
(2004) 06 NCDRC CK 0110

NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Case No: None

Life Insurance
Corporation of India

APPELLANT

Vs

MOHARMANIA

RESPONDENT

Date of Decision: June 29, 2004

Citation: 2004 2 CPR 604 : 2004 3 CLT 118 : 2004 4 CPJ 128

Hon'ble Judges: V.K.Agrawal , Veena Misra J.

Final Decision: Appeal partly allowed

Judgement

1. THIS appeal, under Section 15 of the Consumer Protection Act, 1986, is directed against the order dated 28.8.2001 in Complaint No. 134/2000 by District Consumer Disputes Redressal Forum, Sarguja (hereinafter called the "District Forum" for short) directing the appellant insurer to pay a sum of Rs. 20,000/- and Rs. 50,000/-, totalling Rs. 70,000/- towards the two policies obtained by the deceased Ram Awtar.

2. UNDISPUTABLY deceased Ram Awtar, husband of complainant/respondent obtained two money back policies from the appellant/insurer for assured sum of Rs. 20,000/- and Rs. 50,000/- on 28.3.1993 and 28.12.1992 respectively. The amount of premium was deducted from the salary of deceased Ram Awtar and was remitted to the appellant/insurer. It is also not in dispute that the said policies were with extended double benefit i.e., in case of death due to accident, additional amount equal to the assured amount was payable under the said policies. Further, it is also not in dispute that the deceased Ram Awtar died during the subsistence of the policy. The complainant/respondent laid claim under the policies for payment of the amount with extended double benefit. Though assured amount under the policies were undisputably

paid to the complainant/respondent but the extended double benefit was not allowed by the appellant/insurer on the ground that extended double benefit was not available to the complainant in view of Clauses 10(b)(i) and 10(b)(iv) which provides that Corporation shall not be liable to pay additional sum referred to in case of death of the life assured caused by intentional self injury, attempted suicide, insanity or immorality or whilst the life assured is under the influence of intoxicating liquor, drug or narcotic or resulted from the life assured committing breach of law.

The complainant felt aggrieved by the denial of his claim for extended double benefit. Accordingly, she preferred complaint before the District Forum.

The complaint was resisted by the appellant/insurer. According to them the death of deceased Ram Awtar was not on account of accident but it was due to illicit love affair which cannot be treated as an accident. Hence they justified repudiation of the claim for extended double benefit to the complainant/respondent.

3. THE District Forum allowed the complaint and directed the appellant/insurer to pay a sum of Rs. 70,000/- under the two policies towards extended double benefit.

Learned Counsel for appellant/insurer assailed the impugned order. He submitted that the complainant/respondent was paid the assured amount under the policies on 20.3.1997 and the amount was received by the complainant in full and final satisfaction of her claim. Learned Counsel for appellant/insurer also submitted that copy of statement of accounts has been filed by him showing the payment of the assured amount. However, even if it is assumed that assured amount was paid as per the statement of accounts, but it cannot be inferred therefrom that she accepted the amount in full and final satisfaction of her claim under the said policies. It may be noticed that receipt or acknowledgement of the complainant has not been filed by the appellant/insurer.

4. LEARNED Counsel for appellant/insurer also submitted that the claim is time-barred inasmuch as the complaint was filed in the year 2000 and the limitation would start from that time. However, it may be noted that though assured amount under the policies was paid to the complainant, the complainant was constantly raising the grievance that she has not been given the extended double benefit equivalent to the assured amount. The grievance of the complainant is not regarding the payment of the assured amount, but it is

regarding non-payment of extended double benefit to her. The limitation would start from the date of repudiation of the claim of extended double benefit, by the appellant/insurer. The date of repudiation has neither been specifically mentioned in the written version nor any document has been filed to indicate the date of repudiation thereof. Hence, it cannot be said that the complaint was time-barred. The contention in that regard of the appellant/insurer cannot be accepted.

The claim was repudiated by the appellant mainly on the ground that the deceased died on account of illicit relations. The judgment of the Sessions Court in Case No. 41/97 is placed on record which indicates that the deceased died due to strangulation or drowning. It is also noticed from the observations in said judgment that the deceased was intoxicated at the time of his death. However, no material has been placed on the record of the District Forum to show that death occurred on account of influence of liquor. The observation in the judgment of the Sessions Court may be based on the evidence placed before it. However, it was obligatory on the part of the appellant to have established the fact by placing adequate material in the complaint. However, they have failed to do so. In the circumstances, the said observations by the Sessions Court cannot render any assistance to the appellant/insurer in the present complaint. Moreover, there is nothing on record to show that the insurer considered the claim of the complainant and repudiated it on the aforesaid ground.

In the circumstances, it is clear that the complainant was entitled to get extended double benefit because appellant/insurer has failed to discharge its burden of proving that the claim could be justifiably repudiated on any of the clauses as aforesaid. Accordingly, the finding of the learned District Forum appear to be justified. No interference therein is called for. The impugned order is accordingly affirmed.

5. LEARNED Counsel for appellant/insurer lastly contended that District Forum has awarded excessive interest @ of 12% per month, on the amount payable by the appellant/insurer to the complainant. The interest as awarded is obviously excessive and deserves to be modified. The appeal is allowed to the above extent and it is directed that the appellant/insurer shall pay to the complainant/respondent a sum of Rs. 70,000/- (Rupees seventy thousand) with interest @ 12% p.a. from the date of complaint i.e., from 2.8.2000. Appeal partly allowed.