

Complaint No: MUM-L-029-1718-0244
Award No: IO/ MUM/A/LI/0034 /2017-18
Date of Award : 22.06.2017
Subject: Survival Benefit

Complainant: Mr. Shakti Prasad Mohanty
Respondent: LIC of India, Bhubaneswar Divisional Office.

FACTS OF THE CASE:

The complainant, Mr. Shakti Prasad Mohanty had purchased a policy bearing no.585004078 under Bal Vidya Plan from the Insurance Company in January 2003 with an understanding that the survival benefit /Maturity benefit would be received on the stipulated dates at the defined rates. The policy document received from the Insurance Company contained a detailed schedule of periodic survival benefit payments to be effected at the specified variable rates with the specific dates mentioned herein. He received the survival Benefits as per the terms and conditions of the policy till December 2016. He did not receive the amount equal to basic sum assured due on 30.01.2017 as specified in the policy document. He did not receive the survival benefit at the enhanced rate of 4% of the sum assured w e f 31.01.2017 as per clause (e) of the benefit schedule of the policy document. Instead he continued to receive the same at the rate of 2% of the sum assured. He took up this matter with the Respondent Insurance company and he was informed that policy bond was prepared manually and there was clerical error due to which lump sum survival benefit due date was inadvertently mentioned as 30.01.2017. Instead of 01.01.2018. He was also informed to return the policy for necessary correction. He has requested the Forum to direct the Respondent to settle the Survival Benefit amounts as per the policy document.

OBSERVATIONS OF THE FORUM:

The Forum was informed by the Respondent that the date of taking the policy was 31.01.2003, date of commencement of policy (due to dating back) was 01.01.2003, date of birth of child is 30.01.1999, completed age of the child was 4 years and premium was calculated on age 3 years due to dating back. The complainant got the benefit of lower premium of Rs. 9950/- due to dating back of the policy. The Respondent submitted to the Forum a copy of the plan salient features and informed that as per the plan salient features survival benefit would be paid in arrears on the policy anniversary only, 2 years after commencement of policy or after completion of the specified age of 5 years of the named child. The survival benefit would be paid monthly @ 1% of the sum assured (S.A.) which would increase to 2% of the S.A. on completion of 10 years of age and 4% of the S.A. on completion of 18 years of age. In addition to this, a lump sum survival benefit equal to basic S.A. would be payable on the policy anniversary at which the named child completes the age of 18 years. The policy document is silent about the above mentioned conditions viz. age specified benefits payable in arrears on the policy anniversary only.

The Respondent informed that there was a clerical error in calculation of date as mentioned on the policy bond due to dating back of the policy. He further informed that this dating back of the policy was done on the interest of the Life assured.

The Forum observed that the said clerical error could have been noticed and corrective action should have been taken by the Respondent at least in January 2005 when the first instalment of survival benefit @1% of the basic sum assured was released. The Respondent did not notice this error even at the time when they started paying enhanced survival benefit amount @ 2% of the basic sum assured. It is further observed that the Respondent detected the error only when the Complainant claimed the lump sum survival benefit amount of basic sum assured and survival benefit at the enhanced rate of 4% of the basic sum assured as per policy terms. The policy document is an evidence of contract and the Respondent cannot be allowed the liberty to issue incorrect policy document on the pretext of manual preparation and clerical error etc.

AWARD:

The Forum directs the Respondent to pay the survival benefit amounts strictly as per the benefit schedule specified at “ special provisions” on the policy document and to pay the amounts immediately in respect of those benefits which have already fallen due.

**MR. SWAPAN KUMAR BHOWMIK
VS
LIC OF INDIA (ASANSOL)**

COMPLAINT REF: NO: KOL-L-029-1617-1959

AWARD NO: IO / KOL / A / LI / 0197 / 2017-2018

AWARD DATE : 16.06.2017

Brief Facts of the Case :

The complainant had lodged complaint on the following point :

That the first SB due on his policy not yet been paid in spite of several reminders given to the insurer. On 16.03.16 24.05.16 , 27.07.16. He requested the Hon’ble Ombudsman to resolve the issue. The complainant submitted that the first SB due on 23.03.2005 of his policy not yet been paid in spite of several reminders given to the insurer on 16.03.16 24.05.16 , 27.07.16

The Insurer Submitted that the details of the payment made on 23.03.2005 vide Cheque no: 0619760 for Rs 15000/-and which was encashed on 05.04.2005 had been informed to the complainant on 16.02.2017. and also stated that no documentary evidence remaining with them to show before Hon’ble Ombudsman as the records as old as 11 years had been destroyed as per rule after 10 years.

AWARD :

The hearing revealed that neither the insurer nor the banker are in a position to show their old record due to their destruction of old record. As the complainant had received two further payments due on 23.03.2009 and on 23.03.2012 after the alleged non-payment due on 2005 it is unlikely that keeping the previous payment (2005) unpaid the next due payments are made. However, the complaint being time barred is hereby dismissed.

**MR.ANINDA BHATACHARYYA
VS
LIC OF INDIA (ASANSOL)**

COMPLAINT REF NO: KOL-L-029-1718-0230

AWARD NO: IO / KOL / A / LI / 0287 / 2017-2018

AWARD DATE : 21.07.2017

Brief Facts of the Case :

The complainant had lodged complaint that the first S/B payment due on 28.03.16 of the policy had not yet been paid by the company though the NEFT form submitted timely.

But in "P" form he had written that LIC had paid the S/B Rs 7500/- on 30.04.2017.

The complainant now claimed interest @ 12 % w.e.f. 02.04.2016.

Insurer stated that the payment had already been made on 27.04.2017 with interest of Rs. 59/- totalling Rs.7559/-.. The delay of making the payment was due to the NEFT form received late after sending reminder to the L/A .

AWARD

It has been revealed that the delay had happened in payment of the 1 st S/b claim by nearly one year in spite of sending the NEFT mandate form. The insurer is directed to make the payment of penal interest for the delay in paying the S/b claim. @ 2% above the Bank rate prevailing at that time .