CHAPTER V

SETTLEMENT OF LIFE INSURANCE POLICY HOLDER’S CLAIM AND PAYMENT OF MONEY TO THE POLICY HOLDER OR NOMINATED PERSON

When the event insured against happens, the assured becomes entitled to enforce the policy and the insurer becomes liable to pay the amount secured in the policy in accordance with its terms. In Endowment Life Insurance Policy the insurer will pay the sum assured with bonuses to the person to whom it is expressed to be payable in the schedule upon proof to the satisfaction of the insurer.

The happening of event on which the sum assured is to become payable in terms of the schedule, the title of the person or person claiming payment of the correctness of the age of the life assured stated in the proposal if not previously admitted. In life insurance the insurer is bound to make the payment to the rightful claimant on the maturity of the policy or the death of the assured. The persons who are entitled to claim and receive payments in life policy give the age proof. The rights of the parties are defined in the policy.

Persons Entitled to Payment

Persons entitled

At the maturity of policy by death or by the happening of the event insured against the contract in the policy is discharged by payment of the insurance money.

Payees

The person whose name mentioned in the benefit of the schedule of the policy is entitled to receive the amount due under the policy after its maturity. The person whose name is on the policy is entitled to the proceeds of the policy and called as the payee.
Assured Own

Insurance of his own life assured himself can get the payment if he is living at the time of its maturity. Insurance on the life of third parties also the assured will be entitled to get the amount. If the creditor takes a policy on the life of the debtor, the creditor will be entitled to get the payment. If it is the intention of the parties the debtor get the payment and the debtor paid the premium or if the insurance is by way of indemnity.

In Salt V Marquis of Northampton, Lord Selborne said that the prima facie effect of the agreement is to vest the equitable property in the policy in the debtor to the creditors security. Even if the debtor refused to pay the premium then no question of abondment.

Joint Family Members

Insurance on the life of a joint family member gives rise to some difficulty. The insurance amount is treated as spate property of the assured because it is a personal contract and the primary object of life insurance is to benefit the wife and children of the assured.

In Mathupalli Venkata Subbarao Vs Lakshminarasamma it was held that having regarded to modern social conditions the general presumption is that the policy amount is separate property and does not become joint family property unless there is clear contrary intention. If the premiums are paid from the joint family funds, there is a different opinion.

In Oriental Life Insurance Co Vs Ammiraju the coparceners have the right of account for the premiums paid but the policy amount will be treated as a separate property of the assured.

In Parvati kuer Vs Saraanghar the Supreme Court in this case the premiums of a policy on life of the eldest brother were paid out of joint family funds. Similar policies are taken on the lives’ of all brothers and all premiums have been paid

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1 [1892] AC 1
2 Ibid
3 (1954) I Mad LJ 94
4 35 Mad 162
out of the joint family funds. On the death of the eldest brother, his widow and children claimed the sum for themselves contending that insurance policies must be placed in a separate category by themselves and they should be treated as the separate property.

Rejecting the contention Hidayatullay J observed:

We are also of the opinion that there is no proposition of law by which insurance policies must be regarded as the self acquired property of the coparceners on whose lives the insurance is effected by a coparcenaries and the proceeds of an insurance policy do not belong to the joint family.

Commenting about the contrary view expressed in Venkata Subbarao V Lakshminarasamma on similar facts the court observed that having regard to the growth of individual consciousness in marked contrast to the more corporate outlook of an earlier day, the general presumption must be that when one of them insures his life, the amount of the policy belongs to the assured as his separate property and loss does not become a joint family property and that therefore the premiums would be treated as amounts drawn by the individual members and they must be debited with the same amounts.

The Supreme Court observed that we need not decide whether such a broad proposition should be accepted as being in consonance with rules of Hindu Law.

Assignment to create security

A life insurance policy may be assigned as a security for the repayment of loan taken the assured when it may be called a mortgage. The provision and covenants in deeds of assignment in mortgages of life policies.

The borrower that he will pay the premium and other moneys required to keep the policy on foot and will restore the policy if it becomes voidable and in the event of the policy becoming void he will effect a new policy for an equivalent amount and assign it to the lender. A power to the lender to pay any premium in arrears and add the amount to the principal and exercise his power of sale by

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5 AIR 1960 SC 403,406
way of surrender to the life office and lender’s power of sale has arisen convert
the policy to a fully paid-up policy.\textsuperscript{6}

Credit institution lends money on the security of policies up to a certain
percentage of their cash value. Even the insurers as matter of common practice
and as an integral part of their services to the assured grant loans even up to
ninety to ninety five percent of the surrender value of the policies on the security
of the unencumbered life policies.

The provision for the assignment of life insurance policies in favour of the
insurer. The mortgagee has a right to sue for the amount of the policy money
secured by the mortgage, provided that there is a valid assignment to him and
due notice has been served on the insurer unless the insurer himself is the
creditor. When the mortgagee has a claim for an amount less than the money due
under the policy cannot ask for the whole amount being paid to him.\textsuperscript{7}

\textbf{In DVV Suryanarrayan & anr V National Life Assurance Co Ltd} it was held
that the provision in the bond for cancellation of the policies amounted to a clog
on the equity of redemption and that the company took over the policies on its
own initiative without any acquiescence of the assured which in law it was not
entitled to do and therefore, the heirs were entitled to succeed.

\textbf{In Alex J. Rebello Vs LIC of India & another}\textsuperscript{8} it was held that the respondent
had advanced the Revision Petitioner loans an employee and had got his
insurance policies assigned to itself as security for loans. There was no
relationship of buyer and seller of goods of or hirer and hiree of services for a
consideration to attract the provisions of the CP Act. We therefore agree with the
findings of the State Commission that the Revision Petitioner was not a
consumer as defined under that Act in relation to respondent no.2.

The insurance company pays the whole amount due on the assignee and
acknowledges of receipt of the whole money gives the insurer a valid discharge
under English Law according to the law of property 1925.

\textsuperscript{6} Houseman, Life insurance, P 99.
\textsuperscript{7} Re Bell, Geffrey V Sayles[1896] 1Ch 1.
\textsuperscript{8}
The insurer becomes trustee to the mortgagor for the balance where the full amount under the policy is not paid to the mortgagee as it is not due to him in its entirety and legal representative in respect of the residue.

**Voluntary Assignees**

The claim under a life insurance policy constitutes the property of the assured like other properties it is also alienable and heritable. It is an actionable claim. The Transfer of Property Act 1882 defines an actionable claim. If a life insurance policy is transferred by gift, mortgage, sale, the assignee entitled to receive the payment and if it fulfills the condition laid down in Section 38 of Insurance act. If the condition are not satisfied the assignment is invalid and the assignee cannot get any rights and after valid assignment is made it cannot be revoked and the assignor ceases to have any interest in the policy.

The gift of any other property the donor and donee may agree that on the happening of any specified event which does not depend upon the will of the donor, a gift shall be suspended or revoked wholly or in part.

In *Lakshmi Kutty Vs TM Vishnu Nambisam* an endowment policy was assigned by the assured in favour of his wife by an endorsement. Before the policy was matured and during lifetime of the assignee the assignor died. The money due under the policy in hands of the assignee were sought to be attached in execution of a money decree obtained against deceased and it was held that the assignment operated as a present transfer in favour of the assignee giving her an absolute interest.

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9 Dictionary of Life Assurance
10 The Transfer of Property Act 1882, s 126.
11 AIR 1939 Mad 411.
**Executors and Administrators**

Legal representative get the insured amount in case of death of insurer before the event. In policies it is provided that sum assured is payable to the assured or his executors, administrators, assigns or other legal representative.

The Indian Succession Act 1925 lays down the executor or administrator of a deceased person is his legal representative for all purposes and all the property of the deceased person vest in him as such.\(^\text{12}\)

Where the property of the deceased person who is a Hindu, Buddhist, Mohammedan, Sikh, Jain or an exempted person and his property would otherwise have passed by survivorship to some other person, the property of the deceased will not vest in an executor or administrator.\(^\text{13}\)

If the life assured has died without making and assignment or nomination under the policy, the evidence of legal title required by the insurer to the person who receive the amount under the policy by production of letters of administrator or probate of a will or succession certificate. The Life Insurance Corporation does not insist on the production of the above legal documents where the claim amount is not very large and the deceased died leaving class heirs under the Hindu Succession Act like sons, wife, daughters, and mother and if there is no dispute between themselves but makes payment to the agreed and admitted heirs on the strength of an indemnity bond.

**Lien**

In life insurance policy a lien may be created especially if the policy is on the life of a third person. If a creditor takes a policy on the life of the debtor and if the debtor fails to the pay the premiums and if they are paid by creditor a lien may be created on the policy.

The proposals for assurance requiring imposition of fixed or decreasing temporary debt in life insurance. This chare on the policy in lieu of an extra

\(^\text{12}\) The Indian Succession Act 1925, s 211 (1)
\(^\text{13}\) Ibid, s212
premium resulting in the reduction of the sum assured in the event of the assureds’ death within specified term known lien.

In **Re Leslie, Leslie Vs French**\(^{14}\) the husband paid the premiums voluntarily due on a policy on the life of his wife and claimed a lien on the policy extent of the premiums paid by him. It was held that the husband has no lien on the policy.

Lien may be created upon the moneys secured by a policy by payment of premiums contract with beneficial owner of the policy, the right vested in mortgagees or other persons having a charge upon the policy and to add to their original debt.

Subrogation to this right or trustees of some person who may at their request have advanced money for the preservation of the property and for the reason of the right of trustees to an indemnity out of their trust property for money expanded by them in its preservation.

Third party without contract or request has been held to acquire a lien on the policy by payment or premiums.\(^{15}\)

**Nominees or Nomination**

When the person is named in proposal form as the person for whose benefit the insurance is affected such person whose name is mentioned is called the nominee. In case of death of the assured the insurer agrees with the assured that he would pay the assured amount to the nominee.

The nominee is the third party and not the party of the contract or cohesion with it and the breach of payment by the insurer and cannot recover the amount by suit. Even if money is paid to such person he cannot give a valid discharge to the insurer.

The persons entitled to receive or sue or give a valid discharge are the executors, administrators, or other legal representatives of the deceased assured.

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\(^{14}\) (1883) 23 Ch D 552; Houseman, Law of Life Assurance, pp 96-97

\(^{15}\) Ibid
The fact that a policy may be expressed to be for the benefit of some third party will not be of itself suffice to give that third party any right of property in the policy or in the policy money either at law or in equity.\textsuperscript{16}

The nominee does not become the beneficial owner of the money so received and it has been held that he is liable to hold the money in trust and for the benefit of the legal representatives deceased; he had to ultimately hand over the money to them.

In \textit{Sarojini Amma Vs Neelakantha Pillai} \textsuperscript{17} it has been held that a nominee under a policy of life insurance has a bare right to collect the money payable under the policy on the death of the assured and give a good discharge to the insurer. The nominee does not become the owner of the money due under the policy and he is liable to make it over to the legal representatives of the assured. Thus the nominee act only as a receiver.

In \textit{Smt. Sarbati Devi & another Vs Smt. Usha Devi} \textsuperscript{18} the Apex Court held that the nomination only indicates the hand which is authorized to receive the amount, on the payment of which the insurer gets a valid discharge of its liability under the policy. The amount, however, can be claimed by the heirs of the LA in accordance with the law of succession governing them.

In view of the above conclusion, the judgments and decrees of the High Court, the first appellate court and the trial court are liable to be set aside. They are accordingly set aside. Since it is not disputed that the plaintiffs are under the law of succession governing them each entitled to one-third share in the estate of the deceased, it is hereby declared that each of the plaintiffs is entitled to one-third share in the amount received under the insurance policies in question and the interest which may have been earned in its investment.

\textsuperscript{16} Houseman, Law of Life Assurance, p 145.
\textsuperscript{17} AIR 1961 Ker 126 (FB)
\textsuperscript{18} AIR 1984 SC 346
In Jagdish Prasad Dagar Vs Sr. Divisional Manager, LIC of India\(^{19}\) held that in such a case, the event of the insured or his nominee or legal heir as the case may be feeling dissatisfied with the decision communicated by the insurer, he will have to seek Redressal either by resort to arbitration under the relevant clause in the policy or by institution of a suit before the ordinary Civil Court. The jurisdiction of the Redressal Forum constituted under the CP Act can be invoked only in case there has been a deficiency in service on the part of the insurer. Where the decision to repudiate the liability has been communicated by the insurer without stating reasons or where the decision is taken arbitrarily or without due application of mind or otherwise than in good faith, the insured can in all such case legitimately maintain an action before the Redressal Forum under the Act on the ground of deficiency.

Since in the present case we have and that the decision communicated by LIC as per its letter dated February 1990 had taken by the respondent in good faith after due application of its mind after taking relevant factor in to account, it is not possible to say that there has been deficiency in service on the part of the insurer. The appeal is liable to fall on this ground.

In the light of what is state above, we uphold the action taken by the State Commission dismissing the complaint though our order is based on a ground totally different from the one stated in the order of the State commission.

In Smt. Roopa Naidu Vs LIC of India\(^{20}\) it was that the nominee had no other right except bare right to collect the policy amount without affecting the title of other claimants. In view of the clear position in law, the respondent could not have any apprehension as to the payment of money in view of the claim made by the parents of the deceased. Hence, the respondents are directed to make payment in regard to the policy which is admitted by the respondent. In regard to the other policy, it is certainly open to the petitioner to agitate the same before the appropriate Civil Court.

\(^{19}\)(1) 1992 CPJ 493 (NC).
This position has been explained by this Court in *Sarswathibhai Vs Malati*.\(^{21}\)

A mere nomination made under s 39 does not have the right of conferring on the nominee any beneficial interest in the amount payable under the life insurance policies on the death of the insured.

The nomination only indicates the hand only authorized to receive the amount on the payment of which the insurer gets a valid discharge of its liability under the policy.

Policy holders’ discretion to appoint nominee any person as the policy effects an insurance of his own life and appoint minor as a nominee but along with minor holder also nominate major person to receive the money in case of the death of insured person and that person act as an ad hoc guardian for the minor nominee.

Nomination can be made by an indorsement on the policy or by incorporating such nomination in the text of the policy and in indorsement nomination it must be communicated to the insurer. Nomination nor communicated and registered will not be effective.

Cancellation of a nomination also made by an indorsement and obligatory to the insurer to register it in records and give acknowledgement of nomination or cancellation to the policyholder.

In *Sasikala Vs LIC of India*\(^{22}\) it was held that when the policy holder subsequent nomination makes an assignment of the policy to some other person the nomination will automatically cancelled.

In *Kesari Devi Vs Dharna Devi*\(^{23}\) it was held that if the nominees survive the assured who died before maturity of the policy before payment a fortiori the nominee would be entitled to receive payment. If the nominee dies after maturity but before receiving the payment his heirs and not the heirs of the assured would be entitled to receive the payment.

\(^{21}\) {1977(s) KLJ 219}
\(^{22}\) AIR 1999 AP 32.
\(^{23}\) AIR 1962 All 355
The life time of the assured policy matures and in which there are more
nominees than one and if the nominee or all the nominees die before the policy
matures the amount payable under the policy on its maturity becomes payable to
the assured or his heirs or legal representatives.

**Nomination in Favour of Wife and Children**

A policy of life insurance effected by any married man on his own life, and
expressed on the face of it to be for the benefit of his wife and children or any of
them shall ensure and be deemed to be a trust for the benefit of his wife, or of
his wife and children, or any of them according to the interest so expressed and
shall not so long as any object of trust remains be subject to the control of the
husband, or to his creditors or form part of his estate.

When a sum secured by the policy becomes payable it shall unless special
trustees are duly appointed to receive and hold the same be paid to the Official
Trustees of the presidency in which the office at which the insurance was
effected in situate and shall be received and held by him upon the trusts
expressed in the policy or such of them as are then existing.

In **MB Leelamma Vs Venkata Ramana Rao**\(^\text{24}\) it was held that the policy will not
be governed by the Married Women’s Property Act, but that the wife gets rights
only as nominee subject to the liabilities of the policy holder.

In **Krishnaanchettiyar Vs Velayu Ammal**\(^\text{25}\)**Madras High court Full Bench** it
was held that the proposal submitted by the assured could also be looked into for
the purpose of understanding his intention.

**Claim by Maturity**

The Life Insurance Corporation sends maturity intimation informing the assured
of all the requirements which he has to satisfy for enabling him to receive
payment under the policy.

\(^{24}\) **AIR 1957 AP 759**

\(^{25}\) **AIR 1938 Mad 90(FB)**
The policy document must be submitted by the claimant to the corporation office and if there has been an assignment or reassignment under the policy by a separate document, the original of such deed of assignment or reassignment should also be submitted along with the policy and if the age is not indorsed on the policy by the company as admitted the claimant should send the proof of age.

The discharge form along with proof of age, deed of assignment or reassignment if any or if the policy holder desires payment the mode of payment should intimate to the insurer office and the discharge form is an acknowledgement of receipt of money and bear revenue stamp of one rupee.

**Claim on Death**

The heir, nominees and assignees of the claimant of the amount due on the policy should inform the insurer death of the assured within the stipulated time if mentioned in the policy and if not mentioned within a reasonable time and after receiving the intimation the insurer certain form will be sent by the insurer to the claimant or claimants informing him or them of the requirement to be satisfied for settling the claim.

The death of assured after three years from the date of the policy Claim Form A which is the statement of the claimant, a certificate of death of the policy holder issued by the Municipal Death Registry or by a Public Record Office which maintains the records of births and deaths in the locality and the three requirement which is required by the insurer in the settlement of claim by maturity.

If the policy has run for five years the claimant make all the statements required in Form A and it is the duty of the complainant that it should be true and complete and Discharge Form will also issued by insurer. If assured died within two years from the date of policy the insurer required that if the assured who died is an employee and certificate in Form E from the employer that assured was his employee and undertakes that the assured died and statement in Claim Form B from the doctor who attended the assured in last illness.
The assured is not an employee with Claim Form B Form C and D must also be submitted. Claim Form C is a certificate of cremation or burial form an independent person who attended funeral and seen the dead body and Claim Form D is a certificate of identity by a respectable person.

When Form B a certificate from the doctor who last attended to him and the Municipal Death Certificate are Form C is not necessary.

Life Insurance contract is conditional contract that the liability of the insurer to pay the money to assured is not absolute but conditional. In the policy it is mentioned that the insurer's promise to pay the sum assured is not absolute but on condition that there shall be duly paid to the insurer in subsequent premium as stipulated in schedule and the conditions and privileges printed on the back thereof.

The insurer confirms that the assured fulfill all the conditions in the policy and reviews the history of the policy where the policy is in force by date of the death or date of maturity by regular payment of premiums and in default in payment is made, the sum assured is not payable except when death occurs with days of grace if any allowed form the date of first default.

Policies lapsed for non-payment of premium then the sum assured is payable depends on the condition in the policy. The sum payable depends on the period for which premiums have been paid. The Life Insurance Corporation's Endowment policy contains the condition that if regular payment of premiums for at least two year and if the default occurs in payment of premium before two year the policy converted to paid-up for proportionately reduced amount which will be payable. If at least premiums for three full years have been paid and death occurs within six months thereafter from the due date of first premium the sum assured is paid as if the policy has remained with deduction of the unpaid premium and appropriate claim forms are supplied.

The insurer make investigation when the assured dies on unnatural death, such as by accident, suicide or due to unknown causes and make further investigation
after seeking further information from the claimant. If the policy is in force at the
time of death or on death of assured a person entitled to some amount according
to the condition stipulated in the policy.

If the death is accidental or intentional and if the death is by suicide or *Felo De Se*
the different clause is inserted in the policy that even if death is caused during
the existence of the policy and occurs within a period specified that case the sum
assured is not payable and after that period the insurer liable for payment. The
full amount assured is not payable in the event of death by accident or
intentional and policy excludes the liability of the insurer.

Life Insurance Corporation policies exclude liability where suicide is committed
within one year from the date of the policy.

In *Ranjani Bai Vs New India Assurance Co*\(^{26}\) it was held that the letter
indicated that the word death used in the policies was intended to cover not only
death by the natural causes but also by suicide as well as death by accident or on
by the hands of justice. In these case death must be presumed to be accidental
and not by suicide of course, such presumptions like all other rebuttable
presumptions may be rebutted by showing facts and circumstances which may
be sufficient to nullify the probative value of the presumption.

In *Ibrahim Vs Mackinnon Mackenzie & Co.*\(^{27}\) where Ibrahim was a deck hand
on board the ship SS Dwarka on the high seas he was last seen on the deck on 16
December 1961 at 3 but at 7 am was found missing the court inferred and held
that he died by accident and also observed that in such circumstances direct or
positive evidence of his falling overboard or being drowned was not necessary.

In *Bender Vs Owners of steamship Zent*\(^{28}\) that suicide being crime the
presumption is against it.

Where there are conflicting claims or where the claimant is not in position to
obtain sufficient proof of legal title or if it is for any reason not possible to obtain

\(^{26}\) AIR 1956 Bom 633
\(^{27}\) (1965) 67 Bom LR 735,739
\(^{28}\) [1909] 2 KB 1.
a satisfactory discharge, the insurance company may apply to the court before the expiry of nine months from date of maturity or date of notice of the company.

**Amounts Recoverable Under Life Policy**

The amount insured on the happening of the event insured or after the completion of the period. Bonus if declared by the company and recoverable with the insurance amount, share of profits may be recovered in addition to the sum assured and will not make the assured a member or a contributory of the company but he has right only after the profits have been declared by the Board of Directors of the company. Surrender value where the policy lapses due to non-payment of premium or where the assured surrenders the policy the insurance company may pay a percentage of premium paid according to the rules of the company.

**Interest on Policy Amount**

There is no provision in section 47 or any other section as to whether court can allow interest on the amount to the rightful claimant for the period of delay in payment. The claimant can demand interest from the insurer by way of damages for unreasonable delay in payment of the policy money and settlement of claim.

In **Oriental Got Security Life Assurance Co Ltd Vs Vanteddu Ammiraju**\(^{29}\) the Madras High Court held that the company will be guilty of wrongful detention of the policy money and would be liable to pay interest if it does not make prompt payment of the claim on submission of a Succession Certificate as a Succession Certificate is a sufficient proof of title to the amount under the policy and its holder can give a valid discharge to the company.

In **Western India Life Insurance Co Ltd Vs Sitabai**\(^{30}\) the assured in the proposal named his wife as the nominee but the policy did not contain the name of his wife as the nominee. The brothers made some counter claims and

\(^{29}\) 35 Mad 160.
\(^{30}\) AIR 1944 Nag 122
withdrew them. Due to this there was delay. The claimant the nominee passed a
receipt in full satisfaction of the claim and the money was paid.

The claimant later filed the suit for interest on account of delay in payment, made
after long after passing of the receipt for the principal money amounted to
waiver or release of claim for interest and it is binding on the claimant Under

The company contended the claim for the interest was a complete after thought
and was conceived much later by the claimant. It was held that the claim for
interest being not in virtue of any promise, there could be no dispensing with or
remission for performance of the promise within the meaning of the Indian

It was held further that a suit for mere interest was perfectly competent and
when the insurance company had delayed the payment of the insurance amount
until the counter claim had been withdrawn by the counter-claimants and such
amount had not been made to lie idle pending payment the principle of justice,
equity and good conscience required the award of interest to the claimant.

Awarding interest the court can also exercise its discretion as given to it by
section 34 of the Civil Procedure Code. The Administrative Reforms Commission
suggested nine percent rate of interest and the present rate of the three percent
has been raised to six percent in fit cases.
Present Situation of Settlement of Claim in Life Insurance Sector in India

Table 5.1 In the year 2015-16 Individual Death Claim (data of policies in percent)

<table>
<thead>
<tr>
<th>LIFE INSURER</th>
<th>TOTAL CLAIM</th>
<th>COUNTER CLAIM</th>
<th>CLAIM SETTLED</th>
<th>REPUDIATED /REJECTED CLAIM</th>
<th>PENDING CLAIM AT THE END OF THE YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC</td>
<td>100.00</td>
<td>0.17</td>
<td>98.33</td>
<td>0.98</td>
<td>0.51</td>
</tr>
<tr>
<td>PRIVATE PLAYERS</td>
<td>100.00</td>
<td>0.00</td>
<td>91.48</td>
<td>6.67</td>
<td>1.85</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100.00</td>
<td>0.15</td>
<td>97.43</td>
<td>1.73</td>
<td>0.69</td>
</tr>
</tbody>
</table>

YEAR 2015-16 DEATH CLAIM

INDIVIDUAL LIFE INSURANCE BUSINESS:

In the year 2015-16 Life Insurance Companies settled of 8.54 lakh claim, which was estimated of Rs 12636.66 crore total payments. Repudiated claim figure of 15157 and amounting to Rs. 736.51 crore and at end of the year pending claim figure 6,031 and related amount Rs. 443.33 crore . In which 1189 claim was pending from more than one year and 4842 claim pending less than one year and from the period of one year.

LIC claim settlement ratio is better in comparison to other life insurers LIC settlement ratio last year 98.19 percent in comparison to year 2015-16 it was 98.33 percent increased. Settlement percent at last year 1.15 percent in comparison to 2015-16 it was decline to 0.98 percent.
Private Insurer settlement ratio in last year 89.40 percent in comparison to this financial year 2015-16 it is 91.48 percent growth of 2.28 percent and the percent of settlement last year 7.78 in comparison to it declined to 6.67 percent in year 2015-16.

Life Insurance Industries Settlement ratio in 2014-15 is 96.97 percent increase to 97.43 in 2015-16 nominal increase of 2.08 percent settlement ratio in 2014-15 in comparison to 1.73 percent decline.

Graph 5.1 Analysis- details of Individual Policies pending claim periodical\(^\text{31}\)
Table 5.2 Life Insurer Group Death Claim

<table>
<thead>
<tr>
<th>LIFE INSURER</th>
<th>TOTAL CLAIM</th>
<th>PENDING CLAIM AT THE END OF THE YEAR</th>
<th>COUNTER CLAIM</th>
<th>REPUDIATED/REJECTED CLAIM</th>
<th>PAYMENT OF THE CLAIM</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIC</td>
<td>100</td>
<td>0.27</td>
<td>0.00</td>
<td>0.04</td>
<td>99.69</td>
</tr>
<tr>
<td>PRIVATE</td>
<td>100</td>
<td>4.42</td>
<td>0.00</td>
<td>0.93</td>
<td>94.65</td>
</tr>
<tr>
<td>TOTAL</td>
<td>100</td>
<td>2.53</td>
<td>0.00</td>
<td>0.53</td>
<td>96.94</td>
</tr>
</tbody>
</table>

Graph 5.2 Analysis detail of Group Policies pending claim periodical

Group Life Insurance

In 2015-16 Total intimated claim pending 5,47,337 but in starting of the year it was 14,388 pending claim. Life Insurance business settled 5,28,638 claim(
96.94% of total claim 96.28% claim settled within 30 days of received of the notice 0.01% claim settled more than one year after notice.

Future Generali Life insurance Company pending group death claim from more than one year is 12414 and claim pending in whole insurance business from more than one year 12900 and Future Generali life insurance company 96.23 percent pending cases excluding Future Generali all other life insurers pending claim 486. Future Generali life insurance companies 12414 pending group death claim 12371 is pending before the court.

LIC settled 99.69 claims private life insurers paid and settle the claim of 94.65 industry rejected or repudiated claim 0.53 percent, counter claim zero percent and 2.53 percent claim are remaining pending.