(2003) 07 NCDRC CK 0103

In the National Consumer Disputes Redressal Commission

INDERJIT KAUR APPELLANT

Vs

Life Insurance Corporation of India RESPONDENT

Date of Decision : 25-07-2003

Acts Referred:

Citation : 2003 3 CLT 640 : 2003 3 CPJ 506 : 2003 3 CPR 939

Hon'ble Judges : K.K.Srivastava , Devinderjit Dhatt , MajGenS.P.Kapoor J.

Final Decision : Appeal dismissed

Judgement

1. THIS appeal has been filed against order dated 29.5.2003 passed by the District Consumer Disputes Redressal Forum-II, U.T., Chandigarh (for short hereinafter referred to as the District Forum) in Complaint Case No. 937 of 2001.

2. THE complaint was partly allowed and a direction was issued to the Life Insurance Corporation of India to pay a sum of Rs. 20,000/- to the complainant as the first survival benefit of Sh. Avtar Singh, the insured. THE O.P. was further directed to pay a sum of Rs. 1,00,000/- which was assured under the L.I.C. Policy (Copy Annexure C-1) and all other benefits accruing on it presuming that Sh. Avtar Singh, the insured was not alive on 15.10.2001 when the consumer complaint was filed. Interest @ 7% per annum was allowed on the aforesaid amounts, Rs. 1,000/- was directed to be paid as costs of litigation. THE District Forum, however, allowed the L.I.C. of India/O.P. to deduct all the premiums falling due on the said policy from 28.2.1993 till 15.10.2001 but further directed that no interest or any other penalty on these premiums on account of delayed payment shall be charged as LIC of India had not advised the complainant in response to the query whether she should keep the policy alive. The grievance of the complainant is regarding this part of the order vide which the L.I.C. of India has been held entitled to adjust the outstanding premium of the policy from 28.2.1993 till 15.10.2001. Reference may be made to Para 23.2 of the Claims Manual of the LIC which has been extracted in extenso in the impugned order and which clearly provides that unless premiums are continued under the policy till such time as a decree from Court is obtained presuming the death of the Life

Assured, the policy would lapse. Accordingly, when any intimation is received of the Life Assured under policy having disappeared, the payment of premium should be advised to be continued while explaining the requirements under the Evidence Act for presumption of death of the missing Life Assured and for this purpose Form No. 3782A was to be referred and filled. This para further provides that the date of plaint or application should be taken as the date of death, unless the Court order specifically mentions an earlier date to be reckoned as the date of death in which case the date mentioned in the Court order should be taken as the date of death.

In the instant case, the insured disappeared and was not heard of for seven years when the nominee i.e. the complainant/appellant claimed benefits under the policy. Obviously, Para 23.2 of the Claims Manual of the LIC came into consideration and the District Forum followed Para 23.2 of the Claims Manual aforesaid and since the LIC of India failed to advise the appellant regarding her query about the payment of the outstanding dues and continue to pay the premium to keep the policy alive, the District Forum has rightly directed the LIC of India not to charge any interest or other penalty for delayed payment of the premiums. The District Forum has rightly passed the impugned order which does not suffer from any infirmity. Resultantly, the appeal lacks merit and is dismissed in limine. Copies of this order be sent to the parties free of charge. Appeal dismissed.

