(2014) 05 NCDRC CK 0021

In the National Consumer Disputes Redressal Commission

Kamla Devi Sagu APPELLANT

Vs

Metlife India Insurance Co. Ltd. RESPONDENT

Date of Decision : 21-05-2014

Acts Referred:

Citation : 2014 3 CPJ 68

Hon'ble Judges : J.

Final Decision : Petition allowed

Judgement

1. THE present Revision Petition has been filed under Section 21(b) of the Consumer Protection Act, 1986 against the impugned order dated 29.3.2013 passed by the State Consumer Disputes Redressal Commission (in short, ''State Commission'') in First Appeal No. 117/2013, wherein the State Commission, allowed the appeal and set aside the impugned order of the District Consumer Disputes Redressal Forum, (in short, ''District Forum''). The brief facts are, that the Petitioner/Complainant Kamala Devi and her husband Mahinder Singh have obtained a Life Insurance Policy, No. 20252649 of Metlife India Insurance Co. Ltd. (OP -1), through its authorized representative Networth Wealth Solutions Ltd., i.e. OPs -2 and 3. The OP -2 is head office at Mumbai, and the OP -3 is the branch office at Hissar. The first premium receipt No. 416650840 for Rs. 89,000 was issued by OP -3. Thereafter, the payment of second premium of Rs. 89,000 was made by complainant, to one Sarita, who was the agent of the OP -3. She issued the receipt for the same, but did not deposit the said premium amount of Rs. 89,000 with the OPs, hence the policy lapsed after the grace period of 30 days. The complainant filed a complaint for deficiency in service on the part of the OPs and sought the direction to keep the policy in force and to refrain from closing the same.

2. THE District Forum allowed the complaint. Against it, the OP -2 filed a first appeal. The State Commission condoned the delay of 118 days in filing the appeal and accepted the first appeal by setting aside the order of District Forum. Against this impugned order of the State Commission, the complainant filed this

revision.

3. WE have heard the Counsel for the both the parties, perused the relevant documents like premium receipt, the terms and conditions of the policy and the letters of correspondence. The Counsel for the complainant brought our attention towards the letter which was issued with the signature of Sarita. It bears the name Networth Wealth Solutions Ltd., and Seal of OP -3 also. It clearly shows that, Rs. 89,000 has been received by Sarita towards renewal premium of policy No. 20252649 in the name of Mahender Singh. The Counsel for the complainant did not press for refund, but prayed for renewal/revival of the said policy.

4. THE rival arguments by the Counsel for OP is that the OP -1 has not received any amount. Also, argued that, as per Clause 3.1, all the amounts towards the premium payment were to be made at Corporate Office, Registered Office, Regional Office or any other office. Therefore, the Complainant has violated the terms and conditions of the Insurance Policy by giving the premium amount in cash, to one Sarita, agent of the OPs and therefore, is not entitled for any claim. He relied upon several decisions of Hon''ble Supreme Court in case cited as United India Insurance Company Ltd. v. M/s. Harchand Rai Chandan Lal, : IV (2004) CPJ 15 (SC) : V (2004) SLT 876, held as under: ".... Held, the terms of the policy shall govern the contract between the parties and they have to abide by the definition given therein, and all those expressions appearing in the policy have to be construed as it is and something cannot be assessed, subtracted or substituted...."

Similar view has been taken by the Hon''ble Apex Court in case cited as Suraj Mal Ram Niwas Oil Mills (P) Ltd. v. United India Insurance Company & Anr., : IV (2010) CPJ 38 (SC) : VII (2010) SLT 375 : IV (2010) ACC 653 (SC).

It is well settled principle of law that an agent has no authority to accept the premium on behalf of Life Insurance Company. For this, we also place reliance upon the decision of this Commission in Life Insurance Corp. of India v. Girdharilal P. Kesarwani & Anr., : I (2009) CPJ 228 (NC).

5. WE also place reliance upon the decision of Hon''ble Apex Court in Harshad J. Shah & Anr. v. LIC of India & Ors., : III (1997) CPJ 9 (SC) : AIR 1997 SC 2429, wherein the Hon''ble Supreme Court has held that an agent has no authority to accept the premium on behalf of LIC.

6. BUT , the facts and circumstances in this case are different from the facts of cases, discussed supra. It is very important to note that the investigation report submitted by OP -1, in which the OP -1 clearly admitted that the OPs -2 and 3 were their agents, but the Hisar branch of Networth was closed and the concerned person of Networth, who looks after this channel, is absconding. Hence, in such a situation, it was the duty of Metlife (OP -1) to inform the complainant and its other customers that the agent Networth is closed. The OP -1 should have passed the information through a public notice or emails to all of its customers to avoid such cheating by their agents. It is quite surprising that

after receiving first instalment on 31.1.2010, the OP -3 (authorized rep. of the OP -1) again collected the 2nd instalment of the said policy and also issued a receipt against Rs. 89,000 on 28.2.2011, but thereafter, trying to avoid its liability by expressing that the Networth is closed. It appears that the OPs are working in cahoots with each other and playing hide and seek game with the complainant. Therefore, we are of considered view that, the OP -1 is vicariously liable for the acts of their agents. Also, there was a delay of 118 days in filing the first appeal before the State Commission; the delay was condoned by the State Commission, which we do not agree. Our view dovetails neatly with the following authorities reported in the case of: 1. Anshul Aggarwal v. New Okhla Industrial Development Authority, : IV (2011) CPJ 63 (SC),

2. Office of the Chief Post Master General & Ors. v. Living Media India Ltd. & Anr., : I (2012) CLT 338 (SC) : II (2012) SLT 312 : [2012] 1 SCR 1045,

3. R.B. Ramalingam v. R.B. Bhavneshwari,, I (2009) CLT 188 (SC) :, I (2009) SLT 701,

4. Ramlal & Others v. Rewa Coalfields Ltd., : AIR 1962 SC 361

5. Bikram Dass v. Financial Commissioner & Ors., : AIR, 1977 SC 1221.

To sum up, we are of considered view that, on account of a huge delay in filing the first appeal before the State Commission and the arguments advanced on behalf of the OPs being bereft of merit, we accept this revision, set aside the order of State Commission and restore the order of District Forum.

The parties are directed to bear their own costs.

