



Trust Registration No. E-26571; PAN: AACTM4377J;  
80(G) Registration No. DIT(E)/MC/80G/685/2010-II

**Moneylife Foundation**

304, 3<sup>rd</sup> Floor, Hind Service Industries Premises,  
Off Veer Savarkar Marg, Shivaji Park,  
Dadar (W), Mumbai - 400 028  
Tel.: 022-49205000; fax: 022-49205022  
Email: [foundation@moneylife.in](mailto:foundation@moneylife.in)  
<http://foundation.moneylife.in/>

**Date: Apr 12, 2014**

**To,  
The Chairman,  
Insurance Regulatory and Development Authority  
3<sup>rd</sup> Floor, Parishram Bhavan  
Basheer Bagh  
Hyderabad 500004**

**Sub: Reliance Life and Bharti AXA Life fraud selling of life insurance products**

Dear Sir,

Greetings!

Thank you for your response to my RTI first appeal filed on 13 March 2014. I am also happy to read in the media about the disciplinary action and fine imposed on Reliance. However, I have the following additional queries based on the response that the two insurance companies have apparently submitted to IRDA. I believe they are incomplete and need further examination by your office.

Reliance Life: On 22 August 2013, Reliance Life has written to IRDA stating that they have received 2,141 complaints Year to Date (YTD) against the corporate agent - AB Capital. They specified that they do not have any pending complaints. However, we continue to receive complaints about people being cheated by AB Capital and payments have continued to be made until as recently as last week. In this context it is pertinent to ask :

1. How many complaints out of 2,141 received YTD till 22 August 2013 were paid full refund of premium?
2. How many further complaints have been received by Reliance since 22 August 2013 until April 2014.
3. How many of these have been paid a full refund and resolved?

We believe that Reliance Life is only paying back those consumers who approach Moneylife Foundation with a complaint and we forward the cases to the company. Even here, Reliance now pays only those customers who have taken the precaution to trap AB Capital's agents with a voice recording. However, I am sure you will agree that not every

consumer has a facility to conduct such a sting operation.

I am enclosing a few cases where Reliance Life has refused the refund without clear explanation. I request IRDA to seek an explanation and to initiate a class-action to help all victims of AB Capital.

Reliance Life has paid over Rs22.20 lakh to 31 people duped by AB Capital, until now. The refunds have been in the range of Rs30,000 to Rs2 lakh. This suggests a large scale fraud that has not yet been fully unearthed.

Secondly, there are numerous cases of "interest free loan" offers by Sridhar Insurance Broker, which makes it a copycat case of AB Capital. Even here, Reliance Life has made the necessary refunds to victims of Sridhar Insurance Broker. This is even worse than the fraud by AB Capital, because, as per IRDA's own rules, an insurance broker is supposed to represent the customer and not the insurer. We hope IRDA will investigate this and initiate stringent action urgently.

Bharti AXA Life: From the RTI response I have received the following conclusions can be drawn.

On 14 August 2013 IRDA asked Bharti AXA Life to give "The data of total no. of complaints of this nature (mobile tower rent offer) received, resolved and pending as on date." Bharti AXA Life has not given the required information.

Again, on 1 November (original letter date of 24 October overwritten), IRDA asked the same information to Bharti AXA Life. The RTI response does not indicate any response from Bharti AXA .

Can one conclude then, that Bharti AXA Life is refusing to answer the regulator's queries? Bharti AXA Life has also offered flimsy reasons for denying the claim of Vishv Raj Singh by questioning whether his son's name is Ominder Rana. The insurer states that customer was instigated by BMA Wealth Insurance broker. In this case, either Bharti AXA is not giving IRDA correct information or action is required against BMA Wealth Insurance. While neither is happening, the customer is denied his claim. We urge you to initiate action that will give justice to the consumer.

In another case of Ramswaroop Beniwal, Hanumangarh of Rajasthan, he was sold six policies of Bharti AXA Life of Rs5 lakh annual premium by luring him with the promise of installing an Airtel Tower that would fetch a monthly rental of Rs15 lakh for him in five years. Bharti AXA has brushed away the complaint stating "We are declining client concerned and standing on our decision." IRDA has asked for internal investigation report on the complaint of Ramswaroop Beniwal in its letter to Bharti AXA on 1 November (original letter date of 24 October overwritten). We request you to share the conclusion of this investigation and action if any.

We request your URGENT attention in this matter and action to protect innocent customers who have been duped by Reliance Life and Bharti AXA Life.

We would like to keep working with IRDA to bring to light cases of fraud and misselling in order to benefit consumers through deterrent regulatory action.

**With Best Regards,**



**Sucheta Dalal  
Trustee  
Moneylife Foundation**

**.cc**

Dr. G. Mallikarjun  
OSD (Grievances)  
Consumer Affairs Department

Please note: Moneylife Foundation has sent details of several cases with their policy numbers and emails we have received from our members, along with this letter to IRDA for investigation. However, we are not uploading them here for privacy reasons.