

Rs. 5,000 to Rs. 10,000 have been and are being repudiated by the LIC on the grounds wholly unconnected with the death of the policy holder;

(b) whether some claims have been settled on ex-gratia basis, when this centre approached the top authorities of LIC; and

(c) the steps being taken to do justice to policy holders of the LIC?

THE MINISTER OF FINANCE (SHRI R. VENKATARAMAN): (a) to (c). The policy and procedures adopted by the LIC in processing death claims are intended to ensure expeditious acceptance of all genuine claims. For this purpose the LIC proceeds as follows:—

- (i) The documentation required for putting in death claims is minimal and mostly claims are paid on completion of documentation by the claimant.
- (ii) Specific investigation is taken up only of cases of early claims or of claims in which information adverse to the policyholder has come to light. Such claims constitute only a small proportion of the total number of death claims processed by the LIC.
- (iii) A claim is repudiated if investigation reveals gross misrepresentation or fraudulent intent on the part of the policyholder or it is found that the claim does not fall within the terms of the policy. The predominant cause of repudiation of death claims is suppression by the assured of material facts relating to his health prior to the date of assumption of the risk by the LIC.
- (iv) The repudiation of a death claim is open to review and

the final review lies with a Claims Review Committee consisting of senior officers at the Central Office of the LIC. On receipt of representation in the matter, the case is reviewed and depending on the merits of each case, the repudiation may be upheld or the claim may be admitted in full or in part, on ex-gratia basis.

Within the procedure stated above, the LIC receives and processes representations in respect of death and generally the representations are from the claimants themselves. In some cases the LIC has received representations from the Consumer Education and Research Centre, Ahmedabad but separate statistics of such references have not been maintained. According to available information the decision of the servicing office to repudiate one such claim was reversed on review and the claim was admitted on ex-gratia basis.

#### Cases reported by Income tax Inspectors of Delhi

3599. SHRI DHARAM DASS SHASTRI:

SHRI SOMJIBHAI DAMOR:

Will the Minister of FINANCE be pleased to state:

(a) whether Income-tax Inspectors of Delhi are in league with the assesses and are reporting only 25 per cent cases; and

(b) if so, particulars thereof and action proposed to be taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SAWAISINGH SISODIA): (a) No, Sir.

(b) Does not arise.