(2016) 03 J&K CK 0010

In the Jammu And Kashmir High Court

Case No : CIMA No. 122 of 2015

Jammu and Kashmir Bank Ltd. — APPELLANT

Vs

Tania Jamwal — RESPONDENT

Date of Decision : 16-03-2016

Acts Referred:

Citation : (2016) AIR(J&K) 114 : (2016) 2 JKJ 778

Hon'ble Judges : N. Paul Vasanthakumar CJ and Tashi Rabstan, J.

Bench : Division Bench

Advocate : Mrs. Shahista Hakim, Advocate, for the Petitioner; C.S. Gupta and K.L. Bhat, Advocates, for the Respondents

Final Decision : Dismissed

Judgement

Tashi Rabstan, J.—This Appeal is directed against the judgment/award dated 28-1-2015 passed by the J.& K. State Consumer Disputes

Redressal Commission, Jammu in complaint No. 3490/2013, whereby the claimants have been held entitled to amount of Rs. 2.50 lacs being the

amount of insurance payable under ""Jeevan Saral Policy"" of the deceased along with Rs. 20,000/- as compensation for annoyance, inconvenience

and legal expenses suffered by them.

2. The facts-in-brief are that the father of claimants-respondents 1 to 3 and husband of claimant-respondent No. 4 was having ""Jeevan Saral

Policy"" and, as per the arrangement/authorization by the deceased policy holder, the amount of premium to the tune of Rs. 1021/- was to be

debited by the Insurance Company from the account of deceased policy holder, which was being maintained at J.&K. Bank Ltd., Shalamar Road,

Jammu, through the mode of Electronic Clearing Service, i.e., the amount of premium was to be transferred from the account of deceased policy

holder to the account of Insurance Company. This was an inter se arrangement between the Insurance Company and the Bank without involving

the policy holder, provided there were sufficient funds in the account of policy holder at the time of clearance. In the present case, the deceased

policy holder passed away during the intervening night of 25/26 March, 2012. The claimants claimed the amount of insurance policy. However, the

insurance company rejected their claim on the ground that the policy had already been lapsed due to non-payment of premium. Aggrieved by the

same, the claimants approached the J.&K. State Consumer Disputes Redressal Commission, Jammu. The learned Commission after going through

the pleadings of the parties and perusing the evidence adduced, allowed the complaint, holding the claimants entitled to the amount of policy to the

tune of Rs. 2.50 lacs along with Rs. 25,000/- as compensation. Hence, the present appeal on behalf of J.&K. Bank.

3. We have heard learned counsel for both the sides and also gone through the file as also the award passed by the learned Commission minutely.

And, we do not find any ground to interfere with the impugned award in view of the fact that the amount of premium was to be debited by the

Insurance Company from the account of deceased policy holder through Electronic Clearing Service, and that there were sufficient funds in the

account of deceased policy holder when the premium-in-question got due. More, so, if there was any procedural lapse/wrong, the same was

between the Insurance Company and the Bank for which the deceased policy holder cannot be held responsible. If for any reason the amount of

premium-in-question could not be debited in time, it was the sole duty of Insurance Company to apprise the deceased policy holder. The

Insurance Company, in the present case, did not bother to bring it to the notice of deceased policy holder, rather it allowed to lapse the policy

without there being any fault of policy holder. Also, the Bank while rejecting the requisition of Insurance Company regarding debiting the amount

from the account of deceased policy holder towards the payment of premium-in-question through ECS, only mentioned ""miscellaneous"" reasons in

the memo and did not specifically mention the reasons for such rejection, as a result of which the Insurance Company suffered with a confusion to the contrary that the deceased policy holder might not have sufficient funds in his account to satisfy the premium-in-question, and so it allowed to

lapse the policy without there being any fault on the part of deceased policy holder.

4. Therefore, in the given circumstances, we do not find any merit in the appeal. Accordingly, the appeal is dismissed along with connected

miscellaneous petition, if any. Amount of Rs. 34,375/- deposited before the learned Commission by the J.&K. Bank being Â¼th of its share, along

with interest, if any accrued thereon, released forthwith in favour of claimant Savita Devi after proper verification and identification. Appellant is

directed to deposit the remaining amount as per its share before the learned Commission positively within a period of four weeks from today. On

deposit, the same be released in favour of claimant Savita Devi after proper verification and identification.

5. Registry to send back the record of learned Commission forthwith.