

**PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, CHANDIGARH  
(UNDER INSURANCE OMBUDSMAN RULES, 2017)**

**OMBUDSMAN – Dr. D.K.VERMA**

**CASE OF Mr. Darshan Lal V/s. L.I.C. of India.**

**COMPLAINT REF: NO: CHD-L-029-1617-0949**

1.	Name & Address of the Complainant	Sh. Darshan Lal S/o late sh. Jeet Ram Vill. Sambhalwa, PO Laha, Teh. – Narayan garh, Distt. –Ambala Haryana – 0  Mobile No.- 9915187553
2.	Policy No: Type of Policy Duration of policy/Policy period	176522336 New Bima Gold 20 yrs./ 20 yrs.
3.	Name of the insured Name of the Nominee	Sh. Darshan Lal Sh. Darshan Lal
4.	Name of the insurer	Life Insurance Corporation of India Divisional office. Karnal
5.	Date of Repudiation	NA
6.	Reason for repudiation	NA
7.	Date of receipt of the Complaint	14.09.2016
8.	Nature of complaint	Disability Benefit was not paid
9.	Amount of Claim	
10.	Date of Partial Settlement	
11.	Amount of relief sought	Disability Benefit as per policy conditions
12.	Complaint registered under Rule no:	13.1(b)
13.	Date of hearing/place	21.05.2018/Chandigarh
14.	Representation at the hearing	
	a) For the Complainant	Sh. Darshan Lal, Complainant Sh. Naresh Kumar, Brother-In-Law of the Complainant
	b) For the insurer	Sh. Balihar Singh, Manager (CRM)
15.	Complaint how disposed	Dismissed
16.	Date of Award/Order	21.05.2018

**17) Brief Facts of the Case:**

- a) On 14.09.2016, Sh. Darshan Lal had filed a complaint in this office against Life Insurance Corporation of India in respect of policy no.176522336 purchased on 16.04.2009 for sum assured of Rs.1,10,000/-. The complainant met with a road accident on 03.07.2012 and he became 100% disable as his backbone had damaged. He lodged disability claim but the same was regretted by the Company with the reason that

disability benefit was not payable as per terms and conditions mentioned in Para 4 of the policy bond.

Annexure VI-A was received on 18.09.2017.

Insurer's SCN was received on 10.10.2016.

The insurer mentioned in SCN dated 07.10.2016 that the complainant had met with an accident on 03.07.2012 and FUP under the policy was 16.04.2012 i.e. the policy was lapsed on the date of accident. Premium due 4/2012 was paid on 25.07.2012 i.e. after expiry of grace period. The policy was under auto cover on the date of accident. Under the plan no 179 accident benefit is offered as Rider and as per Para 4 of the terms and conditions of policy- "The Accident Benefit Rider will cease to apply if the policy is in lapsed condition. (Copy of policy bond attached). So the disability benefit had been regretted and the life assured was informed vide letter dated 17.06.2014.

Therefore, feeling aggrieved, he has approached this office to seek justice.

**18) The following documents were placed for perusal:**

- a) Complaint to the Company
- b) Copy of policy document
- c) Annexure VI-A
- d) Reply of the Insurance Company

**19) Result of personal hearing with both parties (Observations & Conclusion)**

Shri Darshan Lal, the complainant and the Brother-In-Law Mr. Naresh Kumar were present during personal hearing and they requested for payment of disability benefits which was denied by Insurance Company.

Shri Balihar Singh, Manager (CRM) on behalf of the company informed that the policy, in this case, was lapsed on the date of accident and the premium that was due on 16.04.2012 was paid 25.07.2012, after the expiry of grace period.

**AWARD**

**I have perused the copy of the SCN and term & conditions in respect of Plan No. - 179. Since the policy was lapsed as on date of accident and the premium was paid after expiry of grace period as above, the disability benefit due to the accident is not available to the complainant as per Para-4 of term and conditions of the policy.**

**In view of the above, the complaint is dismissed.**

**Dated at Chandigarh on 21<sup>st</sup> day of May, 2018.**

**D.K. VERMA  
INSURANCE OMBUDSMAN**

# PROCEEDINGS BEFORE THE INSURANCE OMBUDSMAN, STATE OF KARNATAKA

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

## OMBUDSMAN – NEERJA SHAH

Case of Shri MAHENDRA C NANDI V/s SBI LIFE INSURANCE COMPANY LIMITED

Complaint No: BNG-L-041-1718-0079 & 0080

**Award No: IO/BNG/A/LI/0042 & 0043 /2018-2019**

1.	Name & Address of the Complainant	Shri. Mahendra C Nandi Plot No. 42, Rajeev Nagar 2 <sup>nd</sup> Lay out, Vidya Nagar HUBLI - 580031 Karnataka State
2.	Policy No: Type of Policy Commencement of Policy/ Policy Period/PPT	(1) 12000140603 (2)12000114109 SBI Life – Scholar Policy (Both) (1) 29.10.2004/17years (PPT-13yrs) (2) 29.10.2004/21years (PPT-17yrs)
3.	Name of the Insured Name of the Policyholder	Shri Mahendra Channayya Nandi (1) Ms. Sahana Mahendra Nandi (2) Ms. Rakshita Mahendra Nandi
4.	Name of the Respondent Insurer	SBI Life Insurance Company Limited
5.	Date of Repudiation/ Rejection	23.06.2017
6.	Reason for Repudiation/ Rejection	Conditions wrongly printed of policy Schedule/ document
7.	Date of receipt of Annexure VI-A	30.05.2017
8.	Nature of complaint	Postponement of survival benefit
9.	Amount of claim	₹. 25,000/-
10.	Date of Partial Settlement	Nil
11.	Amount of relief sought	₹.25,000/-
12.	Complaint registered under Rule No	13 (1) (c,d,e) of Insurance Ombudsman Rules, 2017
13.	Date of hearing/place	16.05.2018/Bengaluru
14.	Representation at the hearing	
	a) For the Complainant	Self
	b) For the Respondent Insurer	Ms Jigyasa, Manager
15.	Complaint how disposed	Allowed
16.	Date of Award/Order	31.05.2018

### **17. Brief Facts of the Case:**

The complaint emanated from postponement of payment of survival benefit by the Respondent Insurer (RI) stating reason that the payment had been postponed by one year as the policy document was printed erroneously. Though, he represented to the GRO, the RI upheld their earlier decision. Therefore, the Complainant approached this Forum for rendering justice.

## **18. Cause of Complaint: -**

### **a. Complainant's argument:**

The Complainant in his letter dated 11.04.2017 stated that he availed 2 Scholar policies (under Bancassurance) from the above mentioned RI for the education benefit of his above mentioned two children. At the time of solicitation, on the life of 1<sup>st</sup> child he had sought a Sum Assured of 1,00,000/- for a term of 14 years and for the 2<sup>nd</sup> child for a SA of 1,00,000/- for a term of 18 years.

The RI vide their letter dated 23.12.2016 informed the Complainant that (1) The 1<sup>st</sup> Survival Benefit (SB) would be payable after the child attains the age of 18 years and after the date of last premium payment. (2) The age of the child was given as 4 years and accordingly the policy was issued for a term of 17 years and PPT of 14 years. Hence the complainant was requested to pay all 14 premiums and to receive the 1<sup>st</sup> SB On 29.10.2018.

The Complainant contended with the RI that the last premium payable was 29.10.2016 as per the policy and hence his 1<sup>st</sup> SB should be provided to him on 29.10.2017. He further submitted that the policy was sold to him with an assurance that a guaranteed financial support of ₹. 25,000/- for 4 years would be paid when his child attains the age of 18 years accordingly the Complainant signed all the documents. With extension of one more year for the commencement of the 1<sup>st</sup> SB due (as stated by RI in his letter) would hamper and adversely affect the child's higher education. He sought redressal from the GRO of the RI for violating the terms of policy schedule.

On representing his grievance to the GRO of the RI, RI replied that his request would be considered only if Complainant makes payment of ₹. 8,918/- towards the difference in premium under policy no. 12000140603 and ₹.6,664/- under policy no. 12000114109. But, the Complainant did not accept their offer and approached this Forum.

### **b. Respondent Insurer's argument:**

The Respondent Insurer in their Self Contained Note (SCN) dated 28.04.2017, confirmed the issue of the said policies for Sum Assured of ₹.1,00,000/- each for a term of 17 and 21 years with an annual premium of ₹.7,546/- and ₹.5782/- respectively.

The RI in their SCN stated that due to technical error, both the policy documents had got wrongly printed with the policy term and premium term being calculated based on age of the child as on the date of commencement. Further the due date of the last premium payable was mentioned on the policy as 29.10.2016 in the policy of the 1<sup>st</sup> child (Ms. Sahana) and payment of 1<sup>st</sup> SB would fall due on 29.10.2017. Similarly in the policy of the 2<sup>nd</sup> child (Ms. Rakshita) the date of last premium payment was shown as 29.10.2020 and the DOM as 29.10.2025. When the child attains the age of 18 years (DOM) the SA shall be payable in 4 equal annual instalments (SB) on the 1<sup>st</sup> anniversary of the maturity date.

Since the Complainant was required to pay 14<sup>th</sup> premium which would be falling due on 29.10.2017, the 1<sup>st</sup> SB would be payable from 29.10.2018 only.

The RI expressed their willingness to modify the policy term to 16 years and paying term to 13 years under the 1<sup>st</sup> child policy and 17 years to the 2<sup>nd</sup> child policy on payment of ₹.6,664/- and ₹.8,918/- respectively. The RI further submitted that as per the premium table approved by the IRDA, the premium payable should have been ₹.6,174/- for the policy of the 1<sup>st</sup> child and ₹.8,322/- for the 2<sup>nd</sup> child policy.

The RI relied on the decision of Hon'ble National Commission State Commission in support of their appeal for the typographical mistakes. Further, they submitted that the policy holder cannot demand any adverse benefits on the ground of printing mistake on the policy document.

In view of the above submissions, they have denied all the allegations made by the Complainant against the Company. They stated that their action is strictly as per the terms and conditions of the policy. Therefore, they prayed that the Honourable Ombudsman may be pleased to dismiss the complaint.

**19. Reason for Registration of complaint: -**

The complaint fell within the scope of Insurance Ombudsman Rules, 2017 and so, it was registered.

**20. The following documents were placed for perusal: -**

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

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

The dispute is, whether the Complainant is right in availing the benefits as printed in the policy document.

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

On careful scrutiny of the policy documents, proposal form and other correspondences the Forum would like bring forth the following points;

1. Complainant was paying the premiums promptly as printed in the policy document as stated in Para 2 above.
2. After paying all the premiums as printed in the policy document 12000140603, Complainant sought clarity about premium payment term vide his letter dated 01.12.2016.
3. RI realised the mistake in the policy document and issued an Endorsement for both policies by making necessary corrections vide letter 23.12.2016.

The RI's reliance on National Consumer Disputes Redressal Commission, New Delhi ruling on Life Insurance Corporation of India vs Anil Kumar Jain (Revision Petition Mo. 2802 of 2011) vide order dated 11.02.2013 is not acceptable for the policy 12000140603 as it is not on all fours with case at hand. In respect of this policy, the Complainant has already paid the last premium as per the policy document & the occurrence of benefit started from receipt of last premium. Further the RI has not realised this mistake themselves. Furthermore by denying the Survival Benefit by one more year to the Complainant,

the RI has caused him financial distress. Hence RI is liable to extend all the benefits as printed in the policy document pertaining to 12000140603.

In respect of policy 12000114109 where the last premium due has not fallen as on date of Endorsement sent by the RI dated 23.12.2016, Complainant has to accept the endorsement for the reason that the occurrence of benefit has not yet started and RI is well within his right to rectify Printing/Typographical errors before the last premium date.

AWARD

Taking into account the facts & circumstances of the case and the submissions made by both the parties during the course of the Personal Hearing, the Respondent Insurer is directed to refund extra premium paid by the Complainant and pay 1<sup>st</sup> Survival Benefit for policy 12000140603 with interest at applicable Bank Rate + 2% Penal interest as laid down in Regulation 14 of IRDAI (Protection of Policy Holders Interest) Regulations, 2017.

The complaint is Partly **Allowed**.

**22. Compliance of Award:**

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

Dated at Bengaluru on the 31<sup>st</sup> day of May, 2018

**(NEERJA SHAH)**  
INSURANCE OMBUDSMAN  
FOR THE STATE OF KARNATAKA