

**(2010) 12 NCDRC CK 0003**

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION**

**Case No:** None

LIC OF INDIA

APPELLANT

Vs

K Narsimulu

RESPONDENT

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**Date of Decision:** Dec. 14, 2010

**Citation:** 2011 1 CPJ 162

**Hon'ble Judges:** Ashok Bhan , Vineeta Rai J.

**Advocate:** Mohinder Singh , Ankur Goel , Girijesh Pandey

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**Judgement**

1. MRS. Vineeta Rai, Member-The present revision petition has been filed by the Life Insurance Corporation of India and another (hereinafter referred to as the "Petitioner") against the order of the State Consumer Disputes Redressal Commission, Andhra Pradesh (hereinafter referred to as the "State Commission") in favour of one K. Narsimulu (hereinafter referred to as the "Respondent") who was the original complainant before the District Forum.

2. THE facts of the case are that the Respondent was working as a Crane Operator in Nagarjuna Steel Ltd. from 1982 onwards. He took two insurance policies under the Jeevan Mitra Double Cover Endowment Plan for Rs. 50,000 and Rs. 1,00,000 commencing from 1.7.1996 and 28.9.1996 for which he regularly paid the premium amount. On 28.4.1997 while Respondent was working on the Crane he met with an accident resulting in serious injuries including to his spinal cord because of which he suffered decreased sensation and his movements became restricted and impaired. Despite two operations the Respondent's ability to work and earn could not be restored and being fully disabled he was forced to take voluntary retirement.

3. SINCE, as per Section 10-A of the said insurance policy there was a disability clause which stipulated that in case of disability to the life assured, the Petitioner would pay in monthly instalments spread over 10 years an additional sum equal to the sum assured and if the policy becomes claim before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim, the Respondent filed a claim with the Petitioner's Branch Manager on 25.1.2001 seeking the benefit stipulated under the permanent disability clause. He also filed the relevant papers certifying that he had been permanently disabled and that he was no longer fit to work. Despite this, the Petitioner rejected the claim on the grounds that Respondent was not permanently disabled since according to the medical certificates his disability in one place was mentioned as 55% and in another as 65%.

4. AGGRIEVED by this, the Respondent filed a complaint before the District Forum seeking directions to the Petitioners to pay the policy amounts with all benefits as stated in Clause 10 of the Policy along with compensation of Rs. 10,000 towards deficiency in service, mental hardship, etc.

5. PETITIONERS stated before the District Forum that the claim was not sustainable and was rightly rejected on the ground that as per Clause 10-A of the policy the disability has to be total and permanent which was not so in the instant case. The District Forum allowed the complaint while concluding that the Respondent had suffered permanent disability quoting a ruling of the Andhra Pradesh High Court in United India Insurance Company Limited v. T. Subrahmanyam Reddy And Others, 1992 (2) LLJ 377, wherein it was made clear that if a workman is incapacitated to do the work which he was capable of performing at the time of the accident, it is a case of total disablement and on the same analogy the Respondent in this case sustained total permanent disablement for working in a Crane and, therefore, he was entitled to get the benefit under Section 10-A of the concerned life insurance policy.

6. THE District Forum, therefore, directed the Petitioner to pay to the Respondent two policy amounts and also Rs. 1,000 towards costs to the complainant.

7. THE Respondent subsequently filed an Interim Application before the District Forum stating that the Petitioners had not complied with the orders of the District Forum and had only paid the Respondent an amount of Rs. 1,50,000 out of a total sum of Rs. 5,40,000 which was due. Therefore, an amount of Rs. 3,90,000 upto 28.4.2005 was still due and to be paid by the Petitioners to the Respondent. The District Forum clarified this point as follows:

"In this case, the policy became a claim before expiry of 10 years and the petitioner is entitled to the disability benefit instalments spread over for 10 years as assured an additional sum equal to the death benefit under the policy. The sums assured under both the policies is Rs. 50,000 and Rs. 1,00,000. As per the above said condition the respondents have to pay death benefits i.e. maturity amount. Hence, the amount deposited by the respondents is not towards the full satisfaction of the order of this Forum. The opposite party has deposited Rs. 1,50,000, the satisfies the sum assured under the both policies. In the result, the petition is allowed directing the respondent to pay the disability benefits i.e. to pay in monthly instalments spread over 10 years an additional sum equal to the sum assured i.e. Rs. 1,50,000 spread over 10 years from 28.5.1997 till 28.4.2007 and also directed to pay the monthly instalments fallen due till September, 2005 within 15 days from the date of this order. It is further directed to pay bonus and other benefits stipulated under the two policies on maturity."

8. AGGRIEVED by this order, the Petitioners filed an appeal before the State Commission. The State Commission while confirming the finding of the District Forum that the Respondent had sustained permanent disablement and, therefore, was entitled to the benefits under Section 10-A of policy ordered as follows in respect of the amounts to be paid:

".....as per condition No. 10(2)(a) opposite is liable to pay 10 monthly instalments spread over 10 years an additional sum equal to the sum assured under this policy. If the policy becomes a claim before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim. The sum assured in the two policies is Rs. 1,50,000. The opposite party deposited Rs. 1,50,000. Therefore opposite party is liable to pay the additional sum equal to the sum assured i.e., he is liable to pay additional sum of Rs. 1,50,000. The additional sum is to be paid in monthly instalments spread over 10 years i.e. 28.4.1997 to 28.4.2007. Even the complainant in P.P. proceedings claimed only Rs. 3 lakh as decretal amount. As Rs. 1,50,000 is already paid opposite party is liable to pay the balance of Rs. 1,50,000 besides the cost awarded. Therefore no error has been committed by the District Forum. It is only for clarification the complainant filed petition I.A. No. 47 of 2005 and it is allowed by the District Forum clarifying that the opposite party is liable to pay Rs. 1,50,000 towards additional sum. In the result the Revision Petition is dismissed without costs."

9. HENCE the present revision petition filed by the Petitioners.

10. LEARNED Counsel for the parties made oral submissions. Counsel for the Petitioner stated that the District Forum had erred in terms of both the interpretation of the policy as well as the calculation of the amounts to be paid. In fact the Petitioner in compliance with the District Forum's order had paid an amount of Rs. 1,50,000 in terms of Section 10-A of the concerned policy i.e. an amount of equal to the amount assured and that too in lump sum. Therefore, no further payment was due. It was, therefore, not understood why the Respondent had sought an additional amount of Rs. 3,90,000 in addition to the amount of Rs. 1,50,000 already received. Counsel for Petitioners further stated that the State Commission also erred in confirming the order of the District Forum by failing to observe that the maturity amount of Rs. 1,50,000 in respect of the earlier two policies is to be paid to the insuree only on the date of the maturity of the policy or at the time of his death and not before that. These amounts, as per the policies would become due in 2015 and 2016 respectively and, therefore, apart from Rs. 1,50,000 paid in lump sum (instead of in monthly instalments spread over 10 years), no further payment is due for the time being.

11. COUNSEL for Respondent agreed that it had erroneously been calculated that the insurance amount due to the Respondent was Rs. 5,40,000, in fact only an amount of Rs. 3,00,000 plus interest and bonus was due as per the provisions of the insurance policies in question. Therefore, as ordered by the State Commission, the Respondent's claim is for Rs. 3,00,000 plus interest and bonus.

12. WE have heard learned Counsel for both parties and have gone through the evidence on record.

13. THERE is no ambiguity regarding the terms of the Double Accident Benefit Policy taken by the Respondent. Clause 10-A of the same states as follows:

"(a) Disability to the Life Assured (1) to pay in monthly instalments spread over 10 years an additional sum equal to the sum assured under this Policy. If the Policy becomes claim before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim; (2) waive the payment of one half of future premiums."

14. THE question that then arises is whether the Respondent suffered permanent disability in terms of the above provisions of the insurance policy. This matter has been discussed at length by the District Forum based on the medical certificates and related documents as well as a ruling of the High Court of Andhra Pradesh cited in its order concluding that the insuree did suffer from a permanent disability. This has also been upheld by the State Commission. We agree with this finding of the Forum below and in view of this, we see no infirmity in the orders of the District Forum and the State Commission that the Respondent is entitled to be paid Rs. 1,50,000 being

the policy amount in respect of two policies plus an additional sum equal to the sum assured which is another Rs. 1,50,000 with accrued interest thereon.

15. COUNSEL for Petitioners states that he has already paid Rs. 1,50,000 in compliance with the orders of the District Forum which has also been accepted by the Respondent. The Petitioners are, therefore, now directed to pay an additional amount of Rs. 1,50,000 with accrued interest thereon with bonus and other benefits as admissible within 30 days from the date of this order. With these observations, the revision petition is dismissed with no order as to costs.