

**BHUBANESHWAR**

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**BHUBANESHWAR OMBUDSMAN CENTRE**

**Complaint No-24-001-1135**

**Sri Sudhakar Mohapatra Vs. Life Insurance Corporation of India  
(Bhubaneswar BO:II of Bhubaneswar D.O.)**

**Award dated 23<sup>rd</sup> September, 2010**

**FACT:-**

The Complainant had taken six policies from LIC under the latter's salary savings schemes. The policies matured but claims were not settled. In case of some policies, survival benefit due was not settled and the complainant contended that Bolangir B.O. of the O.P. should transfer the premium amount to its Bhubaneswar BO-II to enable payment of his dues. In its Self-Contained Note, the O.P.-insurer stated that as all the policies were under salary saving scheme, the premiums were remitted to different branch offices of it. In some cases also, inappropriate amounts were remitted. However, the insurer presented a detailed chart in policy-wise in the Self-Contained Note where it had reconciled the position and made payments to the complainant.

**AWARD:-**

At hearing, both parties attended and the Insurer's representative handed over the cheques to the complainant in respect of the payable cases mentioned in the SCN. The complainant also confirmed receipt of the cheques.

The Hon'ble Ombudsman observed that as the Insurer has settled the claims of the Complainant under different policies along with interest for delay wherever applicable, the grievance of the complainant has thus redressed and in the result, the complaint is treated as allowed for statistical purpose.

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**BHUBANESHWAR OMBUDSMAN CENTRE**

**Complaint No-24-001-1142**

**Sri R. Shaktidharan Vs. Life Insurance Corporation of India  
(Rourkela BO of Sambalpur D.O.)**

**Award dated 20<sup>th</sup> September, 2010**

**FACT:-**

The Complainant had taken one LIC policy bearing no-590049547 from the LIC (inured) with date of commencement as 28.03.1990 for sum assured of Rs.40,000/- under convertible whole life plan for 20 years term. The initial premium was fixed for Rs.63.30/- monthly. As per the terms of the policy, premium needed to be re-fixed on completion of five years of the commencement. But, this was not done. When the policy matured, he was paid Rs.14,907/- as net maturity value as against his payment of Rs.15,912/- during the term. On the other hand, the insurer in their Self-Contained Note informed that as per the terms & conditions of the policy in question, the monthly premium had to be revised to Rs.220.80 after five years, but the monthly payment of premium till maturity was Rs.63.30. So, they recovered the differential premium amount with 9% interest compounded half-yearly from the maturity claim. But, due to dissatisfaction of the claimant, they had intimated their higher office for waiver of interest. After getting clearance from their higher office, the insurer refunded the interest amount of Rs.32,136/- to the complainant which was deducted from the maturity claim.

**AWARD:-**

The Hon'ble Ombudsman observed that through an e-mail the complainant expressed his satisfaction on refund of the amount by the LIC and his desire for closure of the complaint which he lodged in this forum.

In view of the above, the complaint is closed. For statistical purposes, the complaint is treated as allowed.

**BHUBANESWAR OMBUDSMAN CENTRE**

**Complaint No-24-001-1169**

**Sri Kulamani Barik Ram Vs. Life Ins. Corporation of India  
( Puri BO of Bhubaneswar D.O.)**

**Award dated 24<sup>th</sup> of September, 2010**

**FACT:-**

The Complainant had taken one policy bearing no-580239982 for Rs.12,000/- sum assured under salary savings scheme from LIC (Insurer) which was

matured on 16.01.2010. He had sent the policy bond and discharge voucher to the servicing branch of the insurer on 19.01.2010. After his several queries and written reminder he received his maturity value. But, being aggrieved by the inaction of the insurer he claimed that he was entitled to receive some more amounts like the difference amount between discharge voucher and cheque amount, interest on maturity claim for six month @ 10.5% etc.

However, the insurer in their Self-Contained Note stated that they have stttled the maturity claim for Rs.27140/- on 21.07.2010 and they had paid the interest for delay for the period @8%.

**AWARD:-,**

After careful perusal of documents made available, the Hon'ble Ombudsman observed that an amount of Rs.110/- was deducted from the gross maturity claim amount towards the dues of November and December 2009. While signing the discharge voucher, the complainant has endorsed the same. Secondly, for delay in settlement of claim, the insurer paid interest at the prevailing rate, i.e. 8%. The complainant claimed postal expenditure of Rs.200/- and compensation of Rs.10,000/- for mental agony for non-receipt of claim in time. Rule 16(2) of the Redressal of Public Grievances Rules, 1998 limits the award to the loss suffered as a direct consequence of the insured peril and no more. Thus, it is impermissible on the part of the Hon'ble Ombudsman to accede to the complainant's request.

In the result, the complaint is dismissed without any relief.

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**BHUBANESWAR OMBUDSMAN CENTRE**

**Complaint No-24-001-1185**

**Sri Bijaya Chandra Sabat Vs. Life Ins. Corporation of India  
(Koraput BO of Berhampur D.O.)**

**Award dated 22<sup>nd</sup> of September, 2010**

**FACT:-**

The Complainant had taken one policy bearing number 76300461 issued by the Life insurance Corporation of India (insurer) with commencement date 20.8.1984 for Rs.25,000/- sum assured with Table and Term 27-25 (Convertible Whole Life policy) with monthly premium of Rs.37.70/- (convertible to higher premium after five years). The policy matured for payment on 20.8.2009. Necessary documents were submitted at the Branch Office of the insurer on 6.8.2009. But the insurer had not paid the claim amount. Being aggrieved by the inaction of the insurer, he approached this forum for

However, the insurer in their Self Contained Note stated that the policy issued to the complainant was a convertible whole life plan with date of

commencement as 20.8.1984, Table – Term :27-25 and Sum Assured Rs.25,000/-. As per the terms and conditions of the policy there was an option to convert the policy into an Endowment Policy at the end of five years from the date of commencement by paying revised premium. They had issued letter on 1.9.1989 to the policyholder to convert the policy to endowment but the policyholder had not converted the policy and paid the premium as before. Hence, the policy continued to be whole Life Policy without profit with premium ceasing at the age of 70 years. The insurer, therefore, stated that the maturity money would be paid after the scheduled period.

**AWARD:-**

After careful appraisal of the facts of the case and examination of the documents submitted, the Hon'ble Ombudsman held that the maturity claim is to payable under the policy. The insurer has agreed to settle maturity claim for Rs.49,080/- along with interest for delay to which the complainant also has agreed. Thus, the insurer was directed to ensure that the payment, as aforesaid, is made to the complainant without loss of time.

In the result, the complaint is treated as allowed.

**DELHI**

**Case No.LI/220/HDFC/09**

**In the matter of Shri Ishwar Datt Pawa**

**Vs**

**HDFC Standard Life Insurance Company Limited**

**AWARD dated 30.07.2010 – Payment of maturity value**

1. This is a complaint filed by Shri Ishwar Datt Pawa (hereinafter referred to as the complainant) against the HDFC Standard Life Insurance Company Limited (hereinafter referred to as respondent insurance company) stating that the company has not paid the maturity value of the policy.
2. The complainant had taken Personal Pension Plan policy No.00049074 which was a single premium policy of Rs.50000/-. The policy matured on 07.06.2007. He is 67 years old. He requested the insurance company for making the payment of maturity amount of the policy for meeting the expenses on treatment of his mother who is 88 years old and is a heart patient. He had submitted that he had made a number of requests for getting the maturity amount which he badly needed for the treatment of his aged mother. He had submitted that when the policy was taken by him, he had eye problem and he could not see properly various entries due to eye operation at Maharaja Agrasen Hospital. He was assured while selling the policy that the policy is for 5 years and he can receive payment

on maturity. Meanwhile his mother became sick and she was admitted in Saroj Hospital, Madhuban Chowk, Delhi for heart operation in 2006. He had to spend almost all his savings on her treatment. He had given an application dated 13.07.2007 to the company addressed to its Mumbai office and personally delivered it at Pitam Pura Branch on account of his mother's illness for early remittance as his mother was still undergoing treatment.

He was assured that amount will be paid within 7 days. He reiterated that he was assured while selling the policy that entire payment will be released on vesting date and as he had said earlier, he could not see various entries in the proposal form due to his eye operation, that is, he had a genuine belief that he would get entire amount of the maturity value on the maturity date. He had contacted the office many times in this regard and had shown the papers to the authority concerned but he had not got the payment so far. It has been stated by him that her mother was again admitted in Park Hospital, Meera Bagh for heart operation in May, 2008 and he was in dire need of fund to meet the hospital expenses of his mother's treatment. He submitted that deterioration in the condition of his ailing mother could have been possibly avoided and he had to incur additional expenditure of about Rs.2,00,000/- on the treatment and he met the expenditure by taking loan from various sources for which he had to pay interest also. It has been submitted by him further that he was horrified to know the fact that he would not be given maturity value of the policy. Instead he would be entitled 1/3<sup>rd</sup> of maturity value in lump sum and rest he would get in the form of monthly annuity. He argued that his circumstances were not appreciated by the company officials and he was told that he would get the amounts as per terms and conditions of the policy. His mother is under treatment.

During the course of hearing, he narrated his pathetic condition and has stated that he is all alone. His wife had already expired and no children. He badly needed maturity value of the policy immediately to repay the loan raised by him for meeting the expenditure of the treatment of his mother. He was literally weeping during the course of hearing when he was told that he would be entitled to only 1/3<sup>rd</sup> of the vested value of the policy and rest would be paid in monthly annuity as per terms of the policy.

3. The insurance company requested the complainant to exercise the option as to whether he would like to get monthly annuity on full amount of maturity value of the policy or he would like to get 1/3<sup>rd</sup> of the commuted value in lump sum and the balance would in the form of monthly annuity. The complainant continued to insist for making full payment to him at one go. During the course of hearing, the representative of the company stated that the complainant is entitled to the payment as per policy terms and conditions.
4. I have very carefully considered the submissions of the complainant as made in writing and also as made verbally during the course of hearing. I have also considered the written submissions as placed before me on behalf of the insurance company and also verbal arguments put forth by the representative of the insurance company. After due consideration of the matter, I hold that though terms and conditions of the policy taken by the complainant allows the payment of vesting value as per procedure given therein, that is, at the most 1/3<sup>rd</sup> of the commuted value in lump sum and 2/3<sup>rd</sup> in the form of monthly

annuity but having due regards to the peculiar circumstances of the complainant such as that he himself is 67 years of age, he had to meet the expenses which were incurred during the treatment of his 88 years old mother and he is having no family member and has limited source, it would be really doing justice to him if he is paid the entire maturity value of the policy at one go. **Accordingly, having considered peculiar circumstances of the complainant, I direct the insurance company to make payment of entire vested value of the policy immediately without going through the technicalities of the policy terms and conditions.**

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

**Case No.LI/206/DL-I/09**

**In the matter of Smt. Manju Nandi**

**Vs**

**Life Insurance Corporation of India**

**AWARD dated 16.08.2010 – Reduction in maturity value of the policy**

1. This is a complaint filed by Smt.Manju Nandi (herein after referred to as the complainant) against the LIC of India (herein after referred to as respondent insurance company) in respect of reduced maturity value of the policy.
2. The complainant submitted that she had taken a policy No.112574589 from LIC of India on 10.08.1998 for a period of 10 years. The policy continued till the date of maturity on 10.08.2008. The last payment of premium was made on 10.02.2008 and the date of vesting was 10.08.2008. No information was received by her from LIC for pension or the full payment of maturity claim. However, on 19.08.2008, ZMC personally handed over a letter of maturity of policy dated 19.08.2008 for Rs.1,91,388/-. She was persuaded later on to purchase Jeevan Anand policy and a blank form was given to her under the impression that some amount will be paid to her and balance amount will be adjusted against the new policy. However, she requested the Branch Manager to release the entire fund as she needed the fund for operation of her husband. The Branch Manager accepted her request and made the payment of Rs.1,17,042/- and Rs.39375/- on 31.01.2009 and 03.02.2009 respectively. It is her submission that since she was handed over a letter wherein the maturity value of the policy was shown as Rs.1,91,388/- and she had been paid a sum of Rs.1,56,417/-, she is still to receive balance amount from LIC of India. As a matter of fact, the sum and substance of the complaint was that LIC was not justified in not making her payment of Rs.34971/- (191388-156417).

3. It has been clarified by LIC of India that whatsoever amount was due to the policy holder on the maturity of the policy, the same was given to her in two instalments, that is, Rs.1,17,042/- & Rs.39375/- respectively. As a matter of fact, a sum of Rs.1,18,125/- was payable to her in the form of annuity, as it was a pension plan but the entire amount was paid to her on medical ground on her request after deducting 5% towards surrender charges. Besides, she was paid a sum of Rs.39375/- to which she was entitled to at the time of vesting of the policy. The sum assured of the policy was Rs.90,000/- she was entitled to bonus of Rs.67500/- thus, the total amount payable to her as per terms and conditions of the policy on the maturity date amounted to Rs.1,57,500/- which she was paid in two instalments in addition to annuity payment of Rs 4823/ (1024\*4 + 727) till the date of surrender of the policy and thus nothing remains to be paid to her by LIC of India.
4. I have considered very carefully the submissions of the complainant. I have also perused the detailed clarification given by the insurer. After due consideration of the matter, I find that whatever was due to the complainant in respect of policy under reference, the same was paid to her. She was not entitled to an amount of Rs.1,91,388/- as she was made to understand by ZMC. **However, I find that there has been delay in making payment of Rs.39375/- which was paid to her vide cheque No.137651 dated 16.01.2009 whereas the same was payable on 20.08.2008 when the papers were submitted for making the payment of commuted value. Thus, the complainant is entitled to interest @ 8% on Rs.39375/- from 20.08.2008 to 16.01.2009. It is awarded accordingly.**
5. The Award shall be implemented within 30 days of receipt of the same. The compliance of the Award shall be intimated to my office for information and record.
6. Copies of the Award to both the parties.

**LUCKNOW**

**MATURITY(18.2.2010)**

**Award No.IOB/LKO/28/001/09-10**

**Complaint No.L-729/26/001/09-10**

**Smt. Vijay Laxmi Verma.....**

**Complainant**

**V/s**

**Life Insurance Corporation of India ..... Respondent**

Smt. Vijay Laxmi Verma had lodged a complaint with this office for unjustified and unwarranted delay in settling maturity claim under the policy issued on her own life. The policy matured in 01.05.2007 but even after issuing a number of reminders and following the matter vigorously, the respondent has not paid the maturity amount due under the policy.

The life assured took policy no.231992594 on 01.05.1999 under table – term 14-B for Rs.25000/- which matured on 01.05.2007 but respondent did not pay maturity amount even after vigorous follow up. Therefore she approached this forum.

It is observed that the policy matured on 01.05.2007 and the life assured completed all the requirements of maturity payment. The respondent did not send their representative to attend the case nor they sent para wise written comments. The respondents are not in a position to explain the reason of inordinate delay. The respondent company has no justification or ground to defer the payment without any rhyme or reason. This is a clear case of deficiency of service in which the complainant is subjected without any fault of her. The respondent had not given any written reply to the letters written to him in this regard and no word of respondent is sufficient enough to explain this extra ordinary delay of more than two years without any rhyme and reason on the part of the insurer. Hence without going fully into the merit of the case I direct the respondent to pay the amount of the maturity claim due under the policy along with a panel interest @ 8% per annum from the date of maturity of the policy i.e. from 01.05.2007.