
2012 0 NCDRC 82 : 2012 2 CPJ 107 : 2012 2 CPR 217

NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Case No: None

Executive Engineer,
Transmission Division
H.P. State Electricity
Board, Bilaspur, H.P.

APPELLANT

Vs

RAM PIARI

RESPONDENT

Date of Decision: March 19, 2012

Citation: 2012 0 NCDRC 82 : 2012 2 CPJ 107 : 2012 2 CPR 217

Hon'ble Judges: Anupam Dasgupta , Suresh Chandra J.

Final Decision: Revision petition allowed

Judgement

1. THIS revision petition is directed against the order dated 08.11.2006 of the Himachal Pradesh State Consumer Disputes Redressal

Commission, Shimla (in short, 'the State Commission?'). By this order, the State Commission allowed the appeal of respondent no. 2 (New India

Assurance Co. Ltd., Shimla) against the order of the District Consumer Disputes Redressal Commission, Bilaspur (in short, 'the District Forum?')

by which the District Forum had held the respondent/ insurance company guilty of deficiency in service in repudiating the insurance claim of the

complainant (respondent no. 1 before us) on account of the death of her husband who was an employee of the petitioner. The District Forum had

accordingly directed the insurance company to pay to the complainant a sum of Rs.1 lakh with interest @ 9% per annum from the date of filing of

the complaint (27.06.2003) till realisation and cost of Rs.2000/-. It may be added that while allowing the appeal of respondent no. 2, the State

Commission fastened the petitioner (Himachal Pradesh State Electricity Board ? HPSEB, in short) with the liability of paying Rs.2 lakh under the

provisions of the applicable insurance policy to the respondent/complainant with interest @ 6% per annum from 27.06.2003 till the date of

deposit/payment, whichever was earlier. Cost of Rs.2000/- was also imposed on the petitioner.

2.

(i) The facts relevant to the dispute are that the husband (Dila Ram) of respondent no. 1 (complainant) was a daily-wage employee of the

Petitioner HPSEB. The Board had obtained a ""Janta Personal Accident Insurance Policy"" from respondent no. 2 in respect of its daily-wage and

work-charged workers. A letter dated 20.02.1996 was accordingly issued by the Secretary of the HPSEB to its Chief Engineer intimating the

details of the insurance scheme which came into effect from 25.01.1996. The Premium for the insurance Policy was to be Paid first by the Board

and subsequently deducted from the salaries of the insured employees. The coverage of the Policy included death, loss of body Parts, Permanent

total disability, Permanent Partial disability, etc., due to any type of accident, including road and natural calamities like landslides, avalanches,

floods, drowning, tree falling, snake bites, etc. The sum assured Per beneficiary was Rs.1 lakh which was Payable in case of death, Permanent

disablement, loss of two limbs or eyes or one limb and one eye, etc. (ii) Dila Ram, a daily-wage employee with the HPSEB since 09.02.1994,

died on 22.05.2001. The complainant (widow of Dila Ram) was subsequently (in 2002) appointed as a Peon on daily wages in one of the offices

of the Petitioner Board at Bilaspur. After her employment, sometime in 2003, she came to know that her late husband was covered under a Janta

Personal Accident Insurance Policy. Thereafter, she applied for Payment of the insured sum on account of her husband's death. The claim was

forwarded to the respondent insurance company which repudiated it as having been made too late, i.e., two years after the death of the insured.

This led the widow to file a complaint with the District Forum alleging deficiency in service on the part of the respondent insurance company and

claiming Rs.1 lakh towards the insured amount and Rs.1 lakh by way of compensation from all the opposite parties, which included the three

representatives of the HPSEB and Senior Divisional Manager, Shimla ? respondent insurance company. (iii) On consideration of the pleadings,

evidence and documents, the District Forum partly allowed the complaint and directed the insurance company to pay Rs.1 lakh to the complainant

within 30 days from the date of the order, as noticed above. (iv) It was this order that was challenged by the respondent before the State

Commission, leading to the appeal being allowed and the respondent insurance company being relieved of any liability, as already noticed.

The State Commission, however, directed the Petitioner Board to pay to the complainant as mentioned above.

We have heard Mr. Naresh K. Sharma on behalf of the HPSEB and Mr. Kapil Chawla, on behalf of the respondent insurance company. On

account of her absence despite due service of notice, respondent no. 1 was directed to be proceeded against ex parte by this Commission on

07.07.2011.

Mr. Sharma has pointed out that the interpretation by the State Commission of the instructions dated 20.02.1996 issued by the Secretary, HPSEB

in respect of coverage of daily-wage/work-charged employees under the insurance Policy was patently erroneous. He has emphasised that the

very title of the Policy was ""Janta Personal Accident Insurance Policy"" and, therefore, the insurance coverage of the death of an employee of the

aforesaid categories was contingent upon his death on account of ""Personal accident"". On the other hand, the complainant herself had informed the

Assistant Executive Engineer, P & M Sub-Division, HPSEB, Bilaspur under her letter dated 16.07.2003 that her husband ""Dila Ram had expired

at home on 22.05.2001 as a cause of natural death"" (death certificate issued from Pradhan Gram Panchayat enclosed)."" This would clearly establish

that the death of the complainant's husband, a daily-wage employee of the Board, was ab initio not within the Purview of the insurance Policy as it

was to cover the death and other named Perils of HPSEB employees of the specified categories on account of "Personal accident". Thus, the

State Commission committed grave irregularity and error in exercising its appellate jurisdiction by directing the Petitioner Board to Pay to the

complainant/respondent no. 1 the sum of Rs. 2 lakh with interest @ 6% Per annum and cost of Rs.2000.

3. WE have carefully considered the submissions and perused the documents produced on record. It is obvious from its very title that the Janta

Personal Accident Insurance Policy was limited to deaths, permanent disablement, etc., of the covered employees of the HPSEB, arising out of

their "personal accident". In other words, natural death of a daily-wage employee at his home was outside the coverage of the insurance scheme.

What the State Commission has done is to read the word "Death" in isolation of the rest of the letter dated 20.02.1996 of the Secretary, HPSEB

conveying the details of the scheme. As rightly pointed out by Mr. Sharma, the complainant herself has stated that the death of her husband was

from natural causes, at this home and thereafter, she had been employed as a daily-wage worker by the Board in one of its offices. In other words,

the Board has discharged its duties as a compassionate employer. However, even if it had not done so, the petitioner Board could not, by any

reckoning, be held responsible for payment of the insurance amount to the complainant because her husband's death was due to natural causes.

Likewise, the death being "natural", the insurance company was also not liable to pay the amount insured even if the delay in reporting the

death/making the claim were to be overlooked/condoned.

In view of these reasons, the revision petition needs to be allowed and the order of the State Commission has to be set aside. We order

accordingly, leaving the parties to bear their own cost.