



IRDA/Life/Ord/Misc/031/02/2012

**Order in the matter of M/S IDBI Federal Life Insurance Company Limited
Insurance Regulatory & Development Authority, 3rd Floor, Parishram Bhavan,
Basheer Bagh, Hyderabad**

In chair Sri J Harinarayan, Chairman ,IRDA

A personal hearing was granted to M/S IDBI Federal Life Insurance company (hereinafter referred to as the Insurer) on 19.4.2011 with regard to the Show Cause Notice issued by the authority on 1.11.2010 in the matter of delayed settlement of death claims on the life of Mr.Laxman Tomsoy. On behalf of the Authority Sri G. Prabhakara, Member (Life), Sri Kunnel Prem, CSO (Life), Smt. Yegna Priya Bharath, JD (CAD) and Sri V. Sai Kumar, OSD (Life) were present. IDBI Federal was represented by Sri. G. V. Nageswara Rao, MD & CEO and Sri. Sudhakar Shetty, Head, Compliance dept.

The Issue:

- a. The two death claims on the life of Mr.Laxman Tomsoy were not settled even after a period of 13 months.
- b. The Insurer submitted that the claimant had become inaccessible to the Insurer having shifted to a remote naxal infested tribal hamlet in Jharkand after filing the claim. Their claim investigation agencies could access the claimant only after a year of lodgement of the claim.

The Authority pointed out that the deceased life insured was a employee of the Indian railways and had lived, worked and died while on duty in Lucknow. Death occurred accidentally while repairing a rail engine at Lucknow. Therefore, no suspicion of foul play could have been inferred. The employer being a government organisation, could have provided copies of all the necessary evidence and documentation pertaining to the death of the life assured. Besides which, the policies did not have any accidental death benefit rider. The Police inquest report, FIR, Panchnama and post-mortem reports

called for by the Insurer therefore were unnecessary to establish the death of the life assured. The Insurer could have settled the claims by asking the claimant to produce the policy bond or a sworn affidavit if the bond was missing.

The insurer had nothing much to say on the matter and agreed that it was at fault and promised to tighten its systems to avoid such lacunae in future.

Decision:

The Authority has considered the relevant documents and evidences available in these death claims. It has noted the fact that the Insurer has settled the death claims with interest for the delay. The Authority advises the insurer to strictly adhere to the time limits stipulated under Proviso 8 of the (Protection of Policy Holders Interests) Regulations 2002 in Investigation and settlement of all Death claims in future.

Dated: 1st February 2012
Hyderabad


(J. Hari Narayan)
Chairman