
(2014) 05 P&H CK 0124
In the Punjab And Haryana At Chandigarh
Case No : Civil Writ Petition No. 15951 of 2002

Harminder Kaur

APPELLANT

Vs

Life Insurance Corporation of India

RESPONDENT

Date of Decision : 07-05-2014

Acts Referred:

Citation : (2015) ACJ 2049 : (2014) 175 PLR 818 : (2014) 4 RCR(Civil) 153

Hon'ble Judges : Ritu Bahri, J

Bench : Single Bench

Advocate : Prateek Mahajan for B.R. Mahajan, Advocate for the Respondent

Final Decision : Dismissed

Judgement

Ritu Bahri, J.—The petitioner is seeking direction to the respondents to make payment of Rs. 2,00,000/- along with other benefits, on account of the accidental death of husband of the petitioner, who was insured with the respondent-corporation for a sum of Rs. 1,00,000/- under 25 years "Jeevan Surbhi Policy". Husband of the petitioner took life insurance policy bearing No. 161693579 on 15.02.1999 (Annexure P-2). The first premium was payable after six months i.e. on 15.08.1999, which was not paid by him. Thereafter, the husband of the petitioner died on 18.11.1999, as per death certificate (Annexure P-1). His wife i.e. the petitioner paid the premium on 08.02.2000 as per receipt (Annexure P-4). Thereafter, she sent a notice dated 08.07.2000 (Annexure P-6) along with relevant documents to the respondent insurance company for payment of insured sum of Rs. 1,00,000/- plus accidental benefits after the death of her husband. Vide reply (Annexure PC7), the petitioner was informed that at the time of death of her husband, the said policy was lying elapsed, therefore, nothing could be paid. Hence, this petition.

2. Upon notice, the respondents have resisted the claim made by the petitioner by filing their written statement. Reference has been made to Clauses 2 and 3 of the Insurance Policy (Annexure R-1), as per which, if the premium is not paid

within 30 days of the due date, the policy shall lapse. Clauses 2 and 3 of the insurance policy are reproduced as under:--

"2. Payment of Premium: A grace period of one month, but not less than 30 days will be allowed for payment of yearly, half yearly or quarterly premiums and 15 days for monthly premiums. If death occurs within this period and before the payment of the premium then due, the Policy will be valid and the sum assured paid after deduction of the said premium as also unpaid the premiums falling due before the next anniversary of policy.

If premium is not paid before the expiry of the days of grace, the policy lapses. If the Policy has not lapsed and the claim is admitted in case of death under a Policy where the mode of payment of premium is other than yearly, unpaid premiums, if any, falling due before the next Policy anniversary shall be deducted from the claim amount.

3. Revival of Discontinued Policies: If the Policy has lapsed, it may be revived during the life time of the Life Assured, but within a period of 5 years from the date of the first unpaid premium and before the date of maturity, on submission of proof of continued insurability to the satisfaction of the Corporation and the payment of all the arrears of premium together with interest at such rate as may be fixed by the Corporation from time to time compounding half yearly. The Corporation, reserves the right to accept or decline the revival of discontinued Policy. The revival of a discontinued policy shall take effect only after the same is approved by the Corporation and is specifically communicated to the Life Assured."

3. In the case of revival of discontinued policy, as per Clause 3, the policy can be revived within 5 years from the date of the first unpaid premium, if the person is alive. If the Corporation accepts revival of the discontinued policy and approves the same, the approval is to be specifically communicated to the life assured.

4. A similar case had come up before the Hon'ble Supreme Court in case Life Insurance Corporation of India Vs. Jaya Chandel, In that case, the Hon'ble Supreme Court was considering the claim of a widow, whereby her husband had taken a policy, but he did not make payment of annual premium in time. The policy became inoperative after a month. Thereafter, a cheque drawn on Jogindra Cooperative Bank Ltd. on account of premium was sent on 12.07.1995. The Hon'ble Supreme Court, while going through condition Nos. 2 and 3 of the policy, came to a conclusion that after the death of the person, who had taken the insurance policy, it cannot be revived even if, the cheque was received after the death of the assured. The revival takes place only if the same is approved by the Corporation and it is specifically communicated to the life insured. While making reference to condition No. 3, the Hon'ble Supreme Court observed that the revival of the discontinued policy can take place during the life time of the assured.

5. In the present case, the premium was deposited by the wife (petitioner) of

deceased, after his death on 08.02.2000. The assured had died on 18.11.1999 and till that time, the premium had not been paid and the policy had lapsed. Keeping in view the ratio of the judgment delivered by the Hon"ble Supreme Court in Jaya Chandel"s case (supra), this petition is dismissed. However, the respondent-corporation is directed to return a sum of Rs. 4322.10/- (i.e. the premium paid on 08.02.2000) to the petitioner along with interest at the rate of 10% per annum from the date of filing of this petition till the date of payment, within three months and compliance thereof be sent to this Court.