(2016) 09 NCDRC CK 0017

In the National Consumer Disputes Redressal Commission

Case No : 1232 of 2016

ANDHRA BANK REPRESENTED BY ITS MANAGER, TIRUMALA BRANCH — APPELLANT

Vs

CHERUKUNURU GEETHANJALI & ORS. — RESPONDENT

Date of Decision : 05-09-2016

Acts Referred:

Citation : 2016 3 CPR 752 : 2016 4 CPR 345

Hon'ble Judges : V.K. Jain

Advocate : Balraj Dewan, G.L.N. Murthy

Judgement

IA/6956/2016 (Directions)

1. As agreed by the respondent No.1, she is appointed as guardian for minor respondent Nos.2 & 3 who are her children. Conveyance charges have been received by the respondents. The application stands disposed of. RP/1232/2016

Issue notice to the respondents. Mr. G.L.N. Murthy, Advocate accepts notice on behalf of respondents.

Heard the learned counsel for the parties.

2. The complainants/respondents are the legal heirs of one Gnana Shankar who had opened a Savings Bank Account with the petitioner Bank and who died on 19.10.2013. Late Shri Gnana Shankar opened the aforesaid account with the petitioner Bank on 18.1.2011 depositing a sum of Rs.100/- in the said account. Under an agreement with the United India Insurance Co. Ltd., the petitioner Bank had obtained an insurance policy for insuring the life of the account holders. The insurance premium was to be debited to the account opened with the Bank. This is the case of the complainants in the complaint itself, that the insurance premium was to be collected at the time of opening the bank account and on 31 st October every year. This is also the case of the complainants/ respondents in para 3 of the complaint that the insurance year was 1 st November to 31 st October, every year.

3. A perusal of the passbook of the account opened by the deceased would show that when this account was opened on 18.1.2011, insurance premium for the first year was deducted, by debiting the same to the account opened by the deceased. Thus insurance premium upto 31.10.2011 stood paid. The insurance premium for the period from 1.11.2011 to 31.10.2012 ought to have been paid by 31.10.2011. However, the balance in the account of the deceased was only Rs.1/- from 1.10.2011 to 2.2.2013. As a result, the bank could not debit the insurance premium to his account on or before 31.10.2011. Consequently, the benefit of insurance did not become available to him for the period from 1.11.2011 to 31.10.2012.

4. The insurance premium for the period from 1.11.2012 to 31.10.2013 ought to have been paid by 31.10.2012. Since the balance in the account was only Rs.1/-, the bank could not debit the insurance premium for the period from 1.11.2012 to 31.10.2013 to the said account. Therefore, the life of the insured did not get insured for the period from 1.11.2012 to 31.10.2013. He having died on 19.10.2013, no insurance cover on that day was available on his life. Though a sum of Rs.10,000/- was deposited by the deceased in his account on 2.12.2013, the bank could not have debited the insurance premium for the year 2012-2013, i.e., 1.11.2012 to 31.10.2013, on or after that amount since it ought to have been paid by 31.10.2012. Therefore, there was no deficiency on the part of the bank in rendering services to him.

5. The petitioner bank eventually debited the premium in October 2013. The aforesaid premium, however, would have been applicable in the insurance year 2013-2014, i.e., 1.11.2013 to 31.10.2014. The deceased, however, expired before the start of the insurance year 2013-2014.

6. It is thus evident that there was no insurance cover on the life of the deceased when he died on 19.10.2013. Since sufficient balance was not available in his account when insurance premium for the year 2012-2013 became payable, the bank was not deficient in rendering services to him. The impugned orders, therefore, cannot be sustained and are accordingly set aside. The revision petition stands allowed and the complaint is dismissed, with no order as to costs.