

LIFE INSURANCE—MATURITY-SYNOPSIS—FROM 1.4.2014 TO 30.9.2014

AHMEDABAD

Case No.AHD-L-021-1314:0239

Shri Dineshbhai B Motwani Vs. ICICI Prudential Life Ins. Co. Ltd.

Award dated 27th May 2014

Repudiation of Maturity amount in fully.

Complainant purchased a Life Time Pension Policy with premium paying term for 10 years. After maturity complainant opted for surrender value which is partially i.e. 1 1/3rd of the maturity amount sanctioned and remaining amount kept in hold for pension plan.

The Forum recommended for paying full maturity amount as per policy clause 10.3. Thus complaint succeeds.

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BHUBANESWAR OMBUDSMAN CENTRE

Complaint No-24-001-1769 Survival Benefit

Sri Rabindra Kumar Behera Vs L.I.C.Of India (Bhubaneswar D.O.)

Award dated 12th September,2014

FACT:- Brief case of the complainant is that, in March,2008 he made a New Bima Gold life insurance policy with the OP for a Sum Assured Rs 50000/-. As per the terms and conditions of the policy, he was entitled to get the first survival benefit on 28.03.2012, since because the policy commenced on 28.03.2008. When he did not get the said survival benefit , he made a number of correspondence to the OP but in vain. Finding no alternative, the complainant approached this forum.

The OP took a positive plea in the SCN that an amount of Rs 3858/- in the form of Cheque was sent to the policy holder after deducting arrear premia along with interest. Unfortunately it was learnt that the aforesaid cheque sent by speed post was encashed by another person having same name as the complainant. So the bank account of the aforesaid person was freezed and the bank concerned was intimated to recover the amount which was sent in favour of the complainant. Soon after recovery of the amount necessary payment would be made to the complainant through NEFT. .

At the time of hearing before this forum , a completely changed circumstance came light. The Complainant openly declared that a sum of Rs 3859/- had been deposited on 02.05.2014 through NEFT in his bank account standing in local branch of PNB. However he reiterated that he was entitled to appropriate interest for the delayed payment. It is stated by the O.P at the hearing that the first survival benefit due on 28.03.2012 had already been deposited in the account of the complainant on 02.05.2014 after deducting arrear premia and interest.

AWARD:- The honorable ombudsman opined ,after a thorough perusal of the photo-copy of the policy that the Complainant is entitled to get survival benefit at the end of each 4th, 8th, 12th and 16th policy year. Here in this case the policy as well as the risk commenced on 28.03.2008. Obviously the complainant is entitled to first survival benefit on 28.03.2012. But the OP failed to make payment of the first survival benefit to the complainant on due date as per the terms and conditions of the policy. It made the payment on 02.05.2014, i.e. after more than two years. Clearly the OP is liable to pay interest @ 12% per annum on the amount due for the period during which the payment could not be made. The representative of the OP who was present in this forum also acceded to this liability. Hence the complaint is hereby allowed and the OP is directed to make payment of interest @ 12% per annum for the period from 28.03.2008 till 02.05.2014 on the first survival benefit amount due forthwith.

BHUBANESWAR OMBUDSMAN CENTRE

**Complaint No-24-001-1770 Survival Benefit
Sri Kulamani Naha Vs L.I.C. Of India (Bhubaneswar)**

Award dated 19th September, 2014

FACT:- Brief case of the complainant is that, the second survival Benefit of Rs 20000/- due on 15.12.2008 . was paid by the OP on 22.11.2012 i.e. after about 4 years from the due date . His request for payment of interest not being responded he approached this forum claiming interest for late payment of survival benefit .

The OP filed SCN stating that, the complainant took the policy while he was serving in the office of the Asst. Director of Textiles, Boudh. Later in the month of November, 2007 the policy was transferred to Bhubaneswar Branch Office, but the policy holder did not request for change of his address. He did this only in September, 2012 , just three months before the maturity. Although, the second survival benefit due on 15.12.2008 was sent to the complainant in the available address to the office of the Asst. Director of Textiles, Boudh by speed post, it returned back being undelivered. Subsequently on 22.11.2012 the second survival benefit of Rs 20000/- was directly sent to the bank account of the complainant through NEFT. Since the amount was sent soon after change of address, the OP is no way liable for penal interest as claimed by the complainant.

AWARD:- A careful scrutiny of the official letter no. 1575 dated 28.09.2007 as produced from the side of the complainant at the time of hearing goes to show that it is nothing but a request letter by the complainant himself for transfer of his said policy to Cuttack Division. However the changed address of the complainant clearly finds mentioned on the top of the letter .After communication of this letter the OP cannot say that it was unaware about the changed address of the complainant. Had the cheque been sent in the changed address , the complainant would have received the same in time and the present claim of interest would not have arisen.

The most peculiar fact is that the OP takes the plea of sending second survival benefit cheque in the available Boudh address , which is said to have returned undelivered. If it is so, then postal

particulars must be available in the office of the OP. It should have produced the same in support of its plea. But no such particulars were produced in this forum. The representative of the OP even remained absent on the date fixed for production of relevant postal particulars. In the circumstance, the plea taken by the OP finds no leg to stand. When it is quite apparent from the letter dated 28.09.2007 that the changed address of the complainant has been duly intimated to the insurer , then it is the OP who is liable to pay interest @ 12% per annum to the complainant on the amount of Rs 20000/- which it withheld for the period beginning from 15.12.2008 till 22.11.2012. Hence the Complaint is allowed. The OP is hereby directed to settle the claim in the manner as indicated above without least delay.

CHANDIGARH

CASE NO. CHD-L-019-1314-1230/Mumbai/Chandigarh
In the matter of Ms. Jaswinder Kaur Vs HDFC Life Insurance
Company Ltd.

ORDER

**(Under the Redressal of Public Grievances Rules 1998 and
Arbitration & Conciliation Act, 1996)**

Order Dated: - 12.01.2015

Facts: - On 13.12.2013, Ms. Jaswinder Kaur had filed a complaint in this office against HDFC Life Insurance Company about a maturity proceeds of a policy bearing number 00132230 purchased on 26.01.2003. After the date of vesting i.e. 26.01.2013, when she contacted the Company's office, she was handed over a letter dated 26.11.2012 for selection of one of three options. Somehow, due to a non-receipt of the letter on time, she missed out on getting the entire maturity proceeds. Then, she was offered a pension. Hence, feeling aggrieved, she has approached this office to seek justice.

Findings: -The insurer clarified that Ms. Jaswinder Kaur procured a pension plan in 2003 wherein she paid premium for 10 years. In this connection, the first representation for surrender of policy was sent on 12.03.2013 which was

declined as it was after the date of vesting. In this context, she was left with only two options: either to commute one-third and take remaining amount as annuity or take entire proceeds as annuity. However, a letter intimating her to convey an option for a payment was sent on 26.11.2012 and it did not elicit any reply from her

Decision: - Ms. Jaswinder Kaur was restricted from exercising her right to choose the mode of payment in a policy after depositing a premium for 10 years. The Company could not provide the proof of delivery of the letter dated 26.11.2012. Moreover, the delivery details of the annuity kit as mentioned the Company's letter dated 09.05.2013 seem to be incorrect. In fact, the Company did not make any effort to get an option from Ms. Jaswinder Kaur as no follow-up action was initiated subsequent to non-receipt of an option from her. Keeping in view this factual position, an award was passed with a direction to the insurance company to make a payment of the surrender value just prior to the date of vesting with an interest of 8% from the date of vesting till a date of its actual payment.

CASE NO. CHD-L-008-1314-1088
In the matter of Jaswinder Singh Vs Bharti AXA Life Insurance
Company Ltd,

ORDER
(Under the Redressal of Public Grievances Rules 1998 and
Arbitration & Conciliation Act, 1996)

ORDER DATED 05.06.2014

MISCELLANEOUS/Maturity

FACTS : **On 01.11.2013, Shri Jaswinder Singh had filed a complaint against the Bharti AXA Life Insurance Company about a purchase of a policy in July 2008 bearing number 500-1352664 with an yearly premium of Rs.47,000/- wherein, premiums were deposited for three years and the company paid a sum of Rs. 84479/- as surrender value on 16.07.2013. He requested for refund of full premiums paid but, the company rejected his request.**

FINDINGS: **The representative of the company explained that as per earlier award dated 16.03.2010 of Hon'ble Ombudsman Chandigarh Policy No. 500-1352664 was converted into a policy with three years premium paying term and a term of 5 years. Thus, surrender value for Rs. 84479/- was handed over to Shri Jaswinder Singh on 16.07.2013 vide cheque no. 174169 as per terms and conditions of the policy after five years.**

DECISION: *It was held that there appears to be a deficiency in service on the part of the company while rejecting the maturity payment without verifying a factual position of the case. It appears that the company has converted the policy into three years manually without correcting the record which resulted in leveling of heavy charges. When it was confirmed from the company's representative, he did not clarify the matter. Moreover, when Shri Jaswinder Singh applied for it's maturity payment on 19.09.2013, it was not taken seriously. Keeping in view this factual position, an award was passed with a direction to the insurance company to pay full maturity alongwith 8% interest from date of maturity till date of payment.*

DELHI

Case No.LI/ DL-I/229/12
In the matter of Sh. Sunil Mehra
Vs
Life Insurance Corporation of India.

AWARD dated 25.08.14 relating to Misguidance and inadequate claim settlement

1. This is a complaint filed by Sh. Sunil Mehra (herein after referred to as the complainant) against the decision of Life Insurance Corporation of India (herein after referred to as respondent Insurance Company) relating to mismanagement misguidance & deficient payment of maturity amount against policy no-113035252 .

2. The complainant stated that he purchased the above from LIC on 19/12/2001.The maturity period was of 10 years i.e. maturity date was 19/12/2011.Maturity amount on commutation was to be about Rs.1 Lakh under pension plan new Jeevan Dhara. On 08/04/2011, he received a letter from LIC Office of Branch UNIT II R, asking for option to be exercised by him, for payment of pension. Therefore, a month before maturity date i.e. in Nov.2011, he went to the LIC Office for guidance in submitting the required documents of option for payment of lump sum commutation amount, rather than pension option. He was given a set of forms for surrender of policy, which he filled according to their advice. He received a letter dated 23/11/2011, along with a cheque No.0383471 dated 23/11/2011 for Rs.83,459/- in the form of payment as surrender of his policy. He was to be paid Rs.1.0 Lakh by the LIC on maturity, and when he found that his amount is deficient, he immediately met Sr.Branch Manager of unit II R and as advised by him, he submitted request for reinstatement of the policy. Subsequently, on 26/12/2011, he received a

letter from Sr.Branch Manager, saying that they would not reinstate his policy and sent another cheque No-547909 dated 20/12/2011 in lieu of earlier cheque.

- 3. The insurance company submitted that the policy holder requested for surrender of policy on 18/11/2011 and accordingly surrender payment was released vide cheque No-0383471 dated 23/11/2011 for Rs.83459.00. Policy holder again submitted a request on 03/12/2011 along with cheque dated 23.11.2011 for Rs. 83459/- that he was interested in taking annuity instead of surrender amount. The company informed the policy holder vide their letter dated 26/12/2011 that policy cannot be reinstated as it was not in accordance with terms and conditions of the plan. Reinstatement of surrendered annuity policy under plan 145 is not permissible. Surrender amount of Rs.83459.00 has been correctly paid to the policy holder as per the provisions of the plan and issued another cheque dated 20.12.2011 for Rs. 83459/-.**
- 4. I have heard the Complainant and the insurance company. As per the New Jeevan Dhara policy special provision clause 4."If the deferment period is 10 years or more, the proposer has the option as cash payment equal to Notional cash option as stated above in lieu of payment of annuity. This option has to be exercised at least six months before the date of vesting, but not earlier than twelve months before the date vesting". LIC vide letter dated 8/4/2011 had intimated the policy holder that the notional cash option under the policy was Rs.1, 00,000 and he could take lump sum cash in lieu of the annuity payable in future. So the policy holder approached the insurance company for lumpsum amount. He filled the Surrender form given by the Insurance Company not knowing the intricacies.**
- 5. I have considered the submissions of the complainant as well as the representative of the company .I have also perused the written reply of the company which is placed on record. After due consideration of the matter, I hold that company was not justified in giving the complainant the surrender value of**

Rs.83459/- instead of Notional cash value/Commutation value of Rs.1 Lac as per policy condition. Accordingly an Award is passed with directions to the Insurance Company to pay Rs.16, 541/- along with interest @ 9% P.A from the date of vesting till the date of payment.

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GUWAHATI

INSURANCE OMBUDSMAN
GUWAHATI CENTRE

Complaint No. G UW-L-029-1314-0137

Sri SunilKr.DasComplainant

vs

Life Insurance Corp.Of India -----Opposite party/Insurer

Award-04.06.2014

1. This complaint petition is filed for less settlement of maturity claim against the above insurer under the policy no. given above and the same has been admitted under Rules 12 (1) (c) the R.P.G. Rules, 1998.

Policy No 440066010.The LA availed loan for Rs.12700.00 against the said policy in the year 1997.He had repaid the loan in full with interest of Rs.808.00 in two installments. In the mean time policy stood matured and life assured contacted LICI ,North Lakhimpur Branch, it was informed to the LA that previous loan was 42000/ instead of 12700/-. Being aggrieved, He lodged this complaint.

(b) Insurer : Self contained note has been received.(annexure-x)The insurer in the note mentioned that Life Assured Mr.Sunil Kr.Das took policy loan for Rs.12700/- against policy no. 44006010. The policy matured on 28.3.2010. As per record of the Insurer the policy holder has availed loan of Rs.42000/- against the said policy.

pensions. Relief sought is for the full claim amount and interest thereon.

The relief sought by the complainant is justified. The respondent Insurer is liable to pay the entire maturity benefit as a lumpsum.

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Dispute in maturity amount

Award No. IO/KOC/A/LI/0020/2014-15

Complaint No. IO/KCH/LI/21-001-297/12-13

Smt. A. Elizabeth Vs. L.I.C. of India

Award Passed on 27.08.2014

The complainant had a Micro Insurance policy (Jeevan Madhur Policy No.777506140). The policy commenced in March 2007 and matured in March 2012. The complainant received Rs.5004/- as maturity benefit under the policy. She has complained to the respondent-Insurer that she has paid Rs.6,000/- as premiums and requires the maturity benefit of the same. Hence this complaint. Relief sought is for the full amount of premium paid.

The respondent Insurer submitted that a total of Rs.6,000/- has been paid as the maturity benefit under the said policy.

Therefore, nothing more is payable under the said policy by the Respondent-Insurer to the complainant. Complaint dismissed.

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Dispute in maturity payment

Award No. IO/KOC/A/LI/0042/2014-15

Complaint No. IO/KCH/LI/22-001-375/12-13

Smt. P. Sowmini Vs. L.I.C. of India

Award Passed on 17.09.2014

The complainant had taken a policy with the Respondent-Insurer (policy No 790274435) from Thaliparamba Branch of the insurer. The premium on the policy was being deducted from the salary and remitted without any break to the Trivandrum Branch from October 1999 to July 2006. The complainant has lost the original policy document and hence other details about the policy is not available. The complainant has taken up with the insurer for obtaining the maturity proceeds. However, the insurer (Trivandrum Office) has refunded an amount of Rs.7658.80 stating that the premiums received, held in Suspense Account, was now being refunded. Hence this complaint. Relief sought is to obtain the entire maturity claim amount.

The complainant has not produced any proof as to the existence of the policy except for the fact that an amount was being deducted from the salary and remitted to the respondent Insurer regularly. The Insurer has made diligent searches to trace the details, but was unsuccessful. No case could be made out for payment of maturity claim. The respondent Insurer is justified in taking this stand.

In the result, an award is passed for "DISMISSAL" of the complaint.

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Non-payment of maturity benefit

Award No. IO/KOC/A/LI/0047/2014-15

Complaint No. IO/KCH/LI/21-005-728/12-13

Smt. Rajalakshmi Pillai Vs. HDFC Standard Life Ins.Co.Ltd.

Award Passed on 18.09.2014

The complainant a senior citizen was approached by the officials of the insurer for taking an insurance policy. As per the plans suggested a Single premium pension policy of Rs 50,000/- was taken in August 2007 (Policy No. 11233730) with a term of 5 years. The complainant received a letter from the insurer in October 2012 stating that they have not received the option for disbursement of annuity income. The complainant has taken up with the insurer for non-receipt of Option Form. The insurer stated that the option forms were returned stating 'insufficient address'. Further she was informed that the policies were pension plan and after maturity only Pensions could be paid , not the full maturity amount. The insurer has not agreed to the complainant's request for getting the maturity proceeds as a lump sum. Being a senior citizen, this money is required as a lump sum to meet medical expenses.

An award is passed directing the Respondent-Insurer to make payment of maturity value on the policy along with simple interest @ 9% per annum from date of date of Maturity in 2012 till date of award.

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Non-payment of claim

Award No. IO/KOC/A/LI/0050/2014-15

Complaint No. IO/KCH/LI/21-001-918/12-13

Sri. N.T. Thomaskutty Vs. L.I.C. of India

Award Passed on 18.09.2014

The complainant is a customer of the Respondent-Insurer with policy No. 41230956. The premiums were being deducted from the Salary and remitted to the Insurer's Branch Office. However, on maturity, no amounts were received from the insurer. On taking up the matter with the insurer, the deposits still pending with them were refunded. Hence this complaint, seeking relief of Rs.10,000/- The complainant has informed that the case has been already settled by the Lok Adalat, Alappuzha in August 2014 and may be treated as closed.

In the result, an award is passed for "DISMISSAL" of the complaint.

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Non-payment of maturity benefit

Award No. IO/KOC/A/LI/0053/2014-15

Complaint No. IO/KCH/LI/21-004-386/12-13

Sri. P.N. Prasad Vs. ICICI Prudential Life Ins.Co.Ltd.

Award Passed on 19.09.2014

The complainant has purchased a policy from the respondent Insurer by paying Rs.25,000/- in February 2007. This was a single premium five year policy. The officials who canvassed have insisted that although it is a pension policy, it is possible to take the entire money as a lumpsum at the end of the term. After waiting for more than 4 months in June 2012, the complainant has approached the

Insurer, when he was informed that the policy has become a pension policy and only annuities are payable. Hence this complaint. Relief sought is for the full maturity amount with benefits .

There is no reason for a person to wait for 4 months to get what is legally due to him, more so , when the person has already made a request to the Insurer to allow him the entire fund value a lumpsum and is awaiting their reply.

An award is passed directing the Respondent-Insurer to make payment of the entire maturity fund value along with simple interest @ 9% per annum from date of date of Maturity in 2012 till date of award.

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Delay in settlement of maturity claim

Award No. IO/KOC/A/LI/0055/2014-15

Complaint No. IO/KCH/LI/21-001-278/12-13

Sri. S. Velayudhan Pillai Vs. L.I.C. of India

Award Passed on 22.09.2014

The complainant has a policy with the respondent Insurer(policy No 780881501).The policy matured on 28/10/2010. The policy was taken under the Salary Savings Scheme ie. monthly deduction of premium from salary and remittance by the employer. There is an outstanding loan on the policy to the tune of Rs.23,640/- which has not been repaid to the insurer on date of maturity. The Insurer has settled the claim only in 2012, hence this complaint seeking interest for delayed settlement of claim. Relief sought is for the interest Rs.5,670/- and compensation Rs. 5,000/-.

Regarding excess charging of interest on loan, LIC has furnished detailed working of interest on loan availed by the complainant and it is clear that there has been no over charging of interest. The argument raised by the complainant is devoid of merit and hence rejected.

An award is passed directing the Respondent-Insurer to make payment of the interest on delayed payment from date of maturity till date of this complaint (16/07/2012) .

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Non-payment of maturity amount

Award No. IO/KOC/A/LI/0057/2014-15

Complaint No. IO/KCH/LI/21-009-583/12-13

Sri. N. Vasudevan Nair Vs. Bajaj Allianz Life Ins.Co.Ltd.

Award Passed on 22.09.2014

The complainant had taken a policy from the respondent Insurer in June 2007(New Unit Gain Easy Pension Plus Single Premium" Policy No 0055950421) . The policy has matured on 28th June 2012. However despite several follow-ups, the Respondent Insurer has taken a stand that only 33% of the value can be given as a lumpsum and the balance would be used to purchase annuities since this is a Pension Plan. The complainant is a senior citizen keeping indifferent health and he was waiting to receive the proceeds as a lumpsum to meet the medical needs. Hence this complaint.

The relief sought by the complainant is justified. The respondent Insurer is liable to pay the entire maturity benefit as a lumpsum.

An award is passed directing the Respondent-Insurer to make payment of the entire claim amount along with simple interest @ 9% per annum from the date of Maturity in 2012 till date of award.

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Non-payment of maturity amount

Award No. IO/KOC/A/LI/0058/2014-15

Complaint No. IO/KCH/LI/21-009-586/12-13

Smt. Reji Oommen Vs. Bajaj Allianz Life Ins. Co.Ltd.

Award Passed on 22.09.2014

The complainant had taken a policy from the respondent Insurer in May 2007 (New Unit Gain Easy Pension Plus Single Premium" Policy No 0052017482) . The policy has matured on 25th May 2012 . The documents were submitted along with a request to obtain the entire maturity proceeds as a lumpsum. However despite several follow-ups, the Respondent Insurer has adamantly taken a stand that only 33% of the value can be given as a lumpsum and the balance 67 % would be used to purchase annuities since this is a Pension Plan.

The relief sought by the complainant is justified. The respondent Insurer is liable to pay the entire maturity benefit as a lumpsum.

In the result, an award is passed directing the Respondent-Insurer to make payment of the entire claim amount along with simple interest @ 9% per annum from date of date of Maturity in 2012 till date of payment .

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Non-payment of maturity amount

Award No. IO/KOC/A/LI/0070/2014-15

Complaint No. IO/KCH/LI/21-002-297/2013-14

Sri. John Mathai Vs. SBI Life Insurance Co.Ltd.

Award Passed on 26.09.2014

The complainant had in good faith , deposited 2 lakhs each in his and wife's name in "SBI shares". This was sold to him by officials of the respondent insurer. The complainant and wife are citizens of Germany and hence not really conversant with the Indian regulations, he has believed the agent & other officials and paid the

money of Rs. 2 lakhs each . After 6 years the complainant has tried to "sell" the shares when he realized that he was duped and what he actually had was pension policies. In the six years he has received no communication from the insurer. The insurer refused to refund the money and insisted that since the date of vesting was over , only annuities are payable.

The relief sought by the complainant is justified. The respondent Insurer is liable to pay the entire maturity benefit as a lumpsum.

In the result, an award is passed directing the Respondent-Insurer to make the entire maturity amount as a lumpsum.

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Dispute in maturity amount

Award No. IO/KOC/A/LI/0076/2014-15

Complaint No. IO/KCH/LI/21-001-364/2012-13

Smt. Anila P.K. Vs. Exide Life Insurance Co.Ltd

Award Passed on 29.09.2014

The complainant and her husband had taken 2 ULIP Policies from the respondent Insurance Company in 2007 and matured for payment in 2012. The complainant has received lesser amount than her husband, though they had taken the same scheme on the same day.

Disputes regarding this could not be settled among themselves, a complaint was filed before the Hon'ble Ombudsman.

The respondent Insurance Company has settled the maturity amount as per the terms and conditions of the policy and the under signed has very clearly narrated and clarified every thing in detail during the hearing session. The complainant's argument for getting higher amount than what is actually received is devoid of merits and not admissible. The Complaint is DISMISSED.

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KOLKATA

**OFFICE OF THE INSURANCE OMBUDSMAN
HINDUSTAN BUILDING ANNEXE, 4TH FLOOR,
4, CHITTARANJAN AVENUE, KOLKATA – 700 072**

AWARD IN THE MATTER OF

Complaint No. : 1225/24/001/L/12/2012-13

**Nature of Complaint : Non-settlement of maturity
claim**

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

Policy No. : 425100355

**Name & Address of : Smt. Smrity Rani Saha,
the Complainant C/o Gopal Saha,
South Pansila, P.O. Pansila,
Kolkata – 700 112.**

**Name & Address of : Life Insurance Corporation of
India, the Insurer K.S.D.O., Jeevan Prabha,
DD – V, Sector – I,
Salt Lake City,
Kolkata – 700 064.**

Date of hearing : 11.09.2014

Appeared on behalf of Complainant : Shri Gopal Saha, Husband

Appeared on behalf of Insurer : Manager (CRM), KSDO

Date of Award : 09/10/2014

Award No. :

The Complainant has preferred this petition against Life Insurance Corporation of India for non-payment of Maturity Amount under policy no. 425100355 and the same has been accepted under Rule 12(1)(e) of the RPG Rules, 1998.

AWARD

Complainant

The complainant has stated in her petition dated 30th November, 2012 that she had purchased a policy bearing no. 425100355 on 28th January, 2006 under Plan 14 for 6 years from LICI, Sodepur Branch, on payment of quarterly premium of Rs.4,933/-. The instalment premium was paid up to October, 2007. Then she was unable to pay further premiums from January, 2008. Thereafter, she applied for 'Loan-cum-Revival' of the said policy. Declaration of Good Health (DGH) in connection with revival of the policy was accepted and sent to Loan Department for creating loan against revival. The policy was matured on 28th January, 2012, but Discharge Voucher was not received by the complainant/Life Assured (LA).

On enquiry, it is known that the loan process could not be completed due to mis-matching of her signature and excess amount of loan after adjustment of premium could not be done. Naturally, the policy got fully lapsed in the meantime. But the insurance company referred the matter to the higher authority for reconsideration of her appeal for Loan-cum-Revival. The complainant/LA has raised her voice in connection with sending her appeal to the higher authority for reconsideration if any lapsation is done from her end.

Being aggrieved, she approached this Forum seeking appropriate relief and submitted 'P' Forms giving her unconditional and irrevocable consent for the Hon'ble Insurance Ombudsman to act as a mediator between the insurer and the complainant for resolution of the complaint.

Insurer

The insurer has stated in their written submission dated 8th April, 2013 that the complainant purchased a policy bearing no.425100355 under Table-Term 014-06 from LIC, Sodepur Branch on 28th January, 2006 and applied for Loan-cum-Revival on 28th March, 2011 as her policy had lapsed due to non-payment of premiums. But, due to difference in signature of the policyholder, Loan-cum-Revival process could not be completed. The status of the policy is lapsed without acquiring paid-up value i.e. nothing is payable on maturity. They mentioned that the policyholder is supposed to get a confirmation through premium certificate that the amount of unpaid premium has been adjusted from the loan amount. But the policyholder was not interested to pay any further premiums and subsequently, she claimed payment of maturity value vide her letter to BM/Sodepur Branch, dated 21st March, 2012.

She wanted to avail the full benefits under the policy through Loan-cum-Revival, without any investment. She was interested to get the full benefits under the policy as maturity value instead of getting life risk cover which is principal purpose of insurance.

It is also to mention that the Competent Authority having the discretion power for acceptance of Revival for any policy and the revival is effected subject to acceptance by the insurer. "NO"

maturity amount is payable to the policyholder Smt. Smrity Rani Saha for "Lapsed without acquiring paid-up value".

DECISION

We have heard both the parties and have gone through the documents available on record. It is clear that there was a difference in the signature of the life assured in the revival form but the Insurer failed to call for specimen signatures from the life assured in writing. There is no evidence that the insured had been given any written intimation of the difference in signature so that she would be able to come and submit fresh forms to avail of the loan cum revival facility.

The Insurer is directed to pay the notional Maturity value under the policy presuming that the policy had been revived under the loan cum revival scheme taking into consideration the loan and interest recovery from the final amount.

The Complaint is accepted.
