

Neelam Gupta Vs Reliance Life Insurance

Court: NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Decision: Feb. 9, 2011

Citation: 2011 0 NCDRC 77 : 2011 1 CPJ 241

Hon'ble Judges: Suresh Chandra J.

Advocate: Bharat Bhushan Handa

Judgement

1. CHALLENGE in this revision petition is to the order dated 29.09.2010 passed by the State Consumer Disputes Redressal Commission,

Punjab, Chandigarh (State Commission for short) allowing the appeal of the respondents herein who were OPs before the District Forum and

thereby setting aside the order of the District Forum dated 03.12.2009 by which the District Forum had allowed the complaint of the petitioner by

giving the following directions:- As a result of the above discussion, it is held that the opposite parties were not justified in repudiating the claim,

which amounts to deficiency in service. Consequently, the complaint of the complainant is accepted and the opposite parties are directed to pay

Rs.2,40,000/- (the insured amount) to the complainant with interest @ 9% per annum from the date of filing of complaint i.e. 6.7.2009 till

realization. Litigation expenses are assessed at Rs.1,000/- to be paid by the opposite parties to the complainant. Compliance of the order be made

within one month from the date of receipt of copy of the order. Copy of the order be sent to the parties free of cost. File be consigned to the

record room.

2. BRIEFLY stated, the facts of this case are that Mr. Ravinder Kumar husband of the complainant, Mrs. Neeelam Gupta was insured under the

Reliance Money Guarantee Plan for a sum of Rs.2,40,000/- by the OP company. The date of the commencement of the policy is stated to be

11.08.2008 and the insured died in Civil Hospital at Hoshiarpur on 21.08.2008 due to cardiac arrest, respiratory failure. The complainant

/petitioner herein is the nominee of the insured. It is the case of the complainant that she handed over all the relevant papers regarding the death

claim of her husband to the agent of the respondent company on 10.11.2008 completing all the formalities but the claim was not settled. A legal

notice, therefore, came to be served by the complainant on the respondents on 13.01.2009 but despite that notice, the claim was not settled by the

appellants and hence a consumer complaint was lodged with the District Forum. On appraisal of the issues involved and the evidence adduced, the

District Forum allowed the complaint. But when the same order was challenged by the OPs before the State Commission, the order of the District

Forum was set aside and appeal was allowed thereby dismissing the complaint by the impugned order.

We have heard learned counsel for the petitioner and also perused the record. It is to be noted that in this case the policy in question on the life of

the deceased husband of the complainant came to be issued at a time when he was already in the hospital. It is not in dispute that the insured was a

known case of Alcoholic Liver Disease (ALD) with Portal Hypertension (HTN) with Esophageal Varices with Cardiac diseases and was

hospitalized on 07.08.2008 and continued to be in hospital till his death on 21.08.2008. It is further noted that the insured had been admitted in the

hospital for liver cirrhosis in the Medical College & Hospital at Ludhiana just three days before filing the proposal form but the facts regarding his

health condition were not disclosed in the proposal form. In these circumstances, the claim of the complainant was rightly repudiated on the ground

that material facts were not disclosed and hence there was breach of the principle of utmost good faith on the part of the parties to an insurance

contract. Learned counsel for the petitioner has however contended that there was no bar against an ailing person taking a policy on his life and

also that the liver disease was not the direct cause of his death. We, however, do not find any force in this contention of the counsel since there is

serious breach on the part of the policyholder in respect of disclosure of material information pertaining to his health condition and the existing

ailments. In view of this, no fault could be found with the impugned order dismissing the complaint. However, learned counsel has brought it to our

notice that since admittedly it was a special policy, namely, Reliance Money Guarantee Plan in which an amount of Rs.48,000/- was to be paid on

yearly basis and the duration of the policy was only five years, it was both for life cover as well as investment by way of return of money. There is

no dispute about this aspect as can be seen from the complaint and the written statement on behalf of the OPs before the District Forum. It is

further submitted by the counsel that in their written statement, the OPs had submitted that they had dispatched a cheque of fund balance

amounting to Rs.25,896.58 paise vide cheque bearing no.141302 dated 26.02.2009 drawn on ICICI Bank in favour of the complainant which,

according to the respondent company, was refused to be accepted by the complainant/petitioner. In view of this admitted position on the part of

the respondent Insurance Company before the fora below, we do not consider it necessary to issue fresh notice in this regard at this stage and

hence dispose of the present revision petition at the threshold in terms of the following directions:- The revision petition of the

complainant/petitioner is hereby dismissed but the respondent Insurance Co. is directed to deliver the fund balance amount of Rs.25,896.58 paisa

to the petitioner/complainant, if not delivered already , within a period of six weeks from the date of receipt of this order by the respondent

company.

In the facts and circumstances of this case, there shall be no order as to costs.