurance policy for a sum of Rs.562500/- and also 2 Health First policies from Tata AIG Life Insurance Co.Ltd. The claim was repudiated on the ground that a TMT taken in the year 2002 showed that he had suffered heart attack and TMT was not produced at the time of proposal and had it been produced or mentioned in the proposal for the underwriting decision would have been different. Once the complaint was heard in the absence of complainant and dismissed. As to that Writ petition WP(C) No.22478 of 2006 PA was filed before Honourable High Court of Kerala. By judgment dated 8.3.07 the finding was set aside and the complaint was restored to its original position. The decision of the insurer in repudiating the claim is mainly based on an ECG report taken as part of TMT. They have referred the TMT and ECG to Dr.Ganesh Kumar of Hiranandani Hospital, Bombay who have opined that there is an old inferior MI in the base line ECG. However Treadmill test is Negative for inducible reversible Ischemia. It was submitted on behalf of the complainant that TMT was taken as part of a general check up as they have purchased a TMT machine for their tourism business. The TMT was taken by Dr.Cherian Koshy MD DM, a Cardiologist who has certified that there is no coronary or heart disease. They have submitted the TMT report and the certificate from Cardiologist to the insurance company only to show that he was hale and hearty and is having no illness at the time of taking policy. His family doctor, Dr.Kurian Xavier MD also certified that he has no major ailments and also TMT was done as part of a general check up. Hence there is the report of a doctor who conduct treadmill test who is a Cardiologist with DM qualification who certifies that there is no heart disease. Also there is a certificate from his family doctor which says that deceased life assured was having no major ailments and TMT was taken as a part of general check up. As against the insurer produced a certificate from a Bombay doctor, Dr.Ganeshkumar, who certified that deceased life assured had a heart attack earlier. But the qualifications of the Bombay doctor is not known; is he a cardiologist, also is not known. But the TMT was conducted by a cardiologist having doctorate in Medicine and his opinion has to be preferred.

Another ground of repudiation is that life assured had taken policy for about 50 lakhs after 2002 from various insurance companies as he was aware of the risk. It is to be noted that the policy taken from Tata AIG is for a sum assured of Rs.562500/-. This is an investment policy. The other 2 policies are health policies when death benefit is only Rs.2000/- each. Similar policies were taken on the life of his spouse also who is still hale and hearty. The policy taken from SBI Life for Rs.30 lakhs also is an investment policy. The deceased life assured has shown an income of Rs.10 lakhs from Agriculture and Tourism business. Hence the factum of taking policy for huge amount, knowing the risk factor, has no significance here.

From the above discussion it is clear that no suppression of material fact and hence the repudiation is faulty. Hence the insurance company is directed to settle the death benefit with 8% interest from the date of claim till date of payment.

Kochi Ombudsman Centre

Case No. : IO/KCH/LI/21-002-078/07-08

**Smt.O.Kanakalatha
Vs.
SBI Life Insurance Co.Ltd.**

Award Dated : 26.09.2007

The complaint under Rule 12(1)(b) read with Rule 13 of the Redressal of Public Grievances Rules 1998. Sri.M.K.Krishnadasan, the husband of the complainant was covered under a group insurance scheme for borrowers of housing loan on the strength of a declaration of health given on 21.2.06. On 12.11.06 he died of cirrhosis of liver and portal hypertension and the claim was repudiated by the insurer on the ground that at the time of making declaration of health on 21.2.06, he was of unsound health and policy was obtained on the strength of a false declaration and hence the contract itself is void. It was submitted by the complainant that at the time of making declaration he has not aware that he was suffering from such critical illness and he came to know about liver cirrhosis only at the time of death. The insurance co. has produced a certificate issued by Dr.Anishkumar, DM, MD, the consultant Gastro enterologist of MIMS hospital stating that he was under his treatment from 4.2.06 and he was admitted to hospital on 11.2.06 for treatment of cirrhosis of liver. It is clear that the DLA was aware while submitting the declaration of health that he was of not sound health. Further the employer has certified that he was on medical leave from 4.2.06 to 12.4.06. As the policy was obtained on the strength of a declaration of health in which untrue or incorrect averment is made and material information is suppressed the contract itself is void and insurer is entitled to repudiate the claim and hence the complaint is dismissed.

**Kolkata Ombudsman Centre
Case No. : 611/24/001/L/11/06-07
Shri Shambhu Agarwalla
Vs
Life Insurance Corporation of India**

Award Dated : 09.05.07

Facts and Submission :

This petition was filed by the complainant against non-settlement of death claim.

Shri Shambhu Agarwalla was the son and nominee for policy no. 464230008 taken by Late Roudmal Agarwalla, deceased life assured (DLA). The DLA expired on 08.12.2002. According to the complainant, the DLA was thoroughly checked by LIC's panel doctor before acceptance of the proposal. According to him, the DLA became suddenly ill on 08.12.2002 at his own shop and was taken to IISCO Hospital at around 09.30 AM and expired at 11 AM without any scope for treatment. The complainant stated that the requisite papers have been submitted to the LIC authorities, but they did not reply.

In the self-contained note LIC stated that they found from the certificate issued by the hospital that the DLA was suffering from Diabetes Mellitus (DM), Hypertension (HTN) and Coronary Artery disease (CAD). They also found from the certificate issued by IISCO hospital that the DLA was a known case of DM, HTN and CAD. As per the certificate the age was written as 65 years and later it was corrected to 60 years. LIC also found that all the prescriptions given to the hospital authorities were taken back by the claimant, which included 11 pathological reports and 3 doctor's prescription on 16.02.02 from the Burnpur Hospital, which was submitted at the time of admission. LIC, accordingly, wrote a letter asking the complainant to submit those pathological reports and prescriptions and also to give statutory proof with regard to the age of the

DLA as there was discrepancy in the age as mentioned in the documents available with LICl and prescription of the hospital. LICl, therefore, could not settle the claim

Hearing :

The representative of the LICl reiterated their stand that no documents have been submitted and also no age proof of father or eldest issue was submitted as sought for and, therefore, they could not take any decision. The complainant was asked why such documents have not been submitted so far. He was also shown the acknowledgement he had given for taking back 11 pathological reports and 3 doctor's prescription from the hospital authorities. The complainant promised that he would submit the same.

Decision :

Since no decision was taken by the LICl authorities with regard to the claim, it was suggested that the complainant should immediately file all the required documents with regard to prescription, pathological reports and proof of age of father and eldest issue so that LICl authorities would be able to take a decision. The complainant was requested to submit all the required documents. LICl authorities were directed to take a decision with regard to claim on receipt of such documents.

**Kolkata Ombudsman Centre
Case No. 583/24/009/L/11/06-07
Shri Saikat Chowdhury
Vs**

Allianz Bajaj Life Insurance Company Ltd.

Award Dated : 09.05.07

Facts & Submissions :

Originally, the petition was submitted for non-payment of death claim. However, it is later found that the claim has been repudiated by the insurance company.

Smt. Ratna Chowdhury, a business woman, since deceased (DLA) purchased an Invest Gain Economy Policy no. 0003069164 for Rs. 4,35,000/- with premium paying term 10 years and DOC 28.11.2003. She expired on 24.09.2005. Shri Saikat Chowdhury, her son and nominee submitted the claim forms, but the insurer repudiated the claim by citing the reason of suppression of material fact. The complainant made several correspondences with the insurer and after withdrawing the case from Consumer Forum, lodged this complaint with the Insurance Ombudsman.

The insurance company furnished a self-contained note. The policy document indicated the date of commencement of risk as 28.11.2003. They admitted the receipt of death intimation on 10.11.2005 but repudiated the claim since the DLA was suffering from Breast Cancer from 1997 (before commencement of the risk of the policy). According to the insurance company, the proposer did indicate the ailment mentioned above.

Hearing :

A hearing was fixed and both the parties attended. The insurance company repudiated the claim on 28.11.2005 as the hospital certificates clearly revealed that the DLA was suffering from cancer since 1997, which was prior to taking the insurance policy. However, on going through the proposal form it was found that the DLA answered some queries as follows:

Question No.	Answer
14(h) Any Cancer, tumor, cyst or any other unusual growth	"Yes"
15(c) Have you undergone any Gynecological	"Yes"

investigations, internal check ups, Breast checks
such as Mammogram or Biopsy

However, she did not give further details to the "Yes" answers given in the risk declaration under Q. No. 14(h) and 15(c). With regard to hypertension, the insurance authorities indicated that extra premium may have to be paid for, was responded by the insured by a letter which indicated that the premium paid by her may be adjusted and the sum assured may be accordingly refixed. Therefore, the insurance authorities fixed the sum accordingly without further query to cancer related questions. The complainant stated that they had already informed the insurance company with regard to the ailment and, therefore, repudiating the claim for suppression of material facts was not correct.

Decision :

On going through the evidence that has been submitted, it could be seen that the proposal form evidently contained information with regard to cancer and gynecological investigations mentioned above. The insurance authorities must have taken adequate care to pursue further tests, if need be, to give the insurance cover. It is obvious that the information with regard to hypertension was attended to by them by writing a letter to the life assured asking her to pay extra premium. It clearly indicates that they had checked up the proposal form and sought extra premium. However, the life assured agreed for a reduced cover than to pay extra premium with regard to hypertension. Similarly, they could have asked the life assured with regard to the breast cancer and other material fact necessary for coming to a conclusion with regard to risk factor. Therefore, it can be concluded that the policy has been issued fully knowing about the basic facts about the health. Non-filing of details for query if some questions were not answered is not material in this context, as they could have sought clarifications similar to the clarifications sought for hypertension and ailment suffered by the insured. Now at the time of claim they cannot repudiate by stating that the life assured was suffering from cancer since 1997, which was before the issuance of the policy as there was no suppression of material facts.

Under these circumstances, we were unable to agree with the decision of repudiation of claim on the basis of suppression of material facts. The insurance company were directed to pay the claim.

**Kolkata Ombudsman Centre
Case No. 493/21/001/L/10/06-07
Shri Mangal Haldar**

Vs

Life Insurance Corporation of India

Award Dated : 10.05.07

Facts & Submissions :

This petition was filed by the complainant for repudiation of death claim.

The complainant was the brother and nominee under policy no. 423365262 taken by Late Trinath Haldar, deceased life assured (DLA). The DLA expired on 18.03.2005 at the age of 32 years. The claim forms were submitted by the nominee but the claim was repudiated for suppression of material facts in the proposal form. The nominee maintained that LIC settled the death claim in respect of another policy no. 422792463 of the same life assured. He filed a representation against the repudiation order, but the repudiation decision was confirmed by LIC on 26.06.2006.

According to LIC's self-contained note, the life assured expired on 18.03.05 at MC Hospital, Kolkata and cause of death was post operative case of Rt. Sided

Pulmonectomy. According to LICl, the proposal form filed by the assured dated 28.06.2002 indicated answers to the question nos. 11(a), 11(b), 11(d), 11(e) as "No" and to the question no. 11(i) as "Good". They stated that they have irrefutable proof that the assured was suffering from Pulmonary Koch's Infection, chest pain on right side and post P.T. Bronchietasis. According to them, the claim form 'B' 'B1' filed by Medical College Hospital, Kolkata, which recorded that the DLA was suffering from Pulmonary Tuberculosis since last 13 years. Prescription of Dr. R.M.Das dated 27.10.98 and other OPD cards indicated that the patient was suffering from Tuberculosis since 1991. All pathological reports evidently established that the DLA was suffering from the above ailment prior to the date of commencement of the policy. According to them, the DLA was in the knowledge of such information and did not disclose the same in the proposal form. LICl, therefore, justified the repudiation of the claim as there was misrepresentation in the proposal form.

Hearing :

A hearing was fixed wherein both the parties attended. Shri Mangal Halder, brother and nominee of the DLA attended and stated that his brother was not suffering from any disease and that the LICl settled the death claim with regard to another policy as mentioned in the para (2) above. The representatives of the insurance company once again reiterated their stand that they have irrefutable evidence that the DLA was suffering from Pulmonary Koch infection. According to them, the claim was not payable as there was misrepresentation in the proposal form.

Decision :

The policy commenced on 28.06.2002 and the duration of the policy was 2 years 8 months 20 days, date of death being 18.03.2005. The insurance company furnished a discharge certificate given by Gandhi Memorial Hospital, Kalyani, Nadia in which it has been stated that Late Trinath Halder was suffering from Pulmonary Koch infection and was hospitalized for treatment between 21.11.1998 to 02.12.1998. A prescription dated 12.12.1998 of Outdoor patient indicates that the patient was suffering from acute TB in 1991 and it lasted for 1 ½ years. The party was informed of all these evidence. However, he stated that according to his knowledge, his brother was not suffering from any other disease mentioned therein. The proposal form was examined and it was found correct that the DLA did not mention any information with regard to his previous illness. The Medical Examiner's report obtained at the time of proposal did not show any information with regard to the ailment and hospitalization. The documents were signed both by the doctor and the DLA on 29.06.2002.

From the above irrefutable evidence, we did not have any other alternative but to confirm the repudiation decision taken by the LICl. As there was misrepresentation of facts and suppression of relevant material in the proposal form, LICl could not come to a proper conclusion with regard to ascertaining the risk. The complaint was disposed of without any relief to the complainant.

**Kolkata Ombudsman Centre
Case No. 473/21/001/L/10/06-07
Smt. Tulsi Rani Saha
Vs**

Life Insurance Corporation of India

Award Dated : 11.05.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant Smt. Tulsi Rani Saha, was the mother and nominee under policy no. 421477091 taken by Late Nilkamal Saha, deceased life assured (DLA). The DLA expired on 29.10.2002 at CMC, Vellore. The nominee submitted the relevant claim papers, but the claim was repudiated. In spite of her appeal, LICI regretted the claim.

The insurance company stated that the DLA took a policy, which commenced on 28.03.1997 and the First Unpaid Premium (FUP) was in March 2001. The policy was revived w.e.f. 01.10.2002 i.e., the policy was having a lapsation period from 28.03.2001 to 30.09.2002. The DLA revived the policy and the policy restarted w.e.f. 01.10.2002 and the DLA expired on 29.10.2002 i.e., after 28 days from the date of revival. According to the self-contained note, the policy after revival on 01.10.2002 was a de novo policy and, therefore, a fresh declaration of good health (DGH) was submitted by the DLA. According to the LICI, the queries 2(a) and 2(c) were answered as "No" and the condition of present health was answered in the affirmative i.e., "good". However, according to them, they have irrefutable proof that the DLA was suffering from ailments during the gap period before signing the DGH form. According to them, the DLA had suffered from Respiratory Tract Infection (RTI) with PCD and was admitted at Shaktinagar Hospital, Nadia on 16.09.2002 and was further referred to NRS Medical College Hospital, Kolkata for better treatment. The death certificate given by Vellore Municipality and the CMC stated that the DLA having septic shock, toxic epidermal necrolysis and AIDS. Since these factors were not disclosed in the DGH form, it was held that the misstatement was made by the DLA and the same was held as suppression of material information and subsequently the claim was repudiated.

Hearing :

A hearing was fixed where only the representatives of LICI attended. The complainant did not attend. At the time of hearing, the representatives of LICI defended their decision of repudiation. However, they stated that they propose to pay the paid-up value of the policy, which were acquired on the date of lapse, as an ex-gratia within the framework of LICI guidelines and offered the same to the complainant recently.

Decision :

As the complainant did not attend the hearing, the order was disposed of ex-parte on the basis of evidence available. The proof submitted by the LICI authorities could be definitely categorized as irrefutable during the period prior to the revival of the policy. The diseases those have been diagnosed in the Vellore Hospital must be existing as the fresh policy ran only for 28 days. Hence, it was held that there was misrepresentation and suppression of material facts in the DGH form and, therefore, we had no alternative but to confirm the repudiation made. However, it was learnt from the above that the LICI has decided to pay the paid-up value on ex-gratia basis and if the complainant is not satisfied by the reasons on the fixation of paid-up value, she may seek alternate remedy before any forum including this forum.

**Kolkata Ombudsman Centre
Case No. 521/24/001/L/10/06-07**

Shri Umesh Kumar

Vs

Life Insurance Corporation of India

Award Dated : 18.05.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim under Jeevan Akshay policies issued by LICI.

Late Anandi Prasad, deceased life assured (DLA), had taken three Jeevan Akshay policies. He expired on 08.06.2003. According to the petition, the nominee of the DLA had returned unencashed cheques to the Zonal Office, but the death claim was not settled.

Hearing :

A hearing was fixed wherein both the parties attended. The complainant attended along with his paternal uncle. The representative of the insurance company stated that they are prepared to pay the amount due provided the documentation is completed. The complainant stated that they do not have the policy bonds. He also referred to the fact that they did not receive the cheques that have been despatched by LIC and, therefore, question of returning the unencashed cheques does not arise. The complainant further stated that whatever cheques that were received have been sent back unencashed. The representative of the insurance company after seeing the status report of the various policies stated that they have received the unencashed cheques. However, there are certain cheques that have been encashed after the death of the DLA. He, therefore, stated that the LIC would not be able to pay back that much of amount. LIC also stated that interest on the amount payable to the nominee of the policies does not arise if the original policy bonds are not submitted as per LIC guidelines. The same was informed to the complainant and his representative.

Decision :

The complainant has been asked to trace the policy bonds and if they are not traceable, he can fulfill other legal formalities available in the event of non-submission of policy bonds and should file the documentation to the insurance company. The insurance company were directed to pay the amount so determined, after the complainant files all the documents against three policies, to the legal nominees within fifteen days from the date of receipt of such documentation.

**Kolkata Ombudsman Centre
Case No. 604/21/001/L/11/06-07
Shri Suraj Kumar
Vs
Life Insurance Corporation of India**

Award Dated : 21.05.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim by LIC.

The complainant was the son and nominee of late Kamala Devi, deceased life assured (DLA) for policy no. 553709872 with DOC 28.06.03. The DLA expired on 22.06.2005 due to "sun stroke". He submitted the claim forms, but LIC repudiated the claim on the ground of suppression of Diabetes Mellitus (DM) and non-mention of previous treatment and medical consultation in the proposal form. His representation dated 02.12.2005 was also turned down by LIC on 21.07.2006. The complainant argued that the repudiation was done merely to deny payment of early claim since LIC have already settled death claims in respect of other five policies viz., 551728534, 551732746, 551749174, 551760642 and 553255257 and the DLA had no intention to cheat the insurer. The DLA was an ex-employee of TISCO, who opted for early superannuation in March 2002 and was quite healthy. He further stated that his mother's blood sugar level rose in the year 1994 due to temporary mental tension after the demise of her husband and since that being a temporary feature, the same was not mentioned against question no. 11(c) in the proposal history column of the proposal

form. The DLA had not taken any medical treatment since 01.04.1998. He also stated that heat wave deaths are frequent in summer times in that locality.

LICI stated that the DLA took six policies, out of which five policies had a long duration i.e., non-early and, therefore, were paid by them. However, the policy no. 553709872 for Rs. 1 lac was not paid as the total duration was only 1 year 11 months and she was having regular treatment for DM since 1994 as found from the medical book of the patient showing treatment particulars at the hospital. The DLA was illiterate and she retired under ESS on 20.03.2002 and prior to that she attended her office work on regular basis, which indicated that she was not facing any health problem prior to ESS. However, according to the insurance authorities while taking the above policy after ESS she had suppressed information about her suffering from diabetes and the series of treatment even though she was well aware of the same at that time.

Dr. N.C.Singhal of TMH had completed the claim forms 'B' and 'B1' wherein he had stated that primary and secondary causes of death to be Heat Hyper pyrexia with peripheral and Circulatory failure respectively. LICI, accordingly, repudiated the claim for suppression of material facts at the time of taking the policy.

Hearing :

A hearing was fixed where both the complainant and representative of LICI attended. The representative of LICI stated that LICI have settled the claim for all the policies excepting the above policy due to suppression of material facts with regard to DM, which the DLA was suffering as per the medical book provided by the hospital to the patient. The complainant stated that the death was due to Heat Stroke and not connected to DM or other ailments, which she was supposed to be having as per the medical book.

Decision :

Though the medical book indicated that she was having minor DM she was regularly medicated and according to the self-contained note given by the insurance company that she was reportedly admitted in the hospital five days before death. The claim forms indicated that she died of heat Hyperpyrexia and there is no mention that it is connected with DM. Since the death occurred due to a reason that cannot be connected with the ailment, which is not mentioned in the proposal form cannot be construed as misrepresentation or suppression of facts. Though the insurance authorities may argue that a different view would have been taken with regard to underwriting the risk, we were unable to agree as the death occurred due to heat wave, which was totally unconnected with the ailment. The question of not mentioning in the proposal form did not in anyway vitiate the claim. Accordingly, the insurance company were directed to pay the claim.

**Kolkata Ombudsman Centre
Case No. 771/24/001/L/02/06-07**

Smt. Manju Majumder

Vs

Life Insurance Corporation of India

Award Dated : 21.05.07

Facts & Submissions :

This petition was filed by the complainant for non-settlement of death claim.

The complainant was the wife and nominee of late Gouranga Majumder, deceased life assured (DLA) for policy no. 413401213 with DOC 26.08.02. The DLA expired on 04.12.2002 and the cause of death mentioned in the complaint was "Head injury due to

accidental fall". She stated that she submitted all the claim forms to LICl, but LICl repudiated the claim on the ground of suppression of material fact.

LICl stated that they repudiated the death claim on the ground of understatement of age of the life assured by about 15 years, which has been established by various documentary evidences, and the same was communicated to the claimant vide registered letter dated 15.04.04. The complainant made an appeal and the case was being reviewed by their Zonal Claim Review Committee (ZCRC). It is also found that the insurer sent a letter dated 20.10.03 requesting her to submit proper age proof like certified and legible copy of Ration Card/Voter Identity card/School certificate and Final Police Report before repudiation.

Hearing :

A hearing was fixed where both the complainant and representative of LICl attended. The representative of LICl stated that the DLA died on 04.12.2002 due to Cardio Respiratory Failure (CRF) in a case of head injury at MR Bangur Hospital, Kolkata. In the claim form 'B' and 'B1', Medical Attendant's Certificate and Certificate of Hospital Treatment respectively, the age of the DLA was shown to be 65 years. In the Post Mortem Report (PMR) also, age of the DLA was shown to be 65 years. However, the proposal form showed the age as 45 years. He, therefore, stated that there was a clear suppression of age and according to him, this specific policy would not have been issued if the age of the proposer is more than 45 years. The representative of LICl also showed a copy of the ration card of the DLA, in which the age was mentioned as 55 years on 19.06.1997. These documents were shown to the complainant and she was asked to defend her case. According to her, all these documents were prepared by somebody else and she is unable to say anything with regard to same. She only furnished a copy of notarized affidavit signed by her stating that her husband's age was 45 years at the time of taking the policy. She also filed a statement from the Secretary of a local Traders' Association dated 12.07.2003 stating the age of the DLA as 46 years. These two documents, she was told, cannot be taken into consideration as evidence against the overwhelming evidence available with regard to age as stated by the insurance company. She does not have any other statutory evidence to show that her husband's age was 45 years at the time of proposal.

Decision :

It was clear that age plays an important factor in determining the risk of the policy at the time of making the proposal. In fact, this type of policy could not have been issued for any person more than 45 years of age. Therefore, it was likely that the age was not properly recorded at the time of proposal so that the policy could be issued to the insured. Added to this, the policy duration was only 3 months 8 days. Ration card obtained by the insurance authorities indicated that the DLA was 55 years of age as 19.06.1997 while the DOC of the policy was 26.08.02. Further to this, the PMR of the DLA indicated that he was 65 years old at the time of death. Even in the claim form 'B' and 'B1' signed by the medical attendant/hospital, the age was shown as 65 years. Since the complainant was unable to produce any evidence that her husband's age was only 45 years old at the time of taking the policy, we were constrained to agree with the repudiation made by LICl. The complaint was disposed of without any relief to the complainant.

**Kolkata Ombudsman Centre
Case No. 796/24/001/L/02/06-07
Shri Anup Chandra Munzni
Vs
Life Insurance Corporation of India**

Award Dated : 30.05.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim.

The complainant was the brother and nominee of Ophelia Shanti Rani Munzni, deceased life assured (DLA), who had taken a policy no. 542113337 with DOC 28.02.2002. The DLA expired on 13.07.2002, cause of death being Diabetes Mellitus (DM) and acute Pancreatitis. According to petition, the complainant came to know that the policy bond was lying with the concerned Development Officer (DO). As he was posted in Mehsana Gujarat, he was unable to collect the policy bond from the concerned DO and hence, requested the insurer to collect the policy bond from the concerned DO and process the death claim. He was informed on 31.10.06 that the claim could not be processed since the same was "Time barred". However, he stated that the death claim with regard to another policy no. 510341470 of the same DLA, but payable to a different nominee was settled by the same LIC branch. Being aggrieved, he has approached this forum for relief.

LICI, Hazaribag Branch, in their e-mail dated 24.03.07, stated that the claim was pending due to non-submission of death certificate. At the same time, in their self-contained note dated 27.03.07, LICI requested for closure of the case due to non-compliance by the claimant.

Hearing :

To resolve the above points with regard to the claim, a hearing was fixed, where only the representative of the insurance company attended. The complainant sent a letter requesting that his brother may be given the permission to attend on his behalf as he was staying in Gujarat. Therefore, after hearing the representative of the insurance company, a letter was sent to the complainant refixing hearing on 29.05.07. The brother of the complainant attended. The representative of the insurance company submitted a fresh self-contained note dated 18.05.07.

As per the note, the DLA took two policies from Hazaribag Branch – one with policy no. 510341470 with DOC 15.01.1991 and the other with policy no. 542113337 with DOC 28.02.2002, and expired on 13.07.2002. The nominee for the former policy was the sister of the DLA. The claim forms 'A' and 'C' were issued requesting them to file the necessary documentation. The claim for the policy no. 510341470 was settled and according to this self-contained note, the death intimation letter did not mention the existence of policy no. 542113337 at the time of furnishing the documentation for the policy for which claim has been settled. Since the insurance company felt that the death intimation letter sent by the nominee of 25.09.06 was the first letter indicating the death of the DLA, they promptly repudiated the claim, as the intimation was "Time barred". After they traced out the claim paid docket, they found that there was a death registration certificate and, therefore, the insurance authorities felt that claim forms "A", "B" and "E" could be issued and the same was issued on 03.05.07 as the claim was early claim. They stated that the same needs investigation.

The representative of the complainant attended on 29.05.07 and stated that all the required formalities have been completed during the last week. However, he stated that the policy bond was not traceable.

Decision :

From the above, it was clear that the insurance authorities had not yet taken any decision with regard to repudiation of the claim under the policy no. 542113337, as the same was an early claim, death being within five months from the DOC of the policy.

The representative of the complainant was told that no cause of action arose before the Ombudsman and, therefore, he should await a decision of the insurance company with regard to the claim. The insurance company were directed to complete the formalities of processing the claim after receiving the documentation and take a decision with regard to settlement of the claim.

**Kolkata Ombudsman Centre
Case No. 554/24/001/L/11/06-07
Shri Chandan Chatterjee**

Vs

Life Insurance Corporation of India

Award Dated : 30.05.07

Facts & Submissions :

This petition was filed by the complainant against delay in settlement of death claim.

The complainant was the son and nominee for LIC policy no. 420810620 taken by Late Nirmal Chatterjee, deceased life assured (DLA), with DOC 05.11.1994. The DLA reportedly died on 12.11.2003. The DLA belonged to Police service and purchased a policy from Barasat Branch and paid premiums in the Branch up to May'98. He was transferred out of Barasat and, therefore, requested for transfer of the policy to LIC, Gushkara Branch under Asansol Divisional Office. However, the desired transfer did not take place in spite of several follow-up actions and he could not pay further premiums as there was no facility of receiving the premiums of one branch in another branch at that time. The duration of the policy was 3 years 6 months. The nominee of the DLA approached the branch for settlement of death claim, but Barasat Branch could not make the payment. Similarly, Gushkara Branch also could not provide any service.

Hearing :

To discuss various problems, a hearing was fixed where both the parties attended. The representative of the insurance company gave a self-contained note, which stated that on the request for transfer of policy from Barasat Branch to Gushkara Branch, the authorities at Barasat Branch inadvertently transferred the policy to Burdwan Branch on 24.07.1998 instead of transferring to Gushkara Branch. They promised to take up the matter with the Asansol Divisional Office towards settlement of the claim on the basis of paid up value. The complainant was informed of the status.

Decision :

Since LIC had not settled the claim, LIC were directed to settle the claim as per policy rules and guidelines.

**Kolkata Ombudsman Centre
Case No. 755/21/001/L/02/06-07
Shri Dinabandhu Patra**

Vs

Life Insurance Corporation of India

Award Dated : 06.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

Shri Ranjit Kumar Patra, a cultivator by profession, deceased life assured (DLA), purchased a policy no. 463797287 with risk date 28.03.2000. The DLA expired on

10.03.2005. The duration of the policy was 5 years and the same was in-force till the date of death. Shri Dinabandhu Patra, younger brother of the DLA and the nominee of the policy filed this petition against repudiation made by LIC as there was wrong statement with regard to age. A representation was made by him to the Zonal Manager stating that the DOB mentioned was correct by furnishing a Panchayat Certificate, Voter Identity Card and Ration Card in support of the claim. However, the Zonal Office upheld the repudiation decision on 08.01.2007. He submitted the "P" forms and also gave his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between himself and the insurance company for the resolution of the complaint.

According to LIC's repudiation letter dated 06.10.05, the proposer stated in his proposal form that his age nearer birthday was 35 and they claimed that they have secured evidence that the age was understated by 2 years. According to the policy condition, for Bima Kiran policy, the maximum age at entry was fixed at 35 years and repudiation was done due to deliberate misstatement of age. LIC, in their self-contained note, stated that they have obtained transfer certificate from the Head Master, Araldihi High School, in which the date of birth was stated as 01.09.1963 while in the proposal, the DOB was mentioned as 08.10.1965.

Hearing :

To resolve the issue, a hearing was fixed and both the parties attended. LIC gave a copy of the date of birth certificate issued by the school authorities, which indicated the DOB as 01.09.1963. This certificate was shown to the complainant and was informed that any other proof that has been submitted cannot override the proof of school leaving certificate (Transfer Certificate). This certificate clearly indicated that the DOB of the DLA was 01.09.1963, which proves that his age was more than 35 years at the time of signing the proposal form. The complainant claimed at the time of hearing that the proposal form was filled up by the agent and there could be some mistake in the data. The complainant was then informed that even if the mistake in informing the age is condoned, this particular policy cannot be issued for any person beyond the age of 35 years. Therefore, the policy would become void ab-initio. The complainant further argued that there are other certificates, which indicated that DLA's age is nearer to 35 years at the time of signing the proposal. He was informed that school leaving certificate (Transfer Certificate) will prevail over all other certificates.

Decision :

Since irrefutable proof of the age had been obtained by the LIC authorities in the form of school leaving certificate, which indicated the DOB as 01.09.1963, it clearly showed that he was over 35 years at the time of signing the proposal. Therefore, it was clearly a misstatement of age as the Bima Kiran policy could not have been issued if the age was more than 35 years. Hence, there was a definite misrepresentation in the proposal form and the decision of the insurance company with regard to repudiation was upheld.

**Kolkata Ombudsman Centre
Case No. 738/24/001/L/02/06-07**

Smt. Smriti Basak

Vs

Life Insurance Corporation of India

Award Dated : 07.06.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim.

Smt. Smriti Basak, mother of Late Subrata Basak, was the proposer for policy no. 411971218 on her minor son's life with risk date 28.08.1995 for sum assured of Rs. 20,000/-. The age of the life assured at the time of issuing the policy was 13 years and he was a student. The life assured expired on 18.11.1995 due to drowning. The proposer, i.e., the mother gave the death intimation and submitted claim forms "A" and "C" along with original death certificate and other documents. According to the claimant, there was neither a police enquiry nor a Police Final report and the claim was kept pending without any decision with regard to the settlement for more than 11 years. She, therefore, approached this forum for relief.

Hearing :

Since there was no response from the insurer, a hearing was fixed. Both the parties attended. The representative of the insurance company stated that as the case was pending for a long time, the same was referred to the standing committee for payment of the claim on ex-gratia basis. According to him, the committee has decided to pay the claim and gave an approval for the same. The complainant attended along with her husband and she was informed that LIC authorities have agreed to pay the amount on ex-gratia basis and the same was agreeable to her. She was informed that the interest is not payable as the insurance company was unable to determine whether the death was natural or self-inflicted due to absence of Police Final Report.

Decision :

The insurance company were directed to complete the formalities of payment within fifteen days from the date of receipt of this order.

**Kolkata Ombudsman Centre
Case No. 639/24/001/L/12/06-07**

**Smt. Sita Devi
Vs**

Life Insurance Corporation of India

Award Dated : 12.06.07

Facts & Submissions :

This petition was filed by the complainant against delay in settlement of death claim.

Shri Mulchand Kumar, son of the complainant, purchased a policy no. 514459044 with DOC 07.08.2006. Unfortunately, the life assured expired on 30.08.06 i.e., within 23 days from the DOC. The mother and the nominee of the life assured submitted this petition as she did not receive the death claim and has not received any response from LIC.

Hearing :

A hearing was fixed. The representative of the insurance company attended while the complainant did not attend. According to the representative of the insurance company, the above claim was an early claim and the claim forms have been issued on 22.03.07 after receipt of the death intimation. The claimant submitted the claim forms in April'07, but the claim form "C" was not duly filled correctly and therefore, the same was returned to the claimant. LIC have also called for the original policy bond as well as an affidavit in lieu of claim forms "B" & "B1". According to them, Danapur Branch have not yet received the claim forms. The representative of LIC stated that since this was an early claim, investigation had to be initiated and on the basis of investigation report, the claim would be settled.

Since the complainant did not attend, an ex-parte order was passed keeping in view the above evidence submitted by the insurance company. The complainant was

requested to file all the documentation required by the insurance authorities so that they can initiate claim proceedings through investigation, as the claim was an early claim. After the investigation is over, LICl authorities are directed to finalize the settlement of claim. The above exercise should be completed within thirty days from the date of receipt of consent letter from the complainant. The complainant is at liberty to approach this forum or any other forum, if she is not satisfied with the decision of the insurance authorities.

Kolkata Ombudsman Centre
Case No. 617/21/001/L/11/06-07
Smt. Raimat Murmu

Vs

Life Insurance Corporation of India

Award Dated : 12.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

Facts and Submissions :

Shri Muni Ram Murmu, an ex-TELCO employee, purchased 3 policies viz., 550148543, 550150300 & 550148628 for sum assured of Rs. 1 lac, Rs. 7 lakhs and Rs. 2 lakhs respectively. The life assured expired on 23.02.2001 at the age of 55 years and the duration of all the policies was less than 1 year and only one premium against each policy was paid. The complainant is the wife of Late Muni Ram Murmu, deceased life assured (DLA) and the nominee for 2 of the policies whereas the nominee for the policy with SA of Rs. 7 lakhs is the son. LICl repudiated the claims in respect of all 3 cases as there was suppression of pre-existing diabetes and heart related problems in the proposal form. The complainant appealed for review on 05.11.2004 stating the following:

- (i) Her late husband never consulted any Medical Practitioner for more than a week during the last 5 years;
- (ii) There was no hospitalization or ailments pertaining to Liver, Stomach, Heart, Lung, etc.;
- (iii) There was no disease of the Nervous System, Blood Pressure, Cancer, Epilepsy, Leprosy, etc.

According to her, DLA's leave record would indicate that he did not take any sick leave nor there was any prolonged absence from duty. The DLA suffered chest pain on 21.02.2001 and was admitted to TATA Memorial Hospital and expired on 23.02.2001. According to her, LICl accepted these policies after obtaining Special Medical Reports and imposed Health Extra @ 19.50 per thousand for policy no. 550150300 and Rs. 19.62 per thousand for policy no. 550148628. Even Special Moral Hazard Report was obtained by ABM(S) of LICl Branch. LICl had already settled death claims against 5 other policies for a total sum of Rs. 6 lakhs. However, LICl, Zonal Office upheld the repudiation decision on 05.10.05. As the representation did not yield any result, she has filed this petition for relief. She has also given her unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between herself and the insurance company for resolution of the complaint.

Hearing :

To obtain the views of LICl and the complainant, a hearing was fixed for 15.05.07 where both the parties attended. The representative of LICl submitted the proposal papers along with claim papers including departmental note and investigation report on

the date of hearing. They have also given a self-contained note dated 09.05.07. According to the note, the salient points are as under:

- (i) The DLA took these policies at the age of 54 years in a span of 3 months. He was a non-matric; his yearly income was about Rs. 1.80 lakhs with 5 dependants. Therefore, they doubted the motive for purchasing such high sum of insurance in a short period;
- (ii) Since the deceased expired within a period of one year of taking the policies due to chest pain with secondary cause of Diabetes Mellitus (DM) along with acute Myocardial Infarction, the claims were categorized as very early. Therefore, an investigation was instituted. According to the investigation report, the patient was a known diabetic and he got himself admitted to TMH on 03.07.1997. The insurance authorities requested for medical book, which was only submitted to them on 16.11.2005. After going through the medical records, the Zonal Claim Review Committee (ZCRC) upheld the repudiation decision and the same was intimated to the claimant vide their letter dated 05.10.2005.

The claimant produced the original medical book and some photocopies relevant to 1997 entries were taken. The complainant was asked to prove the source of income for purchasing such high premium policies. It was stated that the DLA took ESS and received large amount of money out of which these policies were purchased. She was asked to produce a copy of Pass Book along with the various entries. All these materials were received on 31.05.2007.

Decision :

The insurance company in their self-contained note stated that repudiation was based on the following points:

- (i) As the status of the DLA was a semi-skilled labour who opted for Early Retirement, he could not have sustained capacity for taking such policies with large premiums, as his income was not more than Rs. 1.80 lakhs p.a.;
- (ii) Medical book indicated that he was suffering from DM.

The Bank Pass Book indicated that he received an amount of Rs. 6,46,365.02 as retirement benefits and he had invested in LIC policies immediately. Therefore, the question of not having income for investment in LIC policies does not arise.

The medical book, though indicates DM, we find that out of three policies, for two policies, the insurance company imposed health extra @ Rs. 19.62 per thousand and Rs. 19.50 per thousand.

This pre-supposes that adequate care was taken for checking the health of the DLA before issuing the policies. From the data available from the proposals, proposal for policy no. 550148543 with sum assured of Rs. 1,00,000/- with risk date 27.05.2000 and policy no. 550148628 with sum assured of Rs. 2,00,000/- and risk date 15.05.2000 were submitted on 15.05.2000. The underwriting decision for policy no. 550148543 was OR + AB dated 31.05.2000 and decision for policy no. 550148628 was OR with Class V Extra Rs. 19.62 per thousand dated 03.06.2000. Another policy no. 550150300 for sum assured of Rs 7,00,000/- was taken on 26.08.2000 and the same was accepted imposing Health Extra @ Rs. 19.50 per thousand.

The study of Divisional Level Standing Committee note reveals that the servicing branch forwarded Xerox copy of the claim forms about 2 ½ years after the date of death instead of sending them immediately on receipt of death intimation. Two separate investigations were conducted by them. One by the Branch Manager and the other by a senior Officer of Divisional Office. Both reports mentioned suspicion of malafide intent in purchasing high SA policies at short intervals, but no concrete

evidence was given. Manager (Claims) also gave a report that they could not collect the evidence of past illness. However, the policies were accepted with Health Extra.

The reasons for repudiation are not satisfactory because two policies have been accepted with health extra on the basis of Special Medical Reports and the declaration in the proposal form. Therefore, repudiation of the claim against these two policies viz., 550150300 & 550148628 cannot be sustained.

The policy no. 550148543 for Rs. 1,00,000/- was proposed on the same day as the policy no. 550148628 for Rs. 2,00,000/-. However, one policy was accepted with health extra, while the other policy was accepted with OR + AB. As indicated by the representative of the insurance company, the proposals under all the 3 policies did not mention anything about the existence of Diabetes Mellitus. For 2 policies LICI charged Health Extra and did not charge Health Extra for one policy. It is learnt that proposal for policy no. 550148543 for sum assured of Rs. 1 lakh was underwritten at the Branch Office level, while the others were underwritten at the Zonal Office level. Therefore, underwriter at the Branch office probably may not be in the knowledge that the proposer was having any ailment and, therefore, they did not charge Health Extra.

Since each policy is a separate contract, the proposer is bound to inform in the questionnaire with regard to health and ailment he is suffering from. As already indicated, the proposal for all the three policies did not indicate such information. Therefore, I am of the firm opinion that the decision taken by the insurance authorities that the death occurred due to TMH and Myocardial Infarction and LVF was correct in respect of this policy. This is so because they have proof that the patient was suffering from DM and Myocardial infarction since 1997.

Therefore, we do not have any other alternative but to disagree with the insurance authorities on the repudiation of the policy nos. 550148628 & 550150300 for which Health Extra were charged. However, in the case of policy no. 550148543, as no Health Extra was charged and the proposer was a known case of DM and Myocardial Infarction, we hold that the insurance company were correct in repudiating the claim.

Accordingly, LICI were directed to pay the claims for the two policies on which Health Extra were charged. The claimant does not get any relief with regard to the 3rd policy in which no Health Extra was charged.

**Kolkata Ombudsman Centre
Case No. 632/21/001/L/12/06-07
Shri Pankaj Kumar Das**

Vs

Life Insurance Corporation of India

Award Dated : 21.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

Facts and Submissions :

The complainant was the husband and nominee of Smt. Manju Das, who purchased a policy no. 433995862 on her own life with date of risk 28.01.2002 and sum assured Rs. 500000/-. The life assured expired on 29.12.2002 and the cause of death was Cardio Respiratory Failure (CRF) in a case of Acute Lymphatic Leukemia. The duration of the policy was 11 months and the policy was in force at the time of death. LICI repudiated the claim stating that the deceased life assured (DLA) was suffering from Ascites, Epigastric and Flatulence before she proposed for insurance. According to them, this information was suppressed in the proposal form by giving wrong answers to question

nos. 11(a), 11(d), 11(e) and 11(i) against her personal history. According to complainant, the repudiation was not on cognate grounds and not corroborated by documents furnished by LICl. According to the complainant, the DLA never suffered from Ascites and the doctor's prescriptions were for 'Acidity', which is a common complaint, so are 'flatulence' and tenderness'. He further stated that blood test conducted before the acceptance of proposal by LICl's panel doctor did not reveal Leukemia. According to him, leave records did not indicate any long drawn illness as she was working as a Primary School Teacher. Since his representation did not yield any result, he has filed this petition for relief.

LICl stated that the disease the DLA was suffering was pre-existing and was proved by the prescriptions given by Dr. R.N.Misra dated 10.08.2001, Dr. Apurba Dey dated 12.09.2001 and Dr. S.K.Dey dated 21.10.2001. According to them, the proposer was under treatment before she submitted the proposal. Therefore, there was deliberate suppression of material facts and hence, the claim was repudiated.

Hearing :

A hearing was fixed, where the representatives of insurance company and the complainant attended. According to the representatives of the insurance authorities, three prescriptions, which have been cited in the self-contained note, indicated that the DLA was suffering from 18.08.01 to 21.10.01 in which it has been mentioned that she was suffering from Ascites, Epigastric and Flatulence. Since treatment for more than a week is to be mentioned in the proposal form, the insurance authorities stated that there was suppression of material fact. The complainant stated that the DLA died of Acute Lymphatic Leukemia and there was no mention of Leukemia in any of the prescriptions. Therefore, according to him, the disease did not exist at the time of submitting the proposal.

Decision :

On going through the evidence that has been submitted by LICl authorities to prove suppression of material facts, we find that excepting mention of Ascites on 18.08.01, the other ailments are general in nature and, therefore, the proposer could not have mentioned before taking the policy. These prescriptions were given only when she was suffering from the ailment but she was not actually hospitalized. These prescriptions indicate only the tablets that are to be taken and do not indicate any symptom of leukemia. I find that no expert opinion has been obtained by the LICl authorities, where these prescriptions indicate existence of leukemia. According to us, if some treatment for common ailments is taken, the same usually are not mentioned by the proposer. Under these circumstances, we find that no concrete evidence has been obtained by the insurance company. Accordingly, it was directed that the insurance company should appoint a specialist doctor and obtain his opinion with regard to the existence of leukemia from the available documentation from the hospital, where she was treated before her demise. The complainant should also be given an opportunity to defend his case before the doctor. This exercise should be completed within thirty days from the date of receipt of consent letter from the complainant.

**Kolkata Ombudsman Centre
Case No. 809/24/001/L/02/06-07**

Smt. Mita Dey Joardar

Vs

Life Insurance Corporation of India

Award Dated : 25.06.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim.

The complainant was the nominee of Late Samarendra Nath Dey Joardar, deceased life assured (DLA) who had taken a policy no. 422875258. The DLA expired on 10.03.2004. According to the complainant, in spite of a series of correspondence with the insurer, the death claim has not been settled for more than two years.

Hearing :

A hearing was fixed. The complainant has sent a letter dated 14.06.07, in which she had indicated that she has received a cheque dated 25.04.07 for an amount of Rs. 1,02,336/- against the referred death claim. According to her, the death claim did not contain the penal interest payable by LIC for delay in settling the claim. She requested for consideration of penal interest at the time of hearing and stated that she would not be able to attend the hearing on the date fixed.

The insurance authorities stated that they have issued a cheque and gave the details with regard to dispatch of the cheque as per their letter dated 15.06.07. However, they did not consider payment of penal interest.

Decision :

It was clear that the insurance authorities settled the claim after the hearing was fixed by this office. The delay in payment of claim is obvious and they should have considered payment of penal interest, which they have not indicated in the calculation sheet. Therefore, the insurance company were directed to pay penal interest as per their existing rules and guidelines for delay in settling the claim.

**Kolkata Ombudsman Centre
Case No. 805/21/001/L/02/06-07
Shri Narottam Biswas**

Vs

Life Insurance Corporation of India

Award Dated : 28.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the nominee and younger brother of Late Sandip Biswas, who purchased two policies viz., 423643672 & 423642890 for sum assured of Rs. 7 lakhs and Rs. 8 lakhs respectively. The date of risk being 28.09.2003 for both the policies. The insured died on 14.11.2003 and the cause of death as per the insurer letter was that the deceased was suffering from Epileptic Fit, Gastroenteritis and Vertigo 2 years 9 months prior to the date of proposal and the same was not mentioned in the proposal form. However, the complainant stated that his brother died of brain stroke leaving almost no chance for treatment. His appeal for review was turned down and the decision of repudiation was upheld.

The insurance authorities submitted a self-contained note after the date of hearing was fixed. According to the self-contained note, there was evidence to show that the deceased life assured (DLA) suffered from Epileptic fit with loss of consciousness, Gastroenteritis, weakness and Vertigo for which he had consulted a Medical Practitioner and had taken treatment from him. According to them, the proposer did not mention these facts in the proposal for assurance dated 01.09.2003 and 21.09.2003, where he gave false answers to Question nos. 11(a), 11(d), 11(e) and 11(i). According to them, a written statement dated 06.03.2005 of Dr. R.K.Roy indicated that the deceased was under his treatment for the last 3 years for the complaint of Epileptic Fit and loss of Consciousness and the same doctor in the claim form stated that the DLA

was suffering from Epileptic Fit, Gastroenteritis, Weakness and Vertigo for the last 3 years. Therefore, they held that the insured had made misstatement and suppressed material information while making the proposal. LICl, therefore, repudiated the claim, as the insurance policy is a contract of utmost good faith. They have also given their consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Hearing :

A hearing was fixed where both the parties attended. According to the complainant, the same doctor gave a letter dated 09.03.05 to the LICl authorities at KSDO in which it was stated that this letter has been written under special circumstances and according to him one person met him representing as DM of LICl on 06.03.07 and stated that he is investigating the case of Late Sandip Biswas. According to him, the investigator asked him to give a certificate that Late Sandip Biswas was suffering from Brain Tumor, which was not a fact. He did not agree to write and then he was forced to write in which it was stated that Late Sandip Biswas was treated by him for the last 3 years and he was unhappy that he has given such a certificate. According to him, after giving the certificate, he traced the previous documents and he found that he treated Late Sandip Biswas for only 2 months before his death. According to the complainant, this report was already submitted to the Branch Manager and he requested that the same report may be accepted.

Decision :

It was surprising that contradictory statements have been made by the same doctor, who attended the deceased. The deceased had taken the policies with date of risk 04.09.2003 & 28.09.2003 and died on 14.11.2003 i.e., within less than 2 ½ months of the cover of the first policy and less than 2 months from DOC of the second policy. It was absolutely clear that even if we take the latest statement of the doctor, 2 months period falls before the date of risk. Added to that the condition of epilepsy does not manifest within two months. Under these circumstances, without going into the veracity of the doctor's certificate that has now been produced at the time of hearing, it was clear that the diseases suffered by the DLA could not have manifested themselves within two months and though the doctor has certified that the DLA had expired due to CRF in a case of cerebral attack, we have to come to a conclusion that there were suppression of material facts in the proposal. Therefore, the repudiation made by the insurance company was upheld.

Kolkata Ombudsman Centre
Case No. 727/24/001/L/01/06-07
Smt. Rabia Khatoon
Vs
Life Insurance Corporation of India

Award Dated : 28.06.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim and the same has been admitted under Rules 12(1)(e) of the RPG Rules 1998.

The complainant was the widow and nominee of Late Safique Mohammed in respect of policy no. 423722037 with date of risk 28.03.2003. The life assured expired on 31.07.2004. The cause of death was Cardio Respiratory Failure (CRF) and the age at the time of death as per policy record was 54 years and the duration of the policy was

1 year 4 months with First Unpaid Premium (FUP) 06/2004. The claimant submitted her claim intimation in November 2004 but the same has not been settled.

It was found from the documents that the insurance company had repudiated the claim vide their letter dated 09.11.2005 – cause of repudiation being suppression of information with regard to chronic liver disease and Haematemesis and blood vomiting for few years before submitting the proposal and for wrong answers to question nos. 11(a), 11(c), 11(d) and 11(e) in the proposal form. The appeal for review made by the complainant on 07.12.2005 was regretted by the insurance authorities on 26.06.2006.

Hearing :

A hearing was fixed and both the complainant and the representative of the insurance company attended. Apart from reiterating the repudiation of claim, LIC stated that death claim was not payable as the policy was in lapsed condition without acquiring any paid up value. From the premium receipt furnished by the claimant, last premium paid was due for March 2004 and the next premium was due on 28.06.2004. The life assured expired on 31.07.04 i.e., more than 1 month after the FUP. For a 1 year old policy, the status has to be treated as policy under lapsed condition. They further stated that the doctor opined from the symptom that the Jaundice was observed 15 years back. It may further be mentioned that the claim form “B” and “B1” indicated age of the patient as 58 years, whereas the policy records indicated 54 years. According to them, Employer’s certificate mentioned leave without pay from 20.10.02 to 09.11.02, 22.10.2003 to 06.11.2003 and 07.02.2004 to 26.02.2004.

According to the complainant, the life assured died after a sudden fall and the doctor, who were treating him for diabetes, certified that the patient was apparently disease free with no serious consultation. There are certifications from the neighbours, local councilors that the DLA was of sound health.

Decision :

With the above evidence available, it was difficult to come to a conclusion with regard to pre-existing nature of the disease and misrepresentation of health particulars in the proposal form. Similarly, it would be difficult to come to a conclusion with regard to difference in age, as mentioned above. However, the claim was not payable on the technical ground as there was no policy cover at the time of death as no premium was paid, which was due on 28.06.2004 and the grace period of one month had elapsed after FUP. The policy also did not acquire any paid up value. It was, therefore, held that the insurance company had correctly denied the payment of the claim, as there was no policy cover at the time of death. Accordingly, the complaint was dismissed without any relief to the complainant.

**Kolkata Ombudsman Centre
Case No. 818/21/001/L/02/06-07
Bibi Zaitun Nisha**

Vs

Life Insurance Corporation of India

Award Dated : 29.06.07

Facts & Submissions :

This petition was filed by the complainant against less payment of death claim.

The complainant was the widow and nominee for policy no. 520842270 taken by Md. Israfil. The policy was purchased with date of risk from 28.02.1999 for sum assured Rs. 1 lakh with mode of payment being quarterly. The First Unpaid Premium (FUP) was February 2001. The life assured expired on 03.08.2001. The nominee submitted the

claim forms but LICl paid death claim amounting to Rs. 50,000/-, being half the sum assured, without any bonus addition. She appealed for payment of full sum assured with bonus, but did not get any reply.

In the self-contained note, LICl stated that the policy was taken with DOC 28.02.1999 and the premium was paid for 11/2000 covering full risk up to 27.02.2001. In short, it was clear that last premium paid was for quarterly due in 08/2000 and 11/2000 only on 27.12.2000, i.e., at the time of revival. According to them, the policy ran for exactly two years and FUP due was 02/2001. The policyholder expired on 03.08.2001 during the lapsed period of the policy. The death took place after the revival of the policy on 27.12.2000 and within six months from the FUP. Keeping in view the relaxation in the matter of death claim under the policy where premiums have been paid for two full years, LICl invoked a provision, which reads as under:

“If the death of the life assured were to occur between three and six months of the due date of first unpaid premium, consideration of claim to the extent of half the sum assured.”

Accordingly, LICl paid Rs. 50,000/- i.e., half of the original sum assured to the claimant.

Hearing :

A hearing was fixed. The representative of the insurance company attended while the complainant did not attend nor did she send any letter for adjournment. Keeping in view the evidence submitted by the LICl authorities, we proposed to pass an ex-parte order.

Decision :

On going through the self-contained note, which has been fully explained in the previous paragraph, which, in short, states that the policy was in lapsed condition and after invoking the guidelines for ex-gratia payment as per their Manual for Policy Servicing Department, they have paid 50% of the sum assured. From the above, it was clear that the LICl authorities had done their best in paying at least 50% of the sum assured. Since they had followed all rules and regulations as per their manual provisions, we did not find any reason to interfere with the decision of the insurance company. The request for payment of full sum assured with bonus by the complainant could not be acceded to.

**Kolkata Ombudsman Centre
Case No. 661/21/001/L/12/06-07
Smt. Gita Rani Patra**

Vs

Life Insurance Corporation of India

Award Dated : 29.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the wife of Late Madan Mohan Patra, who purchased a policy no. 423662308 with date of risk 28.02.2003. The life assured expired on 17.07.2005 reportedly after a brief illness. The yearly premium up to the due period 02/2006 was paid against the policy. The complainant submitted the claim forms on 05.06.06, but LICl repudiated the claim on 23.10.06 citing under statement of age. The complainant stated that the agent wrote the DOB as 10.01.1039 in the proposal form for the above policy and the same agent recorded the date as 10.08.1934 in the policy no. 423006472. But according to the complainant, the DOB should have been 01.04.1933

and the age mentioned in both the policies was wrong. It was also stated that the deceased life assured (DLA) was a retired Head of Economic Department of Raja Peary Mohan College while the occupation was recorded as Private Tutor by the same agent. The main points of the complaint were as follows:

- i) The agent suppressed the actual age of the proposer deliberately and had it been known, the DLA would not have taken the policy at all. It is a breach under Regulation 3(2) and 3(3) of IRDA Regulation 2002;
- ii) The agent got the blank proposal form signed by the DLA and filled the form himself. This was a breach of Regulation 3(4) of the said Act;
- iii) All these were done by the agent to make the life insurable;
- iv) Her late husband was not given the opportunity to verify the policy records of his other policies;
- v) LIC did not forward the policy bond directly to the life assured but gave it to the agent, who recorded a false postal address;
- vi) No photocopies of the proposal form was given to the life assured;
- vii) The agent made the claimant to give false declaration in the claim form;
- viii) The life assured's signature was forged in the medical report and no medical examination of the DLA was done at all;
- ix) The name of the proposer's father was written wrongly by the agent. Family history was also distorted;
- x) The insurer accepted premium against the policy on 24.02.2006, i.e., even after 6 months from the date of death intimation. Besides, they accepted proposals from the same proposer showing different date of birth without any verification.

The insurance authorities submitted a self-contained note at the time of hearing. The repudiation of the claim was mainly done as they have obtained a matriculation certificate from the University of Calcutta, which indicated his DOB as 01.04.1933. They have also stated that the proposer did not mention the existence of policy no. 423006472. Due to the above reasons, as there was suppression of material fact, the death claim under the above mentioned policy was repudiated on 23.10.2006.

Hearing :

A hearing was fixed. The complainant sent her son Shri Upal Kumar Patra with a letter of authorization to attend the hearing. The representative of the insurance company also attended. The representative of the insurance company reiterated the same reasons based on which the claim had been repudiated.

The representative of the complainant stated that the agent was totally responsible for misrepresenting the age of the deceased in the proposal form. He also stated that a blank proposal form was signed by the DLA. He further stated that the agent did this to make the insured insurable. Moreover, LIC did not forward the policy bond directly to the LA but gave it to the agent, who recorded a false postal address. He further stated that LA's signature was forged in the medical report and no medical examination was done for the DLA at all. The name of the proposer's father was also written wrongly. He further stated that the insurer accepted the premium against the policy even after the death of the policyholder. The complainant requested that keeping in view all these points, the above claim may be paid since in respect of the other policy the claim has been settled.

Decision :

Various complaints made against the agent could not be taken into consideration, as the proposer was a learned man, who retired as a Head of Economics Department of

Raja Peary Mohan College. Further, it may be stated that the complaint against the agent does not come under the purview of Insurance Ombudsman as per RPG Rules 1998.

The policy no. 423006472 was settled as the DOC was 28.07.2001 and it was a single premium policy, so full premium amount was already paid. However, this policy against which the complaint has been made, gives an impression that the age was grossly under stated, as the policyholder was nearly 70 years old on the date of commencement of the policy whereas the maximum age at entry allowable under this plan was 65 years. Therefore, this policy could not have been issued under the said Plan and Term. Since the policy could not have been issued for a person at that age, the contract would be ab-initio void.

Under these circumstances, we agreed with the decision of the insurance company and confirmed the repudiation made by them due to gross understatement of age and due to the fact that the DOB of the DLA has not been disputed. Accordingly, the complainant did not get any relief.

However, it was confirmed that the yearly premium has been paid on 24.02.2006, i.e., after the death of the life assured. Obviously, this premium had to be returned to the nominee along with interest. The insurance company were directed to pay this amount with interest to the complainant within fifteen days from the date of receipt of consent letter from the complainant.

Kolkata Ombudsman Centre
Case No. 801/21/001/L/02/06-07
Smt. Manisha Kanjilal
Vs

Life Insurance Corporation of India

Award Dated : 29.06.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the widow and nominee for the various policies taken by her husband Late Asoke Kanjilal, a small trader by profession. The life assured expired on 18.03.05 due to kidney disease and other physical ailments. The cause of death was "CRF in a case of Post Renal Transplant due to Septicemia and Pneumonites". Shri Asoke Kanjilal had 19 policies and out of which LIC had settled death claim in respect of 15 policies and the 4 policies against which this petition has been filed for non-payment are described as under:

Sl.No.	Policy No.	DOC	Sum Assured
1	432238819	28.03.1998	10,000/-
2	433738194	28.07.2000	1,00,000/-
3	433742312	22.02.2001	1,00,000/-
4	434276899	28.01.2002	5,00,000/-

Out of these 4 policies, for policy under sl.no. 3 & 4 above, LIC had agreed to pay ex-gratia refund of premium and offered the discharge voucher, which was not accepted by the complainant. The complainant sought full payment under all the policies mentioned above. Since the LIC repudiated the payment for these policies stating that the deceased life assured (DLA) was suffering from Diabetes Mellitus (DM) and Hypertension since 1997 and 1995 respectively and with reference to these policies the disease for the reasons of which the DLA died was pre-existing. Therefore, the

answers given to the Question No. 11(a), 11(e) and 11(i) in the proposal form were not correct. The request by the complainant for reconsideration was also not accepted and the repudiation was confirmed by the LIC. Hence, this petition has been filed. The complainant submitted the "P" forms and also gave his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between herself and the insurance company for the resolution of the complaint.

The insurance company submitted the self-contained note separately for all the policies and they reiterated that the claims had been repudiated due to misrepresentation in the proposal form by not mentioning the pre-existing disease. They have relied on the documents submitted by the insured at the time of claiming sickness benefits out of one of the policies for which the insurance company had already paid the full claim on the death of the DLA. The papers, according to them, indicated that the insured was suffering from DM and Hypertension since 1997 and 1995 and he underwent kidney transplant due to which sickness claim was made under the terms and conditions of that policy. Therefore, according to them, there is irrefutable proof and evidence to show that the DLA was suffering from kidney problems since 1997. They also gave their consent for the Insurance Ombudsman to act as a mediator for the resolution of the claim.

Hearing :

A hearing was fixed where both the parties attended. The complainant attended along with her brother. The complainant was informed that LIC have taken information with regard to existence of diabetes from 1997 and hypertension from 1995 from a prescription dated 11.05.04 issued by Dr. A.R.Nandi of Belle Vue Clinic. This information was given by the patient to the doctors attending on him in 2004. The brother of the complainant stated that the prescription was only a photocopy and he was not sure whether it can be accepted. He was then told that the photocopy was submitted by them at the time of claiming the sickness benefit under one of the policies. This sickness that was treated was not mentioned in the proposal form for the above 4 policies, which were taken after 1997. He was also informed that while taking so many policies, the insured did not mention the existence of other policies taken by him. He was informed that the information with regard to the number other policies is definitely required as under the rules and regulations of LIC, the insured can not be given cover for more than 12 times the annual average income, taking the previous 3 years average income and keeping in view the age of the insured. On the basis of the average income shown by the DLA in these 4 policies, the insurance company could not have given him a cover for more than 12 times of such average income. The total value of the policies taken exceeds far beyond that figure. The complainant was told that non mention of the various policies was responsible for giving the cover for more than the amount that has been prescribed as per the underwriting manual.

The insurance authorities reiterated their stand that there was irrefutable proof that the DLA was suffering with an ailment which had not been mentioned in the proposal form and that scant details were given in the proposal with regard to existence of other policies in respect of the 4 claims that have been repudiated. The insurance authorities were asked if they could be directed to investigate with the hospital authorities and if the investigation comes in favour of the insured, would they still repudiate the claim. The representative of the insurance company stated that for the reason of non-mention of various policies, they would not be in a position to settle the claim and, therefore, the decision of repudiation will stand.

Decision :

On going through the various aspects of the evidence that has been adduced by the insurance authorities, it is clear that the proposal form did not contain details of the various policies taken by the insured and that he did not mention the ailments he was suffering from in the policies taken by him after the onset of the disease. In fact, we must appreciate the insurance company for agreeing to pay ex-gratia in two of the above four policies. They stated that they still are agreeable to pay the ex-gratia amount. Now, the question remains with regard to two policies no. 432238819 and 433738194, which had been repudiated due to two reasons that have been mentioned above with regard to pre-existing disease and non-mentioning of various policies that have been taken before the date of proposal in each of these policies.

With the available evidence, we were unable to agree with the complainant's request of full claim for the above four policies and we had no other alternative but to agree with the repudiation decision made by the insurance company. Therefore, the complainant does not get any relief with regard to above two policies mentioned in para 7. However, he will get ex-gratia payment already granted in respect of the policies for which the insurance authorities have already agreed to pay such ex-gratia payment. In short, the complainant does not get any relief with regard to the two policies, in which the claims have been repudiated.

Kolkata Ombudsman Centre
Case No. 635/24/001/L/12/06-07
Shri Rakesh Upadhyaya
Vs
Life Insurance Corporation of India

Award Dated : 29.06.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim and the same has been admitted under Rules 12(1)(e) of the RPG Rules 1998.

The complainant was the son of Late Lomash Prasad Upadhyaya, who purchased a policy no. 550193760 with risk date 28.03.1998. The name of the nominee was Smt. G.Upadhyaya. The insured expired at Tata Memorial Hospital on 26.06.06 As the LIC did not respond to the demand of death claim, the complainant sent a representation. LIC denied payment of death claim as the policyholder did not complete payment of premium for 3 years and that the policy did not acquire paid up value. According to the complainant, the Consumer Court in Gaya directed LIC to pay the full death claim even after payment of only one instalment. Since LIC repudiated the claim, he has filed this petition for relief. The complainant submitted the "P" forms confirming that there were no proceedings pending against the complaint at any forum and gave his unconditional and irrevocable consent for the Insurance Ombudsman to act as a mediator between himself and the insurance company for the resolution of the complaint.

LIC sent a self-contained note. According to them, the policy was taken w.e.f. 20.03.1998 and the premium against the above policy was paid up to and including September 2000 and the First Unpaid Premium (FUP) 12/2000. Though there was a request for revival by a letter dated 11.06.03, the insured did not submit the documentation required for such revival and there was no correspondence after that. On 20.07.06, the son of the deceased and the complainant in this petition wrote a letter requesting for refund of premium along with interest under the above policy enclosing a copy of the death certificate of Late Lomash Prasad Updahyaya. He was informed by the LIC vide letter dated 08.08.06 that nothing was payable under the policy as it had

lapsed without acquiring any paid up value i.e., non-forfeiture clause was not applicable.

Hearing :

A hearing was fixed where only the representative of the insurance company attended and handed over the self-contained note dated 11.06.07. The complainant did not attend and requested for adjournment of date of hearing. The request of the complainant was acceded to and the case was heard on 28.06.07. During the course of hearing, he was informed that the policy was in lapsed condition and did not acquire any paid up value. LIC policy can be revived within 5 years from the date of FUP. His father could have revived the policy before December 2005. This was not done. The complainant then stated that a Consumer Court at Gaya had directed LIC for payment of death claim even after one instalment of premium was paid. It has been found that the policy for which the Consumer Court had granted such a relief was having different terms and conditions. He was informed that each policy of the contract has different terms and conditions and, therefore, the same procedure cannot be applied to the policy that had been taken by the DLA. However, he requested that the case may be considered on compassionate ground.

Decision :

It is absolutely clear that the policy was in lapsed condition at the time of demise of the DLA and also did not acquire paid up value. Keeping in view the terms and conditions of the policy, we had no other alternative but to agree with the repudiation decision made by the insurance company.

**Kolkata Ombudsman Centre
Case No. 859/24/001/L/03/06-07
Smt. Arati Pal
Vs
Life Insurance Corporation of India**

Award Dated : 09.07.07

Facts & Submissions :

This petition was filed by the complainant against delay in settlement of death claim.

The complainant was the nominee under policy no. 430616393, purchased by Late Biswanath Pal, deceased life assured (DLA). The DLA expired on 09.12.1997 after the policy vested. However, the death intimation was given only on 03.08.2002, i.e., 5 years after death. The complainant stated that she could find the policy document long after the death of her husband and also stated that no annuity payment was received against this policy. Since there was no response from the LIC, this petition was filed for relief.

The insurer did not submit the self-contained note, but it was learnt that they have requested the claimant to furnish certificate of death and return of unencashed annuity cheques, if any.

Hearing :

A hearing was fixed where both the parties attended. The representative of the insurance company filed a letter dated 02.07.07 and stated that the competent authority have accorded permission for payment of death claim under the policy. They requested the complainant at the time of hearing to meet the concerned Branch office as they have already requested the Branch Office to inform the complainant with regard to the decision of payment.

Decision :

The complainant attended along with her son and he was informed that he should immediately contact the concerned Branch Office and further informed that the needful would be done by the LIC as per the letter dated 02.07.07. Accordingly, LIC were directed to make the payment as per the policy conditions within fifteen days from the date of receipt of this order and the compliance report may be sent after the payment is made. The complainant was also requested to comply with the requirement of LIC.

**Kolkata Ombudsman Centre
Case No. 857/21/001/L/03/06-07
Shri Asim Kumar Das**

Vs

Life Insurance Corporation of India

Award Dated : 10.07.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the husband and nominee for policy no. 436682322 of Late Santi Das, deceased life assured (DLA), who purchased the policy with date of commencement 28.12.2004. The life assured expired on 28.01.06 and the cause of death was Cerebro Vascular Accident (CVA). At the time of death, the age of the DLA was 52 years and the policy was in full force on the date of death. He submitted the claim forms, but LIC repudiated the claim on 25.09.2006. He appealed for review to the higher authorities, but the repudiation decision was upheld. The complainant maintained that declaration against all points of personal history made in the proposal form were correct and the proposer was medically checked by the LIC panel Doctor at the time of proposal. He expressed his surprise wherefrom the insurer obtained documentary evidence of the DLA's pre-existing disease, which was not even known by her husband. He also stated that the death claim for another policy no. 435352379 with risk date 28.08.03 for sum assured of Rs. 42,000/-, purchased from LIC Chinsurah Branch, was paid by the insurer on the basis of his claim, although the claim against that policy was also an early claim, duration of policy being 2 years 5 months.

The insurer furnished a self-contained note, but did not produce any policy docket or claim papers. They maintained that the duration of this policy was 1 year 27 days and on scrutiny, it was found that the answers to Question Nos. 11(a), 11(e) and 11(i) regarding personal history in the proposal form were incorrect. According to them, they possessed sufficient evidence to show that the DLA was suffering from High Blood Pressure since 2 years prior to her death and that fact was not disclosed in the proposal form. This was established from prescription of Dr. S.P.Sahu. They further stated that the death claim against DLA's other policy was admitted since that policy continued for more than 2 years while the onset of the disease was ascertained as 2 years only. They also gave their consent for the Insurance Ombudsman to act as a mediator for the resolution of the complaint.

Hearing :

A hearing was fixed where both the parties attended. The representatives of the insurance company relied on the certificate given by Dr. S.P.Sahu on 21.08.06, in which it was mentioned that the insured was treated by him intermittently for two years as she was suffering from high blood pressure. This certificate was obtained nearly 7 months after the date of death. They were asked whether they have any other evidence to prove that she was suffering from high blood pressure before the date of inception of the policy. They replied in the negative. The complainant stated that his wife never suffered from BP. Therefore, the question of mentioning the same in the proposal form

does not arise. According to him, his wife suddenly died due to CRF in a case of Cerobro Vesicular Accident (CVA) and that no hospital prescriptions contain any detail with regard to high blood pressure.

Decision :

LICI repudiated the claim only on the basis of a certificate dated 21.08.06 by the attending doctor and this evidence could not be taken as irrefutable as the insurance company could not lay their hands on any hospital documents that have been recorded at the time of death. In fact, unless they have irrefutable proof that she was suffering from high blood pressure before the inception of the policy, the certificate taken long after the death cannot be used as evidence for repudiation the claim. Therefore, it was held that the repudiation decision was not correctly taken. Accordingly, the insurance company were directed to pay the claim.

**Kolkata Ombudsman Centre
Case No. 858/24/001/L/03/06-07
Smt. Sandhya Chakraborty
Vs
Life Insurance Corporation of India**

Award Dated : 16.07.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim.

The complainant, w/o Late Jadu Ranjan Chakraborty, stated that her husband had purchased a policy no. 033701402 with date of commencement (DOC) 19.01.1980. The life assured expired on 16.12.1995. She could give intimation of death of her husband to LICI only in the year 2006, but LICI did not admit the claim, being "Time Barred". According to her, the policy bond was lost and she possessed no document but only the policy number.

LICI informed the complainant on 29.11.2006 that the claim was time barred since the death intimation was given 11 years after the death. Further, they stated that the claim could not be admitted without proper documentation such as original policy bond, premium receipt, etc. Status report of the policy showed the first unpaid premium (FUP) as April 1985. They do not have any policy docket and the Policy Master does not contain the name and address of the life assured as also the name of the nominee. However, they stated that the policy acquired paid-up value since the duration of the policy was 5 years 3 months.

Hearing :

A hearing was fixed where both the parties attended. The complainant attended along with her son. She stated that she does not have any documentation excepting a small calculation challan given by the LICI for computing the premium for revival of the policy. This was shown to the representative of the insurance company and he stated that the computation paper could not be taken into consideration as evidence for revival or ownership of the policy document. He reiterated that the claim was time barred and, therefore, could not be paid. However, he stated that if documents like the policy bond or premium receipts are produced, they might reconsider payment of paid-up value as the policy had acquired paid up value.

Decision :

It is absolutely clear that the claim is "time barred" and the question of paying the claim does not arise. However, since the LICI graciously agreed to consider, if the documents like original policy bond and premium receipts are produced, they might

consider settling the claim by referring to their higher authorities. Under these circumstances, though the claim has been correctly denied, we do not wish to interfere with the LIC and the complainant, if the LIC considers payment on submission of the original documents mentioned above by the complainant.

Kolkata Ombudsman Centre
Case No. 893/21/001/L/03/06-07
Smt. Sumana Deb

Vs

Life Insurance Corporation of India

Award Dated : 19.07.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the daughter and nominee of Late Chandana Das for policy no. 415213852 with date of commencement 28.06.2001. The life assured expired on 08.11.2005. As per status report, the first unpaid premium (FUP) of the policy was December'05 and last premium transaction was made on 05.10.05. The complainant stated that the policy was in lapsed condition from 2002 due to her mother's illness and the same was revived on 05.10.05. The complainant submitted the claims forms but LIC repudiated the claim on 01.02.2006. Her appeal for reconsideration was also rejected by LIC, Eastern Zonal Office on 31.08.2006.

In the self-contained note, LIC stated that the policy was revived on 05.10.05 and the life assured expired on 08.11.05. LIC further stated that the deceased life assured (DLA) submitted a health declaration at the time of revival stating that she was in sound health and did not suffer from any illness requiring treatment for more than a week. Whereas they have indisputable evidence to show that the DLA suffered from Endometrial Carcinoma of Uterus with Metastasis for which she was hospitalized and underwent medical treatment from July 2005 i.e., before the date of revival. LIC, therefore, repudiated the claim on the ground of suppression of material facts. They also gave their full consent for the insurance ombudsman to act as a mediator for the resolution of the complaint.

Hearing :

In response to a notice of hearing, both the parties attended. According to the representative of the insurance company, the complainant's mother's policy was in lapsed condition from 2002 and the same was revived on 05.10.05 just before the death of the life assured. The death took place within 1 month 3 days from the date of revival. According to representative of the insurance company, the DLA was suffering from Endometrial Carcinoma of Uterus with Metastasis from July'05 i.e., before the date of revival. As the health declaration did not contain these details, it was held that she had misrepresented in the Declaration of Good Health at the time of revival of the policy. Therefore, the claim was repudiated for not giving correct information at the time of revival of the policy.

The complainant stated that she was not aware that her mother did not mention the details of the illness she was suffering. According to her, it was felt by them that since the policy was taken in 2001, the revival was only a matter of routine.

Decision :

It was clear from the facts available that the policy remained in lapsed condition for 3 years and the life assured preferred to revive the policy just one month before her death. Under the policy conditions, the revival of a policy is always treated as 'Novatio'

or fresh contract and, therefore, the health declaration should be correct for a proper underwriting decision. LIC authorities have irrefutable proof that the DLA suffered from Endometrial Carcinoma of Uterus with Metastasis since July 2005, 5 months before the revival of the policy. It is also found from the Claim Form "B" completed by Dr. Beauty Sarkar that the disease was "known before" as per question no. 5(b). Similarly, the claim form "B1", i.e., the certificate of Hospital Treatment, indicated that first admission or first time treatment was done on 02.02.05. These evidences clearly indicate that the disease was pre-existing and was known to the patient before the revival of the policy. Under these circumstances, I do not have any alternative but to agree with the decision of repudiation made by the insurance company and the complainant does not get any relief.

Kolkata Ombudsman Centre
Case No. 692/21/001/L/01/06-07
Shri Akhil Ranjan Ray

Vs

Life Insurance Corporation of India

Award Dated : 19.07.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The petitioner was the husband and the nominee of two policies on the life of Smt. Gayatri Ray, deceased life assured (DLA). Policy Nos. 423032004 and 423032118 were accepted with date of commencement 27.12.2001 for sum assured of Rs. 1 lakh each. The proposals were registered on 28.02.2002 and underwritten on 04.03.2002, so risk coverage began from 04.03.2002. The claimant submitted the claim papers on 08.01.06 after the death of life assured on 18.01.2003, but LIC repudiated the claim against both the policies on 01.07.06. He appealed to Zonal Manager, LIC on 01.08.06 stating that the omission, if any, occurring in personal history was basically the fault of the agent, who was not capable or trained enough in filling up forms and the DLA should not be held responsible for this. The DLA signed the proposal forms on utmost good faith and the writing in the proposal form differs with the signature of the proposer. Moreover, the DLA died of sudden pancreatic attack and had no previous prolonged illness.

Hearing :

In response to a notice of hearing, both the parties attended. The representative of the insurance company filed a self-contained note at the time of hearing. As per the self-contained note, both the policies were taken on the same day and the duration of the policy was 10 months 14 days. Since these policies were backdated, the duration of the policies would be counted from the date of underwriting and not from the date of commencement. According to the insurance authorities, there were three other policies taken by the same DLA on 14.02.1992, 28.02.1995 and 28.12.2001. However, she did not mention the policy particulars with regard to the policy taken on 28.12.2001 in the proposal form for the above two policies against which this claim has been filed. According to the insurance authorities, there is irrefutable proof to show that the DLA suffered from bronchitis about 2 years 5 months and from salpingitis about 1 year 8 months before the date of proposed policies for which she had consulted a medical practitioner Dr. B. Bose on 15.07.2000 and had taken treatment from him. According to representative of insurance company, the DLA also took leave on medical ground from 27.09.1999 to 30.09.1999 and from 19.06.2000 to 14.07.2000 while under treatment of Dr. B. Bose. However, these facts were not disclosed in the above proposals dated

28.02.2002. LICl, therefore, repudiated the claim and the same was confirmed at the time of review by them.

The complainant stated that all the facts are available on record and requested to give a decision accordingly.

Decision :

It was clear from the self-contained note that the insurance company relied on the certificates furnished by the complainant along with the claim papers that she was suffering from bronchitis from 27.09.1999 to 30.09.1999 and from acute salphingitis from 19.06.2000 to 14.07.2000. There would not have been any misrepresentation, if the suffering of bronchitis had not been mentioned in the proposal as the treatment was for less than 7 days. However, suffering from acute salphingitis for nearly a month between 19.06.2000 to 14.07.2000 should have been mentioned in the proposal, as there is a requirement for informing any treatment for more than 7 days. Moreover, the DLA did not mention about her leave on medical ground. Had the same been mentioned, the underwriting decision would have been different. The DLA died due to CRF in a case of acute pancreatitis with multi organ failure.

Keeping in view the above facts, there was no other alternative, but to agree with the repudiation decision of the insurance company with regard to two policies in question. The complainant did not get any relief.

Kolkata Ombudsman Centre
Case No. 021/21/001/L/04/07-08
Shri Kanulal Chakraborty
Vs
Life Insurance Corporation of India

Award Dated : 25.07.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the brother and nominee of Late Ajit Kumar Chakraborty for policy no. 433038320 with date of commencement 28.02.2000. The life assured expired on 06.05.2005. The claimant submitted the claim forms but the insurance company called for discharge certificate from G.M.Hospital and SSKM Hospital. The claimant submitted the discharge certificate of SSKM Hospital, but LICl repudiated the claim on 03.04.06. The complainant appealed for review but the repudiation was upheld by LICl, Zonal Office on 15.09.06. Being aggrieved, he has sought for relief.

In the self-contained note, LICl stated that the above policy was in lapsed condition since November'2002 due to non-payment of premium. The deceased life assured (DLA) revived the policy on 20.01.2005 by paying 9 instalments of quarterly premiums and submitted Declaration of Good Health (DGH). However, the DLA expired 3 months 16 days from the date of revival. LICl stated that they have sufficient evidence in their possession, which showed that before the revival of the policy, the DLA was admitted to SSKM Hospital from 17.12.03 to 02.02.04 for I.H.D. and Off Pump CABG. Treatment continued even in February'04 as an outdoor patient at SSKM. Claim Form "E" certified by DLA's employer also showed that the DLA had availed leave on medical ground on different dates before the revival of the policy. He, however, did not disclose these facts in the DGH at the time of revival of the policy and instead gave false answers. LICl, therefore, repudiated the claim on the ground of suppression of material facts.

Hearing :

In response to a notice of hearing, both the parties attended. The complainant stated that the policy was revived after it was found that the same was in lapsed condition. However, he stated that the revival was done just before 3 months 16 days from the death of life assured. He further stated that the forms that were to be filled in at the time of revival especially the health declaration form was done by the agent and, therefore, the status of health was not properly represented.

The representatives of the insurance company stated that they have irrefutable proof that the DLA was hospitalized from 17.12.03 to 02.02.04 at SSKM Hospital for IHD and Off Pump CABG (Coronary Artery Bye-pass surgery). This surgery was not mentioned in the DGH form. Consequently, there was misrepresentation of the health condition of the DLA. Therefore, they stated that the repudiation was correctly made.

Decision :

As per the claim form "B", the primary cause of death was chest pain and the secondary cause was Cardiac Respiratory Failure. The doctor certified that the death was due to Ischaemic Heart Disease and the claim form "E", Certificate by Employer, indicated that the DLA took a series of leave between 28.02.1997 and 05.02.2005 for long duration, on medical grounds. Therefore, pre-existence of disease before the revival of the policy has been conclusively established. Further, the death took place within 3 months 16 days from the date of revival. Accordingly, it was held that LICl were correct in repudiating the claim and the repudiation decision was confirmed.

**Kolkata Ombudsman Centre
Case No. 023/21/001/L/04/07-08**

**Smt. Madhumita Kamila
Vs**

Life Insurance Corporation of India

Award Dated : 26.07.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the widow of Late Jhantu Kamila, who purchased a policy no. 434930071 with date of risk 28.03.2003. The life assured expired on 22.04.2004 paying only one yearly premium. The policy was in force (within grace period) at the time of death. The nominee submitted the claim papers to LICl, but they repudiated the claim on 28.08.06. The complainant felt that the decision of repudiation was made incorrectly since the deceased life assured (DLA) suffered from fever for few days 8 years back, but that was wrongly communicated to the doctors at CMC, Vellore by the person accompanying the patient and the doctor took it as the patient was suffering from fever for 8 years. She stated that the misunderstanding was due to language problem.

In the self-contained note, LICl stated that the claim was an early one since the duration of the policy was 1 year 24 days. LICl further stated that the life assured died of acute respiratory distress syndrome in a case of Melioidosis spleen left sub diaphragmatic abscess, hypoproteinaemia on 22.04.04 at CMC, Vellore. According to LICl, they have irrefutable proof that the life assured suffered from high grade intermittent fever with chills and rigors associated with profuse night sweats for last 8 years. The DLA was treated for filariasis 5 years back and was diagnosed as splenic abscess and left sub diaphragmatic abscess. He, however, did not disclose these facts in the proposal for above policy and gave false answers to the query. Had he disclosed the correct information, underwriting decision would have been different. LICl,

therefore, repudiated the claim on 31.08.06 on the ground of suppression of material fact.

Hearing :

In response to a notice of hearing, both the parties attended. The complainant stated that there was a mistake in the discharge summary given by CMC, Vellore as she herself informed the doctor that her husband was having fever some 7-8 years back and instead of recording that they have recorded wrongly stating that the patient was suffering from fever for 8 years intermittently. According to her, her husband was not suffering from such fever and the death took place suddenly within 1 year 24 days of the inception of the policy.

The representatives of the insurance company stated that they entirely depended on the discharge summary given by CMC, Vellore and the medical opinion given by their Divisional Medical Referee, which stated that there is a connection between the fever suffered by the patient for the last 8 years and the reasons for the cause of death. However, there is no proof that the patient was suffering from the disease due to which he died before the inception of the policy. Further, the complainant gave a copy of the certificate, wherein details of the leave taken by the deceased were mentioned, which do not indicate that he has taken leave on medical ground. She requested that this might be taken into consideration.

Decision :

From the evidence available there was an indication of the existence of filariasis prior to the inception of the policy from the summary report given by CMC, Vellore. The pathological investigations were done by the hospital and the report indicated Atelectasis (collapse of Lung) of left lobe, enlarged spleen, subcutaneous oedema, Pyrexia of unknown origin and poor general health condition. There is no indication that all these ailments were connected to the history of sweating in the previous years and treatment of filariasis.

Under these circumstances, it would be correct to get an independent opinion from a specialist doctor with regard to whether the various ailments indicated in various pathological investigations are connected to the history of ailments that have been mentioned in the discharge summary given by the CMC. The insurance company were directed to appoint a specialist doctor outside the panel of insurance company and put before him all the evidence available and obtain an opinion with regard to the above. This exercise had to be completed within thirty days from the date of receipt of this order. The complainant was also requested to co-operate with the insurance company and furnish all the required documents. The insurance company were directed to review the decision of repudiation on the basis of opinion so obtained. If the complainant is not satisfied with the decision of the insurance company, she is at liberty to come back to this forum or go to any other form, as deemed fit.

**Kolkata Ombudsman Centre
Case No. 842/24/001/L/03/06-07**

Shri Chhote Lal Shaw

Vs

Life Insurance Corporation of India

Award Dated : 27.07.07

Facts & Submissions :

This petition was filed by the complainant against non-settlement of death claim.

The complainant furnished death claim intimation of his brother and LICl requested him on 13.03.03 to submit claim form, policy bond, etc. He stated that in spite of his submitting all requirements in time, the death claim is yet to be settled. However, he did not furnish us the details of the claim nor did he mention the date and cause of death.

In the self-contained note (SCN) LICl stated that Late Turantu Shaw, deceased life assured (DLA) purchased a policy no. 434493977 with date of risk 28.06.2002. According to SCN, the date of death of the life assured was 17.01.2003 and the cause of death was cardiac failure due to cold. The policy was accepted with underwriting decision OR + AB, but the claim occurred within six months from the date of risk and only one yearly premium was paid. LICl stated that the claim remained pending due to some discrepancy such as the claimant furnished different permanent address of the DLA in the proposal form, claim form 'A' and claim form 'C'. The claim form 'B' was signed by a doctor of DLA's native place in Uttar Pradesh and claim form 'C' was signed by a person of neighbouring locality but both were countersigned by a Councilor of Howrah Municipal Corporation. The insurer sought for the claimant's clarification in this regard and requested him to submit last 3 years treatment papers. The complainant did not respond to their reminders. Since this was a very early claim and the death having occurred in U.P., LICl entrusted claim investigation to their Allahabad Division, the place of death falling in their area, but the residential address was under Sultanpur Branch Office of Lucknow Division of LICl. Since the investigation reports from other Divisional Offices were pending, LICl could not settle the death claim.

Hearing :

In response to a notice of hearing on 03.07.07, the representatives of insurance company attended while the complainant did not attend. Therefore, a rehearing was fixed only for the complainant on 27.07.07. The complainant attended.

During the hearing on 03.07.07, the representatives of the insurance company stated that they were not able to settle the claim due to the following reasons:

- i) The address of the complainant was different in various documents that have been submitted with the claim. They have written a letter to the complainant requesting to clarify the position with regard to the correct address, which has not been done by the complainant;
- ii) Similarly, the claim forms were signed by a doctor available at the place of the deceased and the same was countersigned by a Councilor at Howrah Municipal Corporation. Even this was not clarified by the complainant so far;
- iii) The complainant was asked to submit the treatment papers available for the last 3 years, which was not complied with.

The insurance company entrusted the investigation to their Lucknow and Allahabad Divisions and are awaiting the investigation report. Due to these reasons, they could not settle the claim.

The complainant attended on 27.07.07 and was told that as there was difficulty in communicating with him due to improper address. LICl is not able to finalise the claim due to lack of proper documentation. He was advised to meet LICl authorities and do the needful so that they could take a decision on the claim.

Decision :

No cause of action arises, as the LICl authorities have not yet taken a decision with regard to settling the claim due to non-availability of the documents. The complainant was advised to immediately co-operate with the LICl authorities and furnish all the documents required. LICl authorities were directed to complete this exercise of

receiving documents and deciding on the claim within thirty days from the date of receipt of consent letter from the complainant.

Kolkata Ombudsman Centre
Case No. 101/24/001/L/05/07-08
Shri Saumitra Sengupta & Smt. Sima Sengupta
Vs
Life Insurance Corporation of India

Award Dated : 21.08.07

Facts & Submissions :

This petition was filed by the complainant against delay in settlement of death claim.

Shri Saumitra Sengupta was the elder brother of Late Suman Sengupta, deceased life assured (DLA) and also nominee for policy no. 452083749 with DOC 08.05.2000 for sum assured of Rs. 25,000/-. The life assured expired on 18.06.2003. The complainant stated that the LIC neither settled nor rejected his claim against the policy. He also enclosed copies of correspondence with the insurer by himself and one Sima Sengupta, whose relationship and right to the estate of the DLA is not mentioned. He along with Smt. Sima Sengupta filed the "P" forms.

In the self-contained note, the insurance company stated that the DLA had two policies. Policy No. 452083749 with sum assured for Rs. 25,000/- and duration of the policy was 3 years 1 month 10 days. Policy No. 452728656 with sum assured Rs. 5 lakhs and duration of the policy was 2 months 20 days. LIC stated that they sent several reminders to the complainant for submitting treatment particulars and pathological reports, but the complainant expressed his inability to forward the required papers pleading that the DLA never suffered from any disease. LIC maintained that the DLA had ailments for a long period before death as mentioned in the Surathal report and Final Police Report.

Hearing :

In response to a notice of hearing, the complainant and the representative of the insurance company attended on 20.08.07. The complainant reiterated that his brother died suddenly at the young age of 34 years and that the details mentioned in the FIR and Final Police Report indicated only that his brother was suffering for sometime and there was no mention of any disease connected with the death. He also stated that he was aware that the LIC authorities have asked for submitting the treatment particulars before the death of the DLA and that he is unable to submit that because there was no such document available and as per his knowledge his brother was not treated at all.

The representative of the insurance company stated that they could not settle the claim only because some documents have not been submitted as it was clear from the Final Police Report that the claimant himself stated before the police officials that the DLA was suffering from some disease for long days prior to the inception of the policy. They also informed that the second policy with a sum assured of Rs. 5 lakhs was taken just 2 months 20 days before the death of the life assured. Therefore, both the claims could not be settled due to non-availability of treatment documents.

Decision :

From the information available, it was clear that there were two policies, one with sum assured of Rs. 25,000/- and the other with sum assured of Rs. 5 lakhs. This complaint is only against non-payment of sum assured of Rs. 25,000/- and there is no separate complaint against the non-payment of sum assured of Rs. 5 lakhs. However, we find that the "P" forms have been submitted signed by both the complainant and Smt. Sima

Sengupta, thus indicating that they were disputing non-payment of sum assured in both the policies.

Since the settlement of sum assured on the above policies is dependent upon the availability of documentation as mentioned above, I propose to deal with the matter in this order with regard to delay in payment of death claim under both the policies by LICl authorities.

The complainant has clearly stated that he does not have any treatment document of the life assured prior to the death. The insurance company also stated that they are unable to decide whether the DLA was suffering from any disease before the inception of the policy due to lack of documentation. I find from the Post Mortem Report that the DLA died apparently due to cardiac failure. However, the doctor stated that the final opinion regarding cause of death is kept pending until the chemical analysis of Viscera is available. So it is clear that no final opinion can be obtained from a doctor in this case until chemical report is received. Therefore, I direct the complainant to obtain the chemical report (report on viscera) as early as possible and submit it to the insurance authorities. The insurance authorities have to decide about payment of death claim on the strength of doctor's opinion as per the chemical report. This exercise should be completed within sixty days from the date of receipt of consent letter from the complainant.

**Kolkata Ombudsman Centre
Case No. 067/21/001/L/05/07-08**

Smt. Sumita Das

Vs

Life Insurance Corporation of India

Award Dated : 31.08.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant, a nurse by profession, is the widow of Late Sisir Kumar Das, deceased life assured (DLA), and nominee for policy no. 464097426 with DOC 28.11.2002. The complainant stated that after the expiry of her husband she furnished the claim forms to LICl, but the claim was repudiated. On her representation, LICl, Eastern Zonal Office also upheld the repudiation vide their letter dated 24.04.07. Being aggrieved, she has approached this forum for relief on humanitarian grounds for herself and her two minor sons from poverty and in view of debt incurred for treatment of her deceased husband.

In the self-contained, LICl stated that the life assured expired on 28.05.06 and the cause of death was CRF in a case of CVA c Carcinoma of lungs and metastasis. The policy was revived on 16.03.06 i.e., 2 months 12 days before the date of death. LICl further stated that as per Claim form 'B', the duration of last illness was 3 ½ months (prior to the date of revival). Prescriptions dated 19.02.06, 22.02.06, x-ray report dated 17.02.06 and MRI dated 02.03.06 and 05.03.06 confirmed that the DLA was not in a good state of health as on the date of revival. LICl, therefore, repudiated the claim on the ground of suppression of material facts and the decision was communicated to the claimant vide their letter dated 04.10.06. The decision of repudiation was upheld by their higher authorities on 24.04.07.

Hearing :

In response to a notice of hearing, both the parties attended. The representative of the insurance company stated that the policy was taken with DOC 28.11.2002 by paying

the quarterly premium. The First Unpaid Premium (FUP) was August 2005 and it was later revived with effect from May 2006. However, they could get various prescriptions and medical report from CMC, Vellore, in which it was found that the DLA was suffering from metastatic adeno-carcinoma on the bone, CT thorax revealed right upper lobe mass. MRI report dated 05.03.06 suggested that there was neoplastic change in body of L1, S1 & S2 with degenerative disc disease at L4-L5 level. Another MRI dated 02.03.06 of Lumbo-Sacral Spine indicated calcification in both kidney and suggested renal function test to confirm/exclude renal parenchyma disease. All these tests had been undertaken between the first FUP in August 2005 and the date of revival in May 2006. Therefore, according to the insurance company, as the revived policy is to be treated as a fresh policy, it was found that the DLA had misrepresented while signing the Declaration of Good Health (DGH). LICl, accordingly, repudiated the claim.

The complainant stated that they have been paying the premiums regularly. However, there was a delay in paying 3 quarterly premiums, which was paid at the time of revival at one go and therefore, she claimed that the death claim is payable.

Decision :

As per the policy condition, at the time of revival of the policy, the policyholder has to give a DGH. In this case, while giving the DGH, the DLA did not give any information about the various ailments that have been mentioned above. Therefore, the insurance company were not able to consider the death claim. The irrefutable evidence that have been submitted indicates that the DLA was suffering from various ailments mentioned above. Therefore, we did not have any other alternative, but to confirm the repudiation decision of LICl. The complainant did not get any relief.

**Kolkata Ombudsman Centre
Case No. 053/21/007/L/05/07-08
Shri Binay Bhojnagarwala
Vs**

Max New York Life Insurance Co. Ltd.

Award Dated : 19.09.07

Facts & Submissions :

This petition was filed by the complainant against less payment of death claim (payment of paid-up value instead of full sum assured).

The complainant was the son of Late Kishan Kumar Agarwala, deceased life assured (DLA), who expired on 17.08.2006. The complainant lodged the claim against policy no. 100191683 of his deceased father. He stated that the instalment premium due 01.07.2006 against this policy was paid by cash on 16.08.06 (before the death of the life assured) and the insurer issued acknowledgement no. AKOL 2060501067 dated 16.08.07. However, they settled the death claim for paid-up value by cheque no. 143597 dated 28.11.06 for Rs. 55936/- only instead of full face amount of Rs. 167371/- . On enquiry, they informed the complainant vide their letter dated 22.12.06 that the half-yearly premium due 01.07.06 was not paid in time in spite of premium notice. So the policy lapsed and was reinstated on 21.08.06 (after death of the life assured) although payment was made during his lifetime. The insurer stated that they were ignorant of the fact that the life assured expired on 17.08.06. Since the policy was lapsed at the time of death, they paid the paid-up value.

At the time of hearing on 18.09.07, the insurance company sent a self-contained note. In brief, they stated that originally they have paid paid-up value and that they will pay the remaining amount to the complainant within fifteen days from the date of this letter.

Hearing :

In response to a notice of hearing, both the parties attended. The insurance company stated that they have decided to pay the remaining amount of claim within fifteen days as mentioned above. The complainant was informed of the decision of the insurance company.

Decision :

As the insurance company have agreed to pay the amount, it is felt that no further intervention is called for. The insurance company is directed to pay this amount, as promised, within fifteen days from the date of this order.

**Kolkata Ombudsman Centre
Case No. 050/21/001/L/05/07-08**

Smt. Gayatri Devi

Vs

Life Insurance Corporation of India

Award Dated : 20.09.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the widow of Late Rajnandan Singh and nominee for policy no. 521129682. The life assured expired on 06.06.2002 and the duration of the policy was 2 years 3 months from the date of proposal. The complainant submitted the claim forms, but the claim was repudiated on 13.06.03. The claimant stated that her deceased husband had fever on 29.03.01 and the doctor detected kidney problem on 01.04.01. He was hospitalized and was under treatment for 1 year. Her appeal for review was turned down by the LIC higher authorities.

In the self-contained note, LIC stated that the deceased life assured (DLA) was treated for pulmonary TB in the year 1998 and had diabetes for 10 years as per prescription of Dr. B.Narain. The DLA's diabetic problem was also admitted by the complainant. LIC, therefore, repudiated the claim on the ground of suppression of material facts.

Further, on fixing up of hearing, LIC submitted a self-contained note, in which they stated that the claimant herself also admitted that her husband was a patient of diabetes. Further, they stated that a neighbour of the DLA during the course of investigation also stated in his written statement the same thing. The claim forms indicated that there was a complete heart blockade. The hospital's death certificate also confirmed hypertension and diabetic mellitus (DM). The above details as mentioned in the self-contained note dated 23.08.07 are reproduced below:

"It reveals from the papers received and IR that the DLA suppressed his previous illness deliberately. It has been evident from the prescription of Dr. Mahendra Narayan dated 30.03.2001 that the DLA was treated for PUL TB in 1998 and he was a Diabetic patient for last 10 years. In her own statement dated 10.06.2003, the claimant herself also admitted that her deceased husband was a patient of Diabetes. Sri Chintu Kumar, neighbour of the DLA, during the course of investigation, also stated (in written statement) the same thing. All this information, the DLA suppressed at the time of submission of the proposal where he did not mention anything about his history of such illness deliberately to defraud the Corporation. On the basis of the documentary evidences received, the competent authority repudiated the claim on 13.06.2003."

Hearing :

In response to a notice of hearing, both the parties attended. The representative of the insurance company confirmed the facts that were mentioned in the self-contained note. According to the complainant, the DLA suffered from fever on 29.03.2001 and the doctor detected kidney problem on 01.04.2001. Thereafter, he was under treatment for more than 1 year for the above problem and he ultimately passed away on 06.06.2002. She emphatically stated that there was no misrepresentation in the proposal form.

The representative of the insurance company stated that not mentioning of pulmonary TB in the year 1998 and not mentioning of having diabetes for more than 10 years in the proposal form is nothing but suppression of material facts and, therefore, the repudiation was correctly done.

Decision :

On going through the evidence submitted by the insurance authorities, we find that there was a definite case of suppression of material fact with regard to pulmonary TB and DM. Therefore, we have to agree that the repudiation has been done correctly on the basis of evidence available on record. However, it is found that the DLA has paid 3 yearly premiums and after the payment of 3rd premium, the event of death occurred. Generally, all policies acquire paid-up value with vested bonus after payment of premiums for 3 years. Therefore, keeping in view of the above, the insurance company were directed to pay the paid up value with vested bonus as an ex-gratia payment.

**Kolkata Ombudsman Centre
Case No. 102/21/001/L/05/07-08**

Shri Purushottam Goyal

Vs

Life Insurance Corporation of India

Award Dated : 20.09.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the husband of Late Hira Devi Goyal, deceased life assured (DLA) and nominee for policy no. 418219006. He submitted the claim forms after the death of the DLA. He stated that while LIC settled the death claims against the other policies of the DLA, they repudiated the claim against the policy no. 418219006 on the ground of suppression of previous policy details and obtaining insurance coverage more than that of her husband. The complainant further stated that LIC settled the claims against 3 policies for total sum assured of Rs. 300000/-, but repudiated the claim against policy no. 418219006 for sum assured of Rs. 300000/-. He admitted that in the proposal form for policy no. 418219006, the details of previous policy no. 415712695 (sum assured Rs. 150000/-) were not mentioned by mistake. However, according to him, this was not done with any ulterior motive. According to him, that omission had in no way affected the underwriting decision since his deceased wife was a businesswoman and not a housewife, as proved by the IT returns in her name showing business income. He appealed against this repudiation to the higher authorities, but LIC Zonal authorities turned down his appeal. Being aggrieved, he has approached this forum for relief.

In the self-contained note, LIC stated that the DLA purchased 5 policies. They maintained that the death claim against policy no. 418219006 was repudiated since the DLA did not mention policy no. 418188532 for Rs. 150000/- purchased in the year 2003 and showed her previous total insurance as Rs. 300000/-. Moreover, in the proposal form, she described herself as "housewife" (Female Life category III without earned

income) and her eligibility as a housewife was for total sum assured of Rs. 625000/- (Total sum assured of her husband) as per LIC underwriting Rules. Had the policy no. 418188532 for Rs. 150000/- was mentioned as per previous insurance, they would not have granted insurance coverage for further Rs. 300000/-. According to LIC, this amounted to deliberate misrepresentation of material facts affecting underwriting decision.

Hearing :

In response to a notice of hearing, both the parties attended. The representative of the insurance company reiterated that a policy is taken on "utmost good faith" and therefore, any misrepresentation in the proposal makes the policy void and therefore, they were correct in repudiating the claim under the policy bearing no. 418219006.

The complainant stated that not mentioning of policy bearing no. 418188532 for Rs. 1.50 lakhs was a mistake and a mere omission should not be held against him. He further stated that his wife was having her own income and as proof of the same, he has submitted duplicate copies of the returns of Income Tax payment. He stated that the word "housewife" was used in the proposal form because most of the business was looked after by him, though the same was in her name.

Decision :

On going through the evidence available, it was clearly seen that had the complainant mentioned in the proposal form the details of all the previous policies that was taken by his wife, the insurance company would have issued policies only to the extent of Rs. 1.75 lakhs and not Rs. 3 lakhs. This is so because total insurance cover of the insured's husband was Rs. 6.25 lakhs. Therefore, technically the insurance company were correct in repudiating the claim under policy no. 418219006. However, the additional point that the DLA was having a separate source of income and the income was sufficient to buy the policies has not been taken into consideration because the information was not available with the insurance company at the time of proposal. In fact, the business was in the name of the DLA and the same was run by her husband and therefore, in the proposal form, he mentioned her as "housewife" in the appropriate column. Under these circumstances, it is felt that the cover for the remaining amount i.e., Rs. 6.25 lakhs minus Rs. 4.50 lakhs would have been granted, if the assured mentioned policy no. 415712695 of sum assured Rs. 150000/- in the proposal form for policy no. 418219006.

Under these circumstances, it was proposed to grant an ex-gratia payment of Rs. 1.75 lakhs (Rupees one lakh seventy five thousand) only, which would meet the ends of justice. Accordingly, the insurance company were directed to pay the above amount.

**Kolkata Ombudsman Centre
Case No. 177/21/001/L/06/07-08
Smt. Chhanda Samanta**

Vs

Life Insurance Corporation of India

Award Dated : 28.09.07

Facts & Submissions :

This petition was filed by the complainant against repudiation of death claim.

The complainant was the widow of Late Tapas Baran Samanta and nominee for policy no. 431373470. The life assured died at CMC, Vellore on 02.01.2000 and the cause of death was 'Spontaneous Bacterial Peritonitis HIV related Chronic Liver Disease'. The

nominee submitted claim form 'A' and death certificate from CMC, Vellore. Subsequently, claim forms 'B', 'B1', etc. were procured from the hospital. LIC repudiated the claim stating that the deceased life assured (DLA) was not in good health before revival of the policy. The nominee appealed for review stating that premium was paid for more than 3 years and requested for reconsideration in view of poor economic condition. But, LIC higher authorities upheld the repudiation decision. Being aggrieved, she has approached this forum for relief.

In the self-contained note, LIC stated that the cause of death was Decompensate Chronic Liver Disease and the duration of the policy was 3 years 11 months, but only 21 days from the date of revival. They stated that they possess evidence that the DLA suffered for 6 months before the death. The reporting officer, who conducted claim enquiry, alleged non-cooperation from the claimant in procuring data.

It was further mentioned in the self-contained note that the life assured had purchased this policy with the risk date 25.01.1996 for sum assured of Rs. 20000/-. The life assured revived the policy by paying quarterly premiums due from July 1998 to October 1999. The duration of the policy before revival was 2 years 6 months and total policy duration was 3 years 11 months from the date of commencement to the date of death. It is also mentioned that the DLA was admitted in CMC, Vellore on 23.12.1999 and expired on 02.01.2000. As per the hospital certificate, the cause of death was Sepsis Spontaneous Bacterial Peritonitis, HIV related Cirrhosis of Liver, Hypo Natraemia (deficiency of sodium in blood). The claim enquiry report also indicated that the DLA was treated at Peerless Hospital in the month of September 1999 and at Chittaranjan Hospital, Kolkata. According to both the reports, the life assured was not in good health before the date of revival and, therefore, health declaration given by him before revival was incorrect. LIC, therefore, repudiated the claim.

Hearing :

In response to a notice of hearing, both the parties attended. The representative of the insurance company reiterated their stand mentioned in the self-contained note and stated that the policy had become ab-initio void. The complainant only pleaded for allowing the claim.

Decision :

On going through the above evidence, it was clear that the DLA was suffering from various diseases before the date of revival of the policy on 09.12.1999. Therefore, the health declaration given by him, which indicated good health, was definitely not correct. Hence, the policy was liable to be considered as ab-initio void. We, therefore, confirmed the repudiation decision taken by LIC. However, keeping in view the financial difficulties and difficulties due to loss of husband, we proposed to grant an ex-gratia payment of Rs. 10000/- (Rupees ten thousand) only.

Lucknow Ombudsman Centre

Case No. L-783/21/001/06-07

Smt. Urmila Singh

Vs

Life Insurance Corporation of India

Award Dated : 11.06.2007

Facts : Sri Shyam Bahadur Singh took out a policy for Sum Assured 50,000 under plan and term 14-16 which was accepted at OR with AB under policy no. 252549099 . The assured died on 05.12.2003 due to Cardio respiratory failure. The claim of the claimant

was repudiated by LIC of India, Meerut Division on grounds of suppression of pre-proposal ailment. This was contested by the complainant giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had been suffering from Ascites since one year before the date of proposal. In support of his contention, the respondent company's representative relied upon Claim Form "B", i.e Medical Attendants Certificate issued by Sir Sunder Lal Hospital, IMS, BHU, Varanasi laying down both the name of the disease and duration of treatment (08.09.2000 to 22.09.2000).

Decision : Held that insurance contracts are contracts of good faith. Any suppression/misstatement of facts vitiate the contract. Reliance was placed on the decision of Hon'ble Andhra Pradesh High Court in the case of Seelam Ramanamma Vs. LIC of India (Legal Digest Part XI April 2000) . The decision of the insurer was found to be based on sustainable grounds. The case was dismissed as the forum did not find valid grounds to interfere with the decision of the insurer.

Lucknow Ombudsman Centre

Case No. L-786/21/001/06-07

Smt. Shanti Devi

Vs

Life Insurance Corporation of India

Award Dated : 12.06.2007

Facts : Sri Ram Babu Sharma took out a policy for Sum Assured 1,00,000 under plan and term 14-20 which was accepted at OR with AB under policy no. 262859950 . The assured died on 06.02.2006 due to Cardio respiratory failure. The claim of the claimant was repudiated by LIC of India, Agra Division on grounds of non-disclosure of medical leave taken for 28 days from 01.04.2003 to 28.04.2003 and subsequently from 24.03.2003 to 31.03.2003. Aggrieved with the decision of insurer which was upheld by the Zonal Claims Review Committee, the claimant approached this forum.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had availed of medical leave on two occasions, thereby committing breach of utmost good faith. The complainant resisted the contention of the respondent and submitted that the leave was actually availed for undertaking pilgrimage. In support of his contention he produced a bus ticket issued by a local tour operator who had conducted the Yatra . This forum noted that although the bus ticket could have been fabricated, yet the benefit of doubt in such case should go to the claimant as the respondents have not adduced evidence to prove that the assured was actually ill and had taken leave for the same.

Decision : Held that obligation was cast on the insurer to adduce cogent evidence in support of the fact that the leave taken by the assured was actually availed for medical purposes. As Section 45 was in favour of the assured, the onus probandi lay on the insurer to satisfy the 3 limbs which in the instant case was not satisfactorily discharged. Hence this forum set aside the repudiation decision of the insurer and awarded full sum assured to the complaint. The complaint was allowed.

Lucknow Ombudsman Centre

Case No. L-537/21/001/06-07

Smt. Nirmala Devi

Vs

Life Insurance Corporation of India

Award Dated : 21.06.2007

Facts : Sri Devendra Pratap Singh, aged 33 years at the time of proposal and by occupation an agriculturist took out a policy for Sum Assured 1,00,000 under plan and term 149-30 which was accepted at OR with AB under policy no. 214629623 . The assured died on 08.01.2005 due to sudden Cardiac arrest.. The claim of the claimant was repudiated by LIC of India, Lucknow Division on grounds of suppression of pre-proposal ailment. The Zonal Claims Review Committee at Kanpur concurred with the decision of her insurer. Aggrieved with the decision of the Zonal Claims Review Committee, the complainant approached this forum, giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had given incorrect replies to questions on personal statement of health in the proposal for insurance and also suppressed the vital fact that he had been suffering from Cardiac ailment before the date of proposal. In support of his contention, the respondent company's representative relied upon Claim Form "B", i.e Medical Attendants Certificate issued by Faizabad District Hospital clearly specifying that the assured was a "Known Cardiac Patient ".

Decision : Held that the assured committed breach of the principle of uberimma fides . Any suppression/misstatement of facts vitiate the contract. The decision of the insurer was found to be based on sustainable grounds. The case was dismissed as the forum did not find valid grounds to interfere with the decision of the insurer.

Lucknow Ombudsman Centre
Case No. L-095/21/AVIVA LIFE /07-08
Arun Agrawal & Tarun Agrawal
Vs
Aviva Life Insurance Co. Ltd.

Award Dated : 06.07. 2007

Facts : Smt. Radha Agrawal, a business woman aged 47 years took out a Freedom Life Plan - Unit Linked Policy policy for a term of 15 years which was converted into Policy No. RRFG 1323619. Sum Assured 4,68,750. The assured died on 07.09.2006 due to sudden Cardiac arrest. The claim of the claimant was rejected by the insurer on grounds of incorrect replies to Question No. 1(a) under the column Insurance Details resulting in non-disclosure of previous policies held by the Life Assured . This was contested by the complainants giving rise to this complaint

Findings : It was argued on behalf of the respondent company that the assured had 4 polices on her life as detailed below.

Sl. No.	Company Name	Date of Commencement	Sum Assured
1.	Birla Sun Life	9-August- 2004	5,00,000
2.	SBI Life	1 -April 2005	5,00,000
3.	TATA AIG	5- April 2005	1,51,000
4.	LIC	20-Mar-1999	5,00,000

It was further argued on behalf of the respondent company that the assured was duty bound to reveal all policies taken by her as this would have affected the Company's decision to issue an insurance policy. It was further stated that the consent of the

company to the contract was caused by fraud and misrepresentation, rendering the contract void ab initio in terms of Sec. 19 of the Indian Contract Act.

Decision : Held that the assured made deliberate non-disclosure of previous policies taken from different insurance companies and the claimants too suppressed this vital information at the time of preferring the claim. Since such non-disclosure was prejudicial to the interest of the insurer as financial underwriting was affected, the decision of the insurer did not warrant interference at the hands of the forum.

Lucknow Ombudsman Centre

Case No. L-101/21/001/07-08

Smt.Kamlesh Kumari

Vs

Life Insurance Corporation of India

Award Dated : 11.07.2007

Facts : Sri Ramendra Singh Singh took out a policy for Sum Assured 50,000 under plan and term 75-20 which was accepted at OR with AB under policy no. 261248426 . The assured died on 17.09.2004 due to dog bite. The claim of the claimant was repudiated by LIC of India, Agra Division on grounds of incorrect replies to question nos. 2 & 4 of the Declaration of Good Health [DGH Form No. 680] dated 15. 09. 2004 and indisputable evidence to prove that the assured was bitten by a dog before revival.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had been bitten by a dog before revival. Since the ultimate cause of death was the dog bite itself, the revival was annulled and only the Paid Up Value was paid under the policy.

Decision : Held that Sec. 45 of Insurance Act being in favour of the insurer, the insurer was well within its right to repudiate the claim on simplicitor mis-statement . Reliance was placed on the decision of Hon'ble National Commission in LIC of India Vs. Naveen Dhingra (2004 CPJ 88 NC) where it has been clearly stated that if material facts are suppressed at the time of revival, the repudiation of the claim is justified . Therefore, forum upheld the decision of the insurer setting aside the revival and settling the Paid Up Value under the Policy.

Lucknow Ombudsman Centre

Case No. L-784/21/001/06-07

Smt. Kiran Devi

Vs

Life Insurance Corporation of India

Award Dated : 19.07.2007

Facts : Sri Durga Prasad Seth took out a policy for Sum Assured 52,000 under plan and term 124-15 which was accepted at OR with AB under policy no. 291494466. The assured died on 05.07.2002 due to sudden Cardio respiratory failure. The claim of the claimant was repudiated by LIC of India, Gorakhpur Division on grounds of the impugned policy lying in a lapsed condition at the time of death of he assured

Findings : It was argued on behalf of the respondent company that the policy under question was in a lapsed state at the time of death of the assured ; hence nothing was payable under it. The complainant on the other hand vehemently resisted the contention and said that the agent was collecting premium on a daily basis and issuing Kuccha receipt towards the same. The complainant further contended that the onus of default lay on the agent who had collected the premium amount in the form of a recurring deposit. Having evaluate the relative contention of both parties this forum

noted that respondent company cannot deny the duty of care and moral responsibility which it owes towards the complainant on account of omission and commission of its own recruited agent who is a link between the insurer and the insured.

Decision : Held that in the instant case the agent of the insurer was directly responsible for putting the nominee to mental harassment and agony. Also held that fair play, equity and natural justice demanded that a decision in such case should take into account the larger perspective aimed at providing succour and relief to mitigate the financial hardship suffered by the survivors of the assured. Awarded 50 % of the Sum Assured as ex-gratia and complaint was disposed off as above.

Lucknow Ombudsman Centre

Case No. L-103/21/001/06-07

Smt. Kamla Singh

Vs

Life Insurance Corporation of India

Award Dated : 23.07.2007

Facts : Sri Jai Raj Singh , aged about 57 years at the time of proposal and by occupation a government servant employed with the U.P. State Electricity Department took out a policy for Sum Assured 1,00,000 under plan and term 14-16 which was accepted at OR with AB under policy no. 293044579 . The assured died on 04.08.2005 due to pain in abdomen occasioned by a severe ulcer. The claim of the claimant was repudiated by LIC of India, Gorakhpur Division on grounds of the assured being a chronic alcoholic for the last 30-40 years. The Zonal Claims Review Committee at Kanpur concurred with the decision of her insurer. Aggrieved with the decision of the Zonal Claims Review Committee, the complainant approached this forum, giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had given incorrect replies to questions on personal statement of health in the proposal for insurance and was a chronic alcoholic and a smoker for last 30-40 years. In support of his contention, the respondent company's representative relied upon Death Certificate issued by SGPGI, Lucknow clearly specifying that the assured was consuming alcohol twice or thrice a week at the rate of 120 ml a day for the last 30 -40 years.

Decision : Held that the assured committed breach of the principle of uberimma fides . Relied on the judgment of Hon'ble Supreme Court in Channabasamma Vs LIC reported in AIR 1991 SC 392 . Held that any suppression /misstatement of facts vitiate the contract. The decision of the insurer was found to be based on sustainable grounds. The case was dismissed as the forum did not find valid grounds to interfere with the decision of the insurer.

Lucknow Ombudsman Centre

Case No. L-081/21/001 /07-08

Smt. Manorama Rajput

Vs.

Life Insurance Corporation of India

Award Dated : 13.08. 2007

Facts : Sri Gulab Singh , aged 29 years at the time of proposal and a contractor by profession took out a policy for Sum Assured 50,000 under plan and term 133-21 which was accepted at OR with AB under policy no. 262465232 . The assured died on 20.09.2001 due to high fever. The claim of the claimant was repudiated by LIC of India, Agra Division on grounds of impersonation of the assured at the instance of the agent .

The Zonal Claims Review Committee at Kanpur concurred with the decision of the insurer. Aggrieved with the decision of the Zonal Claims Review Committee, the complainant approached this forum, giving rise to this complaint

Findings : It was argued on behalf of the respondent company that the assured had secured the proposal through impersonation in the Proposal Form and Medical Report at the instance of the agent. It was further stated that the consent of the company to the contract was caused by fraud and misrepresentation, rendering the contract void ab initio . In proof, the insurer relied upon Handwriting and fingerprint Expert's opinion confirming that the signature on the proposal form and medical report were definitely those of the agent.

Decision : Held that the policy was procured by the assured through fraudulent means by way of forged signatures on the Proposal forms and Medical Report which were done with the intention of deceit and to induce the insurer to issue a policy of insurance. The contract of insurance in the instant case has been rendered void ab initio . In view of the above, forum held that the decision of the insurer did not warrant interference at the hands of the forum.

**Lucknow Ombudsman Centre
Case No. L-786/21/001/06-07
Smt. Chandra Prabha Triptahi
Shanti Devi
Vs**

Life Insurance Corporation of India

Award Dated : 13.08.2007

Facts : Sri Pramod Kumar Tripathi, an employee of Northern Railway posted at Jhansi Division took out a policy for Sum Assured 1,50,000 under plan and term 123-12 which was accepted at OR with AB under policy no. 230855271 . The assured died due to Cancer on 29.11.2004 . The claim of the claimant was repudiated by LIC of India, Kanpur Division on grounds of non-disclosure of medical leave taken for 45 days from 14.02.2002 to 30.03.2002 Aggrieved with the decision of insurer which was upheld by the Zonal Claims Review Committee, the claimant approached this forum.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had availed of medical leave for 45 days [14.02.2002 to 30.03.2002 } and had taken treatment for Cancer during this period at TATA Memorial Hospital, Mumbai thereby committing breach of utmost good faith. The complainant resisted the contention of the respondent and submitted that the leave though taken for medical purposes was actually not for the sake of any treatment. During Personal Hearing the complainant submitted that owing to difficulty in getting other forms of leave the assured had to take recourse to Medical leave. This forum did not attach much importance to the contention of the complainant as it was not backed by evidence.

Decision : Held that the assured made deliberate non-disclosure and withheld facts which were material to disclose . Relied on the judgment of Hon'ble Supreme Court in G.M. Channabasamma Vs LIC reported in AIR 1991 SC 392 . Held that any suppression/misstatement of facts vitiate the contract. The decision of the insurer was found to be based on sustainable grounds. The case was dismissed as the forum did not find valid grounds to interfere with the decision of the insurer.

**Lucknow Ombudsman Centre
Case No. L-001/21/001/07-08**

Smt. Geeta Devi
Vs
HDFC Standard Life Ins. Co.Ltd

Award Dated : 25.09.2007

Facts : Sri Mukesh Kumar Balchandani a Sales Executive took out a Unit Linked Young Star Plan with Life and health Option for Sum Assured 1,00,000 which was accepted at standard rates under policy no.10155543 . The assured died on 24.04.2006 due to Cardiac Arrest after a brief spell of hospitalization at SGPGI, Lucknow.. The claim of the claimant was repudiated by HDFC Standard Life Insurance Co. Ltd on grounds of suppression of pre-proposal ailment. This was contested by the complainant giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had been suffering from Hypertension prior to date of proposal. In support of his contention, the respondent company's representative relied upon Doctors' Certificate and Follow Up Card of SRN Hospital. This forum observed that the noting " Suffering from Hypertension" is nothing but a flying comment or stray remark taken on medical records on the basis of hearsay only.

Decision : Held that repudiation by the insurer was not based on tenable grounds. In view of the circumstances of the case, in all fairness to the insured the decision of the respondent warranted modification. Hence forum directed the respondent company to settle the claim for full sum assured .

Lucknow Ombudsman Centre
Case No. L-227/21/001/07-08
Smt. Asha Rani
Vs
HDFC Standard Life Ins. Co. Ltd.

Award Dated : 28.09.2007

Facts : Sri Om Prakash Singh, a Nursing Assistant in the Indian Army proposed for a HDFC Home Loan Protection Plan sum assured 1,38,574 which was accepted on the basis of declaration of Good health at standard rates under policy no. 10626541. The assured died on 12.10.2006 due to Cirrhosis of Liver. The claim of the claimant was repudiated by HDFC Standard Life Insurance Co. Ltd on grounds of suppression of pre-proposal ailment. This was contested by the complainant giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had been suffering from Cirrhosis of Liver prior to the date of proposal. In support of his contention, the respondent company's representative relied upon Doctors' Certificate and Follow Up Card of Command Hospital, Luck now. The complainant on the other hand rigorously stressed that the assured was hale and hearty and if it had not been so he would have been declared unfit by the Indian Army which is known for its rigorous Medical standards. This forum notes that the declaration of good health on the insurer's proposal mentions conditions such as heart, stroke, cancer, diabetes and Aids but many other ailments such as ailments of liver ,with which the assured is alleged to have suffered are significantly absent. Forum noted that the assured did not approach the insurer himself but was made to take the policy as a collateral security.

Decision : Held that although Sec. 45 is in favour of the insurer, in the present circumstances in the absence of specific question on abnormality of liver, it would be improper on part of the respondent company to conclude that the proposer recorded

false or inaccurate information or made deliberate misstatement or withheld material information. Respondent company directed to settle the claim in favour of HDFC Ltd. the registered assignee under the policy.

Lucknow Ombudsman Centre

Case No. L-033/21/001 /07-08

Smt. Kusum Singh

Vs

Life Insurance Corporation of India

Award Dated : 28.09. 2007

Facts : Sri Dirgaj Singh , aged about 35 years and by occupation a petty agricultural labourer took out a Jan Raksha policy for Sum Assured 50,000 under plan and term 91-16 which was accepted at OR with AB under policy no. 214241438 . The assured died on 17.08.2004 due to Pyrexia and Pneumonitis. The claim of the claimant was repudiated by LIC of India, Lucknow Division on grounds of impersonation of the assured at the instance of the agent . The Zonal Claims Review Committee at Kanpur concurred with the decision of the insurer. Aggrieved with the decision of the Zonal Claims Review Committee, the complainant approached this forum, giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had suppressed the fact that he had been suffering from Pulmonary Tuberculosis as per Claim Form "B" filled up by the attending doctor of Indo Gulf Hospital. Forum noted that Sec. 45 is in favour of the insurer.

Decision : Held that the assured made deliberate non-disclosure and withheld facts which were material to disclose . Relied on the judgment of Hon'ble Supreme Court in G.M. Channabasamma Vs LIC reported in AIR 1991 SC 392 . Forum took a sympathetic view on account of the the complainant being a young widow . Awarded 50 % of the sum assured as ex-gratia .

Lucknow Ombudsman Centre

Case No. L-887/21/001 /06-07

Shri Goverdhan Lal Gupta

Vs

Life Insurance Corporation of India

Award Dated : 28.09.2007

Facts : Smt. Reena Gupta aged about 24 years and by profession a "Shikshamitra " (ad-hoc teacher), took out a Money Back Plan 75-20 for Sum Assured 50,000 which was accepted at OR with AB under policy no. 2213304129 . The assured died on 18.06.2003 in course of severe burn injuries sustained at her home while cooking in the kitchen. The claim of the claimant was repudiated by LIC of India, Lucknow Division on grounds of provisions of Clause 4-B having been attracted under the policy. Aggrieved with the decision of he insurer, the complainant approached the Zonal Claims Review Committee but the Zonal Claims Review Committee at Kanpur concurred with the decision of the insurer. Aggrieved with the decision of the Zonal Claims Review Committee, the complainant approached this forum, giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had died in a an accident occurring at her house which was not a public place, thereby attracting the provision of Clause IV- B , which enables the insurer to avoid liability in the event of death as a result of accident other than accident at a public place within 3

years of commencement of policy subject only to refund of all premiums paid excluding extra premiums, if any. The complainant, on the other hand submitted that he was not aware of the Clause and it was neither affixed on the policy document nor communicated separately to the assured.

Decision : Held that the insurer had neither affixed Clause 4-B on the Policy document nor mentioned it on the face of the policy. Clause 6.1 of IRDA (Protection of Policyholders' Interests) Regulations 2002 makes it mandatory for life insurance policy to state on the face of the policy any special condition, The consent of the assured had no strength since the very clause was not made been made part of the policy. Hence orders of the LIC were set aside. Forum awarded full sum assured to the claimant . Complaint was allowed .

Lucknow Ombudsman Centre
Case No. L-123/21/001 /07-08
Smt. Ram Sakhiya Devi
Vs

Life Insurance Corporation of India

Award Dated : 26.09.2007

Facts : Sri Ram Prasad Parwat, aged about 55 years and by occupation an agriculturist petty policy for Sum Assured 50,000 under plan and term 91-16 which was accepted at OR with AB under policy no. 214241438 . The assured died on 12.03.2005 due to paralysis. The claim of the claimant was repudiated by LIC of India, Varanasi Division on grounds of understatement of age which was found to be 62 years on the basis of Voters' list as against 55 years declared.. Aggrieved with the decision of the insurer, the complainant approached this forum, giving rise to this complaint.

Findings : It was argued on behalf of the respondent company that the assured had suppressed his age by almost by 7 years. If he had correctly declared his age, the policy would not have been completed on the existing terms.

Decision : Held that in the instant case three separate documents divulged 3 different ages of the assured. Ration Card mentioned 55 years, Voter ID Card mentioned 53 years and Voter List mentioned 62 years. Forum held that in the event of conflict of interest, the benefit of doubt should be given to the complainant. Further, since the assured was medially examined by the LIC's Medical Examiner who had recorded the age in his presence, there was no reason to believe that the he would have erred in assessing the age with ordinary prudence. Hence orders of the insurer were set aside and claim awarded for full sum assured. The complaint was allowed.

Mumbai Ombudsman Centre
Case No. : LI-102 of 2006-2007
Smt. Shevanta Kanade
V/s

Life Insurance Corporation of India

Award Dated : 08.05.07

Smt. Shevanta Kanade approached the Insurance Ombudsman through her letter dated 05.07.2006 for justice against the decision of LIC to repudiate her claim for policy moneys in respect of policy no.904583714 on the life of her late husband Shri Shivaji Gundu Kanade. Shri Kanade had taken the policy from LIC of India, Branch 919 under Mumbai D.O.IV for Rs.1,30,000/- under P/T 88/16yrs.Shri Shivaji Kanade unfortunately expired on 26.06.2004 due to Coronary Artery Disease with Myocardial Infarction. When Smt.Shevanta Kanade, nominee under the policy claimed the policy moneys from

LIC of India, her claim was repudiated on the ground that Shri Kanade had made incorrect statements and withheld material information from them regarding his health at the time of effecting the assurance. It is evident from the medical records mentioned above that the deceased life assured was suffering from Hypertension at the time of applying for insurance. He did not disclose this fact in the proposal form dated 26-02-2002, instead he replied the relevant question negatively and declared that he was keeping good health. Had he disclosed these facts at the proposal stage, L.I.C would have called for relevant special medical reports and taken appropriate decision in acceptance of the proposal. Thus there is deliberate misstatement and suppression of material facts by the deceased life assured while proposing for assurance thereby denying LIC an opportunity to take appropriate underwriting decision.

In the instant case, the life assured did not disclose the material facts regarding the past illness, which were especially within his personal knowledge and it deprived LIC of asking leading questions to probe into the matter before acceptance of the proposal. The LA died of CAD with myocardial infarction and there is clear nexus between hypertension and myocardial infarction. Hypertension is considered as a great risk factor in medical science to cause Coronary Artery and Cerebrovascular diseases. Hypertension causes circulatory disorder and arteriosclerosis. Hence, L.I.C's decision to repudiate the claim on the ground of non-disclosure of hypertension deliberately at the time of filling up the proposal and withholding the material information can not be faulted and does not warrant any interference from this forum.

Mumbai Ombudsman Centre
Case No. : LI-419 of 2006-2007
Smt Jyotiben Thakarshi Lapsia.
V/s.

Life Insurance Corporation of India

Award Dated : 04.05.07

The brief facts of the case as per complaint to the Ombudsman are as under:

Shri Thakarshi B Lapsia had taken a Life Insurance Policy bearing No.902315028 from Life Insurance Corporation of India . Shri Lapsia expired on 21.3.05 due to "Cardiorespiratory Failure/Myocardial Infarction. When Smt.Jyotiben Thakarshi Lapsia, nominee, preferred a claim, the Life Insurance Corporation of India repudiated the claim stating that the deceased life assured had withheld material information during submission of proposal form. LIC, stated that the answers in the proposal were false as they had indisputable proof to show that the deceased Life Assured had suffered from Acute Demyelinating Encephalopathy about one year before he proposed for the above Policy for which he had consulted Medical Men and had taken treatment from Hospital.

At the subsequent hearing called by the Ombudsman, Smt Jyotiben Lapsia, submitted that she was not aware as to any information her late husband had not disclosed in the proposal form which lead to the issuance of the Policy . It was evident from the various Hospital Reports that the deceased Life Assured's illness was detected before the proposal was submitted to LIC of India, which was corroborated by the case papers . In the circumstances, this Forum found no justifiable reason to interfere with the decision of LIC of India. However, looking to the claimant's economic condition , an exgratia of 75% of first premium paid, was granted by the Insurance Ombudsman.

Mumbai Ombudsman Centre
Case No. : LI-347 of 2006-2007
Smt. Anjana Arvind Gaikwad

V/s.

Life Insurance Corporation of India

Award Dated : 18.05.2007

Shri Arvind Shankar Gaikwad had taken a Life Insurance policy bearing No.922764499. However the said policy lapsed in June 2005 due to non payment of premium and the policy was revived by LIC on 12.1.2006 for full SA on basis of DGH.

Shri Arvind Shankar Gaikwad expired on 04.03.2006 due to Pneumonia and HIV+ve.. Smt Anjana Arvind Gaikwad, wife and nominee under the policy, preferred a claim, LIC repudiated the claim stating that LA had given wrong statement regarding his health in proposal /revival form. LIC stated that they had indisputable proof to show that the Life Assured was suffering from HIV+ve since few years and T.B. since 3 months i.e. prior to the date of death and 2 months prior to date of revival for which he had taken treatment from Dr. H.S. Lapsia.

The relevant records pertaining to the case have been scrutinized. In the Medical Attendant's Certificate (Claim Form B), Dr.H.S. Lapsia, Medical Attendant of the deceased, has mentioned that the cause of death was Pneumocystis causing Pneumonia and HIV+ve, regarding how long had the Insured been suffering, the doctor has mentioned PCP Pneumonia Immuno difi -7 days , KOCH- 3 months, HIV+ve ?- few years. The Certificate of Hospital Treatment (Claim Form B1) issued by the same Doctor reveals that the Insured was admitted to hospital on 28.02.2006 and died on 04.03.2006. The diagnosis arrived at the hospital was Sero+ve HIV & Pulmonary Koch and the same has been corroborated by the case summary of Usha Nursing Home on record. From the above noting in various records the Insurer has concluded that the insured was suffering from Pneumonia, Pulmonary Koch & HIV+ve before the revival of the policy and he had not disclosed these ailments in the personal statement regarding health. Had he disclosed these facts at the time of revival, LIC would have called for relevant special reports and taken appropriate decision in reviving the policy.

However, looking to the socio economic condition of the claimant, I am inclined to award an ex-gratia payment of Rs.15,000/- under the policy.

Mumbai Ombudsman Centre

Case No. : LI-461 of 2006-2007

Smt Bhavana P Hariyani

V/s.

Life Insurance Corporation of India

Award Dated : 31.05.2007

Shri Paresh Natwarlal Hariyani had taken a Life Insurance policy bearing no.901514169 from Life Insurance Corporation of India, for a Sum Assured of Rs. 5,00,000. The commencement of the policy was from 28.01.2002. The said policy lapsed due to non payment of premium due in January,2004. The policy was revived by LIC on 20.09.2004 for full Sum Assured on the basis of Declaration of Good Health (DGH). Shri Paresh Natwarlal Hariyani expired on 18.10.2005 due to Haemorrhagic Infarct RMCA and Large Bleed in (R) Basal Ganglia. Life Insurance Corporation of India repudiated the claim vide letter dated 14.12.2006 stating that the deceased life assured had withheld material information regarding his health. LIC, however, stated they had proof to show that the Life Assured had suffered from Hypertension and Diabetes since last 1 ½ years. However, all these facts were not disclosed at the time of reviving the policy and hence the revival of the policy was declared null & void. LIC

further informed that claim can be entertained for Rs. 40,000/- being the paid up value.

The analysis of the entire records leads to the conclusion that the insured was suffering from Diabetes and Hypertension. But it is not proved with proper evidence that he was suffering from these ailments prior to the revival of the policy on 13.9.2004. It is even noted that there are contradictions in the statements of the duration of diabetes and hypertension given by Dr. Anand Ambesange himself. Moreover, as the statutory period of two years had clearly expired when LIC 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.

The repudiation of the claim was on the ground that the Life Assured was suffering from Hypertension and Diabetes since 1 ½ years based on the certificate issued by Dr. Anand Ambesangei is not acceptable. LIC has failed to prove with cogent evidence 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. As such, the benefit of doubt goes in favour of the Complainant.

Mumbai Ombudsman Centre
Case No. : LI-131(2006-2007)
Shri Bhaskarrao Kautikrao Raul (Patil)
V/s
Life Insurance Corporation of India

Award Dated : 31.05.2007

Shri Vasanttrao Bhaskarrao Raul had Life Insurance policies Nos.969135505, 951338871 953901373. Shri Vasanttrao Bhaskarrao Raul expired on 19.08.2003 due to Drowning. Life Insurance Corporation of India repudiated the claim vide letter under policy No.969135505 stating that the deceased life assured had withheld material information regarding his health at the time of effecting the Policy. Under Policy No. 951338871 & Policy No. 953901373 the claim was repudiated stating that the deceased life assured had withheld material information regarding his health at the time of revival of the said policies. Not satisfied by the said decision, Smt. Yajana Vasanttrao Raul approached this Forum for redressal of her grievance. However, Smt. Yajana Vasanttrao Raul the claimant expired on 13.10.2005 and the father of the deceased life assured Shri Bhaskarrao Kautikrao Raul (Patil) has approached this Forum for redressal of his grievance. The analysis of the entire records leads to the conclusion that the insured was suffering from Hypothyroidism & mild hypertension. But it is not proved with proper evidence that he was suffering from these ailments prior to the revival of the policies. Moreover, as the statutory period of two years had clearly expired when LIC repudiated the claims, 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.

The repudiation of the claim was on the ground that the Life Assured was suffering from Hypothyroidism & mild hypertension since 1998 based on the certificate issued by Dr. R. Ravindra Bhangale is not acceptable. Also the DLA died by drowning. LIC has failed to prove with cogent evidence 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. As such, the benefit of doubt goes in favour of the Complainant.

Mumbai Ombudsman Centre
Case No. : LI-399(2006-2007)
Smt. Sunita Yashpal Singh Rawat
V/s
Life Insurance Corporation of India

Award Dated : 29.05.2007

Shri Yashpal Singh Rawat had taken Life Insurance Policies Nos. 908814118, 908814123, 908813893, and 908815497. Shri Yashpal Singh Rawat expired on 26.02.2005 due to Cardio Respiratory failure. Smt.Sunita Yashpal Singh Rawat, wife and nominee under the policies, preferred a claim under the above policies to Life Insurance Corporation of India. Mumbai Divisional Office, SSS, repudiated the claim stating that the deceased life assured had withheld material information regarding his health at the time of effecting the Policies. LIC stated that they held indisputable proof to show that the DLA was suffering from 1st episode of Psychosis for which he had taken treatment from Psychiatrist and Psychotherapist. He was also in the habit of taking alcohol.

Smt. Sunita Y. Rawat appeared and submitted at a hearing that she received claim amount of around Rs.80,000/-. In respect of four policies the claims were denied by LIC. She did not agree to the grounds of repudiation by LIC. She informed that her husband went missing due to some family conflicts and financial problems. When he returned home and wanted to join duty, her husband's brother got the medical certificate from the doctor so that her husband could join the duty. Based on that certificate her husband joined the duty and he was fine and had no problems when he took the policies. On enquiry for taking insurance policy for about 4-5 lacs after February, 2002 and one policy with triple cover it was explained that as the premiums were deducted from salary and he used to get salary and bonus around 2 lacs a year the policies were taken. As per the Post-mortem Report dated 23.3.05 cause of death was "Death due to Cardio respiratory failure due to acute M.I.". The Life Assured reportedly died in sleep and was not hospitalized.

The leave details given by the Employer of the deceased reveal that he was on leave without pay as under:-

16.06.2003 to 24.8.03 - 70 days

1.10.2003 to 10.5.04 - 223 days

It is reported by the Complainant that the deceased life assured went missing due to some family conflicts and financial problem. It is also noted that the employer had not sent premiums in respect of first 3 policies as he was on leave without pay and technically these policies were on paid up condition due to 8 gap premiums in each case.

It is evident from the certificate and prescription of Dr. Harish P. Bedekar that the deceased life assured was suffering from psychosis before applying for the policies under dispute. It is significant to note that one policy commenced after 10 days of consulting the doctor and other two policies were taken after a gap of around 3 months.

Result : The complaint is not allowed.

Mumbai Ombudsman Centre
Case No. : LI-453 (2006-2007)
Dhondiram Subrao Pawar
V/s.
Life Insurance Corporation of India

Award dated : 25.05.2007

Shri Sunil Dhondiram Pawar had taken life insurance policy Nos. 907467616 & 907467661. Shri Sunil Dhondiram Pawar expired on 31.01.2006 due to Bilateral lobar pneumonia with Pyogenic meningitis. Life Insurance Corporation of India repudiated the claim for suppression of material facts and they held evidence and reasons to believe that before he proposed for the above policies, he was suffering from Pulmonary Kochs for which he had taken treatment from medical practitioner during the period 2002 and 2003. He has also availed T.B. leave from 24.07.2002 to 04.06.2003 for T.B. This fact was not disclosed in the proposals.

After perusal of the records parties to the dispute were called for hearing on 16th May, 2007. The relevant records pertaining to the case have been examined carefully. In the Medical Attendants Certificate, (Claim Form B) dated 25.05.2006 issued by Dr. Sachin S. Sonawane, J.J. Hospital, it has been stated that the cause of death was Bilateral lobar pneumonia with pyogenic meningitis. The certificate dated 29.3.06 from the employer of the deceased reveals that he was continuously on leave from 14.5.2002 to 5.6.2003 which includes special T.B. leave for 78 days from 28.2.03 to 5.6.2003 and the same is corroborated by the Office Order dated 5.5.04 of Dy. Police Commissioner, Tardeo, Mumbai which clearly states that during this period he was suffering from T.B. There is a certificate dt. 19.09.2002 & 23.08.2006 given by Dr. Rumi K. Unwala that the DLA was under his treatment in 2002-2003.

It is evident from the medical records and the employer's certificate and Office Order of Dy. Police Commissioner that the deceased life assured had suffered from Pulmonary Koch before he proposed for insurance and had taken Anti-Koch's treatment.

In the result, the complaint is not allowed.

Mumbai Ombudsman Centre
Case No. : LI-494 of 2006-2007
Shri Suraj N .Nachankar
V/s.

HDFC Standard Life Insurance Company Ltd.

Award Dated : 04.06.2007

Shri Nandakumar Mahadev Nachankar had taken a Life Insurance policy No. 10065572 from HDFC Standard Life Insurance Co. Ltd. Shri Nandakumar Mahadev Nachankar expired on 06.02.2005 due to Diabetic Coma. HDFC Standard Life Insurance Company Ltd., repudiated the claim stating that the deceased life assured had withheld material information regarding his health as they had indisputable proof to show that the Life Assured had suffered from Diabetes prior to his signing of the Declaration.

The relevant records pertaining to the case have been scrutinized. In the Medical Certification of cause of death - the immediate cause of death was mentioned as Diabetic Coma and antecedent cause as uncontrolled diabetes and pulmonary oedema. The Certificate issued by Dr. B.S. Sonawane, states that the LA was treated for diabetic neuropathy and trophic ulcers and such other related disease conditions from 15.10.2004 to 06.02.2005 and had prescribed him antidiabetic tablets. The Doctors Hospital certificate filled in by Dr. B.S. Sonawane shows that the DLA was asked to undergo a number of tests and was diagnosed as Diabetes mellitus. It is thus noted that the DLA died of uncontrolled diabetes within 6 months of commencement of the policy.

HDFC Standard Life Insurance Co. Ltd. repudiated the claim stating that on thorough investigation, it was established that Mr. Nandakumar M. Nachankar was suffering from Diabetes while applying for the above mentioned policy. They have neither produced any cogent evidence to prove that the LA suffered or taken treatment or diagnosed as Diabetic before he signed the declaration of good health. The Company has stated that they had consulted Company's Medical Officer and he has also opined that it is very unlikely for somebody dying of uncontrolled diabetes remaining asymptomatic 6 months prior to death. It is proved that Diabetic Neuropathy was diagnosed in October, 2004 as per Rau Clinic report from Dr. D.S. Sonawane where the date of first consultation was mentioned as 15.10.2004. It is quite likely that the life assured was not aware that he was suffering from diabetes or ignored the symptoms of the disease and only when his health deteriorated he went to the doctor. The medical certificates on record which were given to the employer of the LA for securing leave record reveal that he was on leave from 1.10.2004 to 19.12.2004 for typhoid and Anemia and again from 27.1.2005 onwards for Clinical Typhoid with cellulitis. In such circumstances, Insurer's charge that he had given false declaration is not correct. In absence of any evidence there is no justification to allege that the declaration was wrong and the life assured was aware of the illness and he suppressed the same deliberately. Medically it may be correct that it is quite unlikely for someone dying of diabetes in such a short period but in the absence of evidence it is incorrect to charge someone for wrong declaration. In view of this, the benefit of doubt goes in favour of the claimant.

**Mumbai Ombudsman Centre
Case No. : LI-439 of 2006-2007**

**Smt Kiran A Kamble
V/s.**

SBI Life Insurance Company Limited

Award Dated : 11.09.07

Shri Anantkumar P Kamble was covered under SBI Life – Super Suraksha Home Loan Insurance Scheme under a Master Policy No. 83001000203 for outstanding loan, of Rs.3,44,000/-. Unfortunately, Shri Kamble died on 2nd December, 2005, due to Collagen Vascular Disease with Myocarditis (Primary Cause) and Septicaemia, Severe Anaemia (Secondary Cause). When Smt.Kiran A Kamble, wife and nominee under the policy, preferred a claim under the above policy, the SBI Life Insurance Company, Mumbai, repudiated the liability stating that the deceased Life Assured had 'gone through Tuberculosis prior to the date of enrolment of policy and had given a false Good Health Declaration at the time of entry into the scheme and that the cause of death is directly attributable to the pre-existing medical condition of the deceased at the time of enrolment into the scheme. Aggrieved by their decision to repudiate the claim, Smt.Kiran A Kamble, approached this Forum for justice.

Parties to the dispute were called for hearing on 29th August, 2007, at Camp Nagpur . Ms. Kavita M. Malwande, younger sister of the complainant submitted that the cause of death was different from tuberculosis. She also said that T.B. disease was not mentioned in the declaration form. SBI Life Insurance Co. Ltd. Nagpur, submitted that the Life Assured signed the declaration form on 28/09/2005, prior to that he took sick leave from 16/09/2005. She informed that if the material information of T.B. would have been disclosed then insurance cover would not have been given to the life assured.

On perusal of the terms and conditions of the Critical Illness listed under Group Insurance Scheme for Housing Loan Borrowers of State Bank of India Group, it was found that it did not include Tuberculosis as critical illness. On plain reading of the

declaration, this Forum does not find any falsity in the same, since the deceased Life Assured was fully cured from Tuberculosis and moreover, Tuberculosis is not mentioned, specifically, in the declaration. In view of the above, the complaint was held sustainable.

Mumbai Ombudsman Centre
Case No. : LI-156(07-08)
Smt. Shubhangi Shridhar Dhotre
V/s
Life Insurance Corporation of India

Award Dated : 11.09.07

Shri. Shridhar Dhotre took a Policy from Thane Divisional Office of LIC w.e.f 15.8.2004. He died on 09.06.2006 and the cause of death was Head Injury (Unnatural). When the claim was preferred by Smt. Shubhangi Shridhar Dhotre, wife of the deceased life assured, LIC of India repudiated the liability under the above policy stating that LIC holds indisputable proof to show that DLA had history of Ischemic Heart Disease, Hypertension since 10 years and Diabetis Mellitus since 2-3 years, recurrent CVA in 1995 and 2004 and the same were not disclosed in his personal statement of health. Smt.Dhotre approached the Insurance Ombudsman and prayed to intervene in the matter.

The parties to the dispute were called for hearing on 14.08.2007 at 11.00 a.m. The Company did not turn up for which a written statement was taken. Smt.Shubhangi S Dhotre appeared and deposed before the Ombudsman. She stated the concerned DO and Agent obtained all information and the signature of her husband on a blank proposal form saying that all things would be taken care of by him. Smt.Dhotre stated that she was not aware if any information was suppressed by the DO while submitting the proposal. Smt.Dhotre submitted that her husband expired due to injuries sustained from a fall from the staircase and even the Postmortem report confirms that the death was 'unnatural'.

The facts as presented to this Forum by way of relevant documents and oral deposition by both the parties were analysed. LIC has not obtained and produced documentary evidence in respect of the previous hospital treatment, prescription etc. From the documents on record, it is revealed that the deceased Life Assured had submitted a proposal in October, 2003, to the same Branch, and at that time, the medical requirements were ECG, BST (FBS + PGBS), Lipidogram, Haemogram, Chest X-ray. How the new Proposal was accepted by the Branch Officials ignoring the medical requirements, was not explained to this Forum. It is quite clear from the above documents that the deceased life assured had been taking treatment for Hypertension, IHD and Diabetes, even before the date of proposal. However, it is to be noted that the withdrawal of the earlier proposal and submission of the new proposal were within the knowledge of the Agent DO involved . In view of this, putting the entire blame on the Insured is not justified. Hence, 50% of the sum assured was granted on ex-gratia basis.

Mumbai Ombudsman Centre
Case No. : LI-174(07-08)
Smt. Savitri K. Mudre
V/s
Life Insurance Corporation of India

Award Dated : 11.09.07

Shri. Manohar K. Mudre proposed for sum assured Rs.50,000/- under Policy No. 908717014 on the life of his daughter Samartha Manohar Mudre under Plan/Term 113-25-17 and Shri. Manohar K. Mudre took Policy No. 908858049 from Life Insurance Corporation of India, for Rs. 50,000/- with effect from 28.03.2003 under Plan/Term 108-25. He died on 23.10.2003 and the cause of his death was Cardio Respiratory Arrest (Immediate Cause) and Pulmonary Koch's and Severe Weakness (Antecedent Cause). When the claim was preferred by Smt. Savitri K. Mudre, mother of the deceased life assured, LIC of India repudiated the liability under the above policies stating that LIC holds indisputable proof to show that the deceased life assured had availed 75 days and 53 days sick leave in the year 1999-2000 and that he did not disclose these facts in his proposals. She therefore, approached the Insurance Ombudsman and prayed to intervene in the matter.

The parties to the dispute were called for hearing on 13.08.2007 .Smt. Savitri K.Mudre appeared and deposed before the Ombudsman. She stated that she stays in native place and does not know much about his leave. However, she admitted that her son used to take alcohol. She requested for consideration of claims on humanitarian grounds.

LIC of India submitted that both the policies were repudiated because the insured was a chronic Alcoholic and availed medical leave for 75 days in the year 1999 and 53 days in the year 2000 which he had not disclosed at the time of taking the policies.

The facts as presented to this Forum by way of relevant documents were analysed. In repudiating the claim under Policy No. 908858049, LIC has relied on the medical certification and since the Late Shri Mudre died within six months from the date of commencement of the above policy, the Insurer stated that Pulmonary Koch's was obviously prevailing on the date of proposal. The decision of LIC of India under Policy No. 908858049 cannot be faulted as the policy had run for only six months and twenty two days and the claim was repudiated within the statutory period of two years .

However, under Policy No.908717014, LIC has repudiated the claim after two years and hence Section 45 of the Insurance Act of 1938 is applicable in this case. LIC has not adduced any evidence to show that he was a chronic alcoholic prior to the date of this proposal. So, it is not reasonable to deny the claim merely on the misstatements. The repudiation of the claim by LIC of India is not sustainable under policy no. 908717014.

Mumbai Ombudsman Centre
Case No. : LI-474 of 2006-2007
Smt Vijaya A Dekate
V/s

HDFC Standard Life Insurance Company Limited

Award Dated : 11.09.07

Shri Ashok Narayanrao Dekate was covered under HDFC Home Loan Protection Plan under Policy No. 10173731 for Sum Assured of Rs.5,41,409/- Unfortunately, Shri Dekate died on 1st July, 2005. When Smt.Vijaya A Dekate, wife and nominee under the policy, preferred a claim under the above policy, the HDFC Standard Life Insurance Company, repudiated the liability stating that the deceased Life Assured was suffering from Cirrhosis of liver while applying for the above mentioned policy, and had given a false Good Health Declaration. Aggrieved, Smt.Dekate approached this Forum, for justice.

After perusal of the records, the parties to the dispute were called for hearing on 29th August, 2007, at Camp Nagpur. The complainant informed that the LA has not availed

any leave during the last 3 years nor has claimed any medical reimbursement and has even submitted a certificate of good performance in his job in support. Under these facts the declaration given by his brother was correct and the claim should be paid.

Company submitted that the Life Assured was suffering from Cirrhosis of Liver and that the LA has given false declaration of health. They stated that the policy has run for less than six months. The company had no evidence of the previous illness of the life assured and they relied on the noting in Midas Hospital record. Company was not able to produce any medical record/evidence to prove duration of illness prior to the date of risk.

There is no doubt that the Life Assured was suffering from a number of diseases which would not have developed suddenly, but, in the absence of any documentary evidence to show that he was suffering from the same prior to the date of proposal, the decision of the Company to repudiate the claim was not sustainable

Mumbai Ombudsman Centre
Case No. : LI - 019 of 2007-2008
Smt. Gumpha Arun Pisurde
V/s
Life Insurance Corporation of India

Award Dated : 05.09.2007

Shri Arun Anandrao Pisurde had taken Life Insurance Policies Nos. 973075741 & 973371035 from Life Insurance Corporation of India, Chandrapur-I & II Branches under Nagpur Divisional Office. Shri Arun Anandrao Pisurde expired on 10.08.2005 due to Addisonian Crisis c CRA. LIC repudiated the claim on the ground that Shri Arun Anandrao Pisurde made deliberate mis-statement and withheld material information from them regarding his health at the time of effecting the insurance

LIC, however, stated that they had indisputable proof to show that the Life Assured suffered from Schizophrenia for about 2 years before he proposed for the above insurance and for which he had consulted a Doctor and had taken treatment. It is, therefore, evident that he had made deliberate mis-statements and withheld material information regarding his health at the time of effecting the assurance, and hence, in terms of the Policy Contract and the Declarations contained in the forms of proposal for Assurance and Personal Statement, the claim was repudiated and the Company is not liable for payment of claim under the above policies. The entire records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's certificate – Claim Form B dated 19.06.2006, Dr S.D. Bhisare has mentioned that the primary cause of death was Addisonian Crisis and secondary cause was Immuno compromised Host c Rt. Pleural effusion Tubercular. The special query form dated 23.11.2006 obtained from Dr. Kiran Deshpande, M.D. (Psychiatrist), of Satyajee Mansik Aarogya Kendra, Chandrapur reveals that the Insured was under her treatment since 30.10.2002 for mental illness and schizophrenia which is supported by prescriptions dated 13.05.2003, 11.07.2003 11.08.2003 & 12.09.2003 & cash memos dated 11.07.2003, 11.08.2003 and 12.09.2003 for the medicines purchased. These documents clearly prove that Shri Arun Pisurde was under treatment of Dr. Kiran Deshpande, Psychiatrist and this material information regarding his health was suppressed by him while submitting proposals of insurance under the above mentioned policies. As per the proposal form and declaration given by the Life Assured, he was duty bound to disclose all the information about his health correctly.

In view of this legal position L.I.C cannot be faulted for repudiating the claim .

Mumbai Ombudsman Centre
Case No. : LI - 124 (2007-2008)
Smt. Indubai Pandit Shinkar
V/s

Life Insurance Corporation of India

Award Dated : 28.09.2007

Shri Kishor Pandit Shinkar had taken Life Insurance Policies Nos 967605478 & 967635534 from LIC of India, Shri Kishor Pandit Shinkar expired on 18.12.2005 due to Cardio Respiratory Arrest and Brain Stroke. When the claim was preferred LIC repudiated the claim under both the policies on the grounds that the deceased life assured withheld material information regarding his health at the time of proposal for insurance and also revival of the policies. LIC of India, however, stated that the aforesaid answers were false as they had indisputable proof to show that the Life Assured was a k/c/o Rheumatic Heart disease with Mitral Valve replacement operation done in 1989 for which he was admitted and operated and had taken treatment from a hospital.

The entire records submitted to this office pertaining to the case have been scrutinized. In the Certificate of Hospital Treatment dated 20.9.2006 signed by the Physician, Aastha Intensive Care Centre Pvt. Ltd., it has been mentioned that the DLA was a k/c/o Rheumatic Heart Disease with Mitral Valve replacement, ThromboEmbolic with Rt. Haemiparesis. Patient was k/c/o RHD MVR and had undergone Mitral Valve replacement in 1989 at KEM Hospital. His date of admission at KEM hospital was 08.09.1989 and date of discharge was 22.09.1989. He was operated on 13.09.1989 and the Diagnosis was RHD, MS with PH in NSR, No CCF. The DLA was a chronic patient of heart disease and he had taken treatment from Dr. Sanjay Agrawal, Jalgaon on 21.02.2005 and Dr. Paresh N. Doshi, Jalgaon on 22.03.2005 and had undergone 2-D echo. The fact of chronic disease had been concealed by DLA in the proposal form.

From the above facts, it is evident that the deceased life assured suppressed material information and made misstatement regarding his health at the time of proposal and also at the time of revival of the policies, thereby denied an opportunity to L.I.C to probe in the matter and take appropriate underwriting decision before issue of policy and revival of the same in September, 2004.

In view of the above legal position L.I.C cannot be faulted for treating the revival of the policies as Null & Void on the ground of making mis-statements and withholding material information regarding health of life assured at the time of revival of the policies. In the circumstance, this Forum has no valid reason to interfere with the decision of L.I.C. As regards questioning the policy ab initio, both the policies have completed over two years and Section 45 of Insurance Act, 1938 is applicable and in such cases it is for the Insurance company to prove all the three points of this Act which they have not done. No doubt, non-disclosure of material information has been proved but they have not proved the fraudulent intention of the Insured to take advantage of the policy. However, the role of the distribution channel and medical examiner should also be investigated by the Insurance Company and appropriate action to be taken against them. In view of the above analysis and facts, LIC is directed to pay the paid-up value under the policies on the date of revival.

Mumbai Ombudsman Centre
Case No. : LI - 188 of 2006-2007
Smt Pushpawati Shrinivash Madipati
V/s.

Life Insurance Corporation of India

Award Dated : 17.09.2007

Shri Shrinivash Venketrao Madipati was insured under Life Insurance Policy No.971205288 under 99 N Branch Office of Life Insurance Corporation of India, Nagpur Divisional Office for a Sum Assured of Rs.40,000/- under Plan and Term 93-25 - a 25 year Money Back Policy with Profits + Accident Benefit. The policy commenced on 22.12.2000. Shri Shrinivash Venketrao Madipati met with an accident on 27.05.2004 and was in coma. He expired on 10.12.2004. When the claim for the policy moneys was preferred by the nominee, Life Insurance Corporation of India admitted the basic claim and disallowed the Double Accident Benefit on the grounds that D.A.B claim cannot be considered as death occurred after expiry of 180 days after date of accident and as per policy conditions D.A.B claim is not payable.

On analysis of the case it is observed that Shri Shrinivash Venketrao Madipati, the deceased life insured under the policy had an accident on 27.05.2004 and he had severe head injury and was unconscious and had to be admitted to the hospital. He was in a coma and expired on 10.12.2004. The claim for death benefit has been paid but the double accident benefit has not been paid. The claim was rejected by the Insurer as Shri Shrinivash Madipati died after 197 days from the date of accident. As per the policy conditions Clause 10.2(b) of the "conditions and privileges of the policy" states that, " to pay an additional sum equal to the sum assured under this policy, if the Life Assured shall sustain any bodily injury resulting solely and directly from the accident caused by outward, violent and visible means and such injury shall within 180 days of its occurrence solely directly and independently of all other causes result in the death of the life assured'.

However, from the records available it is observed that the deceased life assured has died due to sustaining a fatal injury from which he never recovered and resulted in his death after 197 days after the accident. Though the rejection of the double accident benefit was justified by the Insurer but looking to the socio- economic condition of the claimant and as the DLA never recovered out of his injuries as stated by the Complainant, it will be reasonable to grant relief to the claimant. Keeping all the circumstances into consideration, I am inclined to award the double accident benefit to the claimant on ex-gratia.

**Mumbai Ombudsman Centre
Case No. : LI - 209 (2007-2008)
Smt. Hansa R. Chandarana
V/s**

Birla Sun Life Insurance Company Ltd.

Award Dated : 14.09.2007

Shri Rajendra Karsandas Chandarana had taken a Life Insurance Policy from Birla Sun Life Insurance Company Ltd. The details are given below:

Policy No.	000586108
Coverage Type	Classic Premier Base – 3 pay
Coverage Face Amount	Rs.4,10,000/-
Coverage Date	28.03.2006
Coverage Maturity Date	28.03.2025
Coverage Benefit period	19 years
Coverage Paying period	3 years

Shri Rajendra Karsandas Chandarana expired on 23.10.2006 due to Hepato Renal Syndrome secondary to spontaneous Bacterial peritonitis on background Hepatitis C Cirrhosis. Birla Sun Life Insurance Co. Ltd. repudiated the claim on the ground that Shri Rajendra Karsandas Chandarana made deliberate misstatement and withheld material information from them regarding his health. Birla Sun Life Insurance Co. Ltd., stated that the Life Assured was a known case of Cirrhosis of Liver with Oesophageal Varices since 2002 and Diabetes Mellitus under treatment for 12 years which is much prior to the application for insurance. If the true and correct facts pertaining to the medical health of the life assured would have been disclosed at the proposal stage, the Company would not have issued the policy at all. The relevant documents on record have been examined. As per Hospital Treatment Certificate dated 30.11.2006 duly signed by Dr. Sunil M. Shah, Consulting Gastroenterologist at Bhatia Hospital states the immediate cause of death as Cardiac Arrest and the primary cause of death as Cirrhosis. The certificate also states the previous history as known case of "Hepatitis C with Cirrhosis". The last attending physician's certificate dated 30.11.2006 duly signed by Dr. Sunil M. Shah states the immediate cause of death as Cardiac Arrest and the primary cause of death as Liver Failure. The said Doctor had also stated in the last attending physician's certificate dated 30.11.2006 that he had been acquainted with the deceased since six months and the deceased had attended/consulted him two to three months before his death for complications related to Cirrhosis. According to the admission case paper of Bhatia Hospital the deceased life assured was a known case of Cirrhosis of Liver with Oesophageal Varices since the year 2002 and was also known case of Diabetes Mellitus since 12 years and Diabetic Nephropathy. The cause of death in the said Death summary is stated as "Hepato Renal Syndrome Secondary to Spontaneous Bacterial peritonitis on background Hepatitis C Cirrhosis". It is evident from the history recorded by the doctors that the life assured had been suffering from Cirrhosis of liver and Diabetes Mellitus prior to submitting proposal for assurance.

The contention of the complainant that as the life assured was medically examined by the doctor of the Insurer and also undergone relevant pathological tests and hence the company's repudiation action is not correct is not acceptable. However, looking to the purpose of insurance as mentioned in the proposal form, the amount of first installment of premium paid and the amount adjusted to cover the risk in the first year, this Forum does not find justification in the Insurer's stand that all the premiums paid under the policy stands forfeited to the Company. Under the circumstances, I am inclined to grant ex-gratia payment to the extent of fund value as on date of death of life assured in terms of the power conferred on me under Rule 16 of the RPG Rules, 1998.

**Mumbai Ombudsman Centre
Case No. : LI - 275 (2007-2008)**

Smt. Kanchan A. Tiwari

V/s

Life Insurance Corporation of India

Award Dated : 24.09.2007

Shri Ajayprakash Kashinath Tiwari had taken a Policy No. 902281492 from LIC of India. Shri Ajayprakash Kashinath Tiwari expired on 07.12.2006 due to Cardio Respiratory failure and Brain Cancer. LIC repudiated the claim on the grounds that the deceased life assured made deliberate mis-statement and withheld material information from them regarding his health at the time of effecting the insurance

The entire records submitted to this office pertaining to the case have been scrutinized. In the Medical Attendant's certificate dated 20.01.2007, Dr Z. M. Barretto, Shanti Avedna Sadan has mentioned that the primary cause of death was Cancer of Brain and secondary cause Cardio Respiratory failure. He has mentioned that diagnosis was done in April 1996 and he had been suffering from this disease for almost 10 ½ years. The certificate of Hospital Treatment dated 05.02.2007 issued by AMO, KEM Hospital states that the deceased was a k/c/o Temporo-parietal Glioma and was operated in 2003. On perusal of the hospital records made available to this Forum, it has been observed that the deceased life assured had been taking treatment in KEM Hospital since June 1995. He was admitted to KEM hospital on 29.06.1995 (Indoor No.95/30522) and diagnosis arrived at the hospital was Epilipsy. He was again admitted to KEM Hospital from 06.04.1996 to 18.04.1996 and the final diagnosis mentioned in the discharge summary was "Lt. Temporo-pareital Glioma with symptomatic seizure"(complex partial seizure). Under clinical summary it has been mentioned "k/c/o seizure disorder on T. Eptoin since age of 22 years. In July 1995 was admitted with seizure in medical ward and diagnosed to have slow growing glioma. Seizure controlled since then. C/o sever posterior headache since 8 days. H/O GTC seizure since 3 days". Another Discharge summary reveals that he was in KEM hospital from 06.08.2003 to 12.08.2003 and the final diagnosis was mentioned as "Left temporo-pareital Glioma". The same record reveals that MRI Brain (P&C) done at Jaslok dated 06.08.2003 showed poor quality suggestive of ill-defined enhancing lesion in left temporo-parietal region extending to left perisylvian region and surgery was done on 10.08.2003. Under GA, Left temporo-parietal eraniotomy and sub total decompression of left temporo-parietal glioma done. It is evident from the above that the deceased life assured was admitted to hospital on may occasions and had been taking treatment since 1995 for Lt. Temporo-parietal Glioma with Symptomatic seizure. He was also operated for the same in 2003 . He did not disclose these facts in his proposal for assurance and suppressed material information and made misstatement regarding his health at the time of proposal. In view of this legal position L.I.C. cannot be faulted for repudiating the claim of Smt. Kanchan A. Tiwari.