(2011) 08 P&H CK 0287

In the Punjab And Haryana At Chandigarh

Case No : Civil Writ Petition No. 13921 of 2010

Jasbir Kaur APPELLANT

Vs

Oriental Insurance Company Ltd. and Others RESPONDENT

Date of Decision : 24-08-2011

Acts Referred:

Citation : (2012) ACJ 2148 : (2012) 1 ILR (P&H) 522 : (2011) 164 PLR 296

Hon'ble Judges : K. Kannan, J

Bench : Single Bench

Final Decision : Allowed

Judgement

K. Kannan, J.—The claim before the Permanent Lok Adalat by widow of insured, who was covered under Group Insurance Scheme, comes in challenge to the order dismissing the claim on the ground that the fact of death had not been informed immediately and that it had been done nearly one and half years after the event. The Permanent Lok Adalat accepted the contention in defence that the time limit for informing the death must be one month as provided under the conditions of the policy and if it was not so done, it will amount to breach of condition of policy and will absolve the insurance company of its liability.

2. In my view, it is clear misreading of the policy to contend that the time limit prescribed, constituted a legal bar for enforcement. It is only a method of preserving that fake claims are not made and that a claim form should be filed within a reasonable time. The breach that can constitute an occasion absolving the liability must be so fundamental to the terms that the insurance company could plead that the claim is not maintainable. It would be typically in a situation where there is a suppression of fact, which is essential to the terms of the policy of insurance itself. It is best on the principle that all contracts of insurance being matters of utmost good faith, called as ubereima fiedi, the party committing a breach shall not be able to enforce the claim against the insurance company. A condition requiring the claimant to inform the contingency, in this case, the death of the person, ought not to be taken as breach of such a fundamental condition

to absolve the insurance company of its liability to make the payment. After all in this case, it is not denied that the petitioner''s husband had died and that he was also covered by the terms of the policy and that if a notice of information had been made within the time as set forth in the policy, the insurance company could not have stated that the petitioner would not entitle for the same.

3. The award is set aside and the writ petition is allowed admitting the petitioner''s claim for the amount assured in the policy to be paid. The same shall be paid with interest @7.5% from the date of petition till the date of payment.

