(2008) 02 NCDRC CK 0003

In the National Consumer Disputes Redressal Commission

L I C OF INDIA — APPELLANT

Vs

RATAN KAUR — RESPONDENT

Date of Decision : 29-02-2008

Acts Referred:

Citation : 2008 0 CTJ 450 : 2008 2 CPJ 61

Hon'ble Judges : M.B.Shah , R.C.Jain J.

Advocate : M.P.Bendre , Manish Gvatkar

Judgement

1. THIS Revision Petition raises an important question in regard to the meaning and effect which is to be given to the Exclusion Clause "if the disability or death of the insured results from the Life Assured "committing any breach of Law" appearing in Condition No. 10. 2 (b) (iv) of the conditions of the insurance policy.

2. THE petitioner Life Insurance Corporation of India (in short ''insurance Company'') has filed this Revision Petition against the order dated 14th March, 2005 passed by the Consumer Disputes Redressal Commission Maharashtra State (in short the ''state Commission''), whereby the State Commission has dismissed the appeal filed by the Insurance Company against the order dated 10th January, 2005 passed by the District Consumer Forum Amravati (in short the ''district Forum''). The facts leading to the present revision petition are in a narrow compass. One Mr. Narendra Singh Sahni (deceased) husband of Smt. Ratan Kaur, present respondent in these proceedings had taken three double benefit insurance policies in the total sum of Rs. 1,50,000. Mr. Narendra Singh Sahni died on 5. 1. 2001, when he was driving a two wheeler scooter as the scooter had slipped and he had a fall and sustained fatal head injury. Admittedly, the policy was in force on that date. Respondents lodged the claim with the Insurance Company. The Insurance Company paid a sum of Rs. 1,50,000 to the respondent, but refused to extend the double accident benefit to her primarily on the grounds that the deceased had no driving licence at the time of the accident and the deceased was driving the vehicle in question in a rash and negligent manner. Dissatisfied with the stand of the Insurance Company, the respondent

filed Complaint No. 90/2001 before the District Forum. The Insurance Company resisted the complaint on the same grounds on which it had repudiated the claim earlier. However, the District Forum on a consideration of the facts, circumstances and the material brought before it, allowed the claim of the complainant-respondent with interest besides awarding Rs. 1,000 as costs. Aggrieved by the order, Insurance Company filed appeal before the State Commission but without success, State Commission upholding the order of District Forum in its totality. Hence this revision petition.

We have heard Mr. M. P. Bendre and Mr. Manish Gvatkar, learned Counsel for the parties, have considered their submissions and have gone through the material on record. Learned Counsel for petitioner-Insurance Company has strongly contended before us that the claim of the respondent for double benefit is not tenable because it falls under the Exclusion (iv) Clause of Condition No. 10. 2 relating to the Accident Benefit which reads as under: "10-2 Accident Benefit: If at any time when this Policy is in force for the full sum assured, the Life Assured before the expiry of the period for which the premium is payable or before the policy anniversary on which the age nearer birthday of the Life Assured is 70, whichever is earlier is involved in an accident resulting in either permanent disability as hereinafter defined or death and the same is proved to the satisfaction of the Corporation the Corporation agrees in the case of : (a) Disability to the Life Assured- (i) to pay in monthly instalments spread over 10 years an additional sum equal to the Sum Assured under this Policy. If the policy becomes a claim before the expiry of the said period of 10 years, the disability benefit instalments which have not fallen due will be paid along with the claim, (ii) to waive the payment of future premiums. The maximum aggregate limit of assurance under all policies on the same life to which benefits (i) and (ii) above apply shall not in any event exceed Rs. 5,00,000. If, there be more policies than one and if the total assurance exceed Rs. 5,00,000 the benefits shall apply to the first Rs. 5,00,000 assured in order of date of the policy issued. The waiver of premium shall extinguish all options under this policy and also benefits covered by Para (b) of this clause except as to such assurances, if any as exceeds the maximum aggregate limit of Rs. 5,00,000 and which have been kept in force by continued payment of premiums,

(b) Death of Life Assured -To pay an additional sum equal to the sum assured under this policy if the Life Assured shall sustain any bodily injury resulting solely and directly from the accident caused by outward, violent and visible means and such injury shall within 120 days of its occurrence solely, directly and independently of all other causes result in the death of the Life Assured. However, such additional sum payable in respect of this policy together with any such additional sums payable under other Policies on the life of the Life Assured shall not exceed Rs. 5,00,000. The Corporation shall not be liable to pay the additional sum referred in (a) or (b) above, if the disability or the death of the Life Assured shall, (i) be caused by intentional self injury, attempted suicide, insanity or immortality or whilst the Life Assured is under the influence of intoxicating liquor, drug or narcotic, or (ii) take place as a result of accident while the Life Assured is engaged in aviation or aeronautics in any capacity other than that of a fare-paying, part-paying, or non-paying, passengers in any aircraft which is authorized by the relevant regulations to carry such passengers and flying between established aerodromes. The Life Assured having at, that time on duties on board the aircraft or requiring descent, therefrom, or (iii) be caused by injuries resulting from riots, civil commotion, rebellion, war (whether war be declared or not), invasion, hunting, mountaineering, steeple chasing or racing of any kind, or (iv) result from the Life Assured committing any breach of law, (v) arise from employment of the Life Assured in the armed forces or military service of any country at, war (Whether war be declared or not), or from being engaged in police duty in any military, naval or police organization. " (Emphasis supplied)

3. LEARNED Counsel for the petitioner has more specifically relied upon Sub-clause (iv) which states that if the accidental death had occurred as a result of "the life assured committing any breach of law" he will not be entitled to any accident benefit According to the learned Counsel this Clause is attracted in the present case inasmuch as the deceased had committed breach of law - firstly driving the motor vehicle in question without holding a valid driving licence; and, secondly driving the said vehicle in a rash and negligent manner which constitutes a penal offence. On the other hand learned Counsel appearing for the respondent has contended that the above clause is quite vague inasmuch as it does not specify as to what is envisaged by the expression ''commits breach of law'' appearing in the above noted exclusion clause. We have given our anxious consideration to the respective submissions put forth on behalf of the parties. On doing so, we must at once state that expression ''committing any breach of law'' is not specific and is rather quite vague. If interpreted and given effect in its broadest sense, it can take in its ambit any slightest violation of any provisions contained in any Central or State Statute or Rules and Regulations framed therein. If this interpretation is accepted then the Insurance Company could invoke this clause to repudiate the claim made by all bona fide claimants in regard to the death of the insured other than when it occurs in the natural course because apart from that death would always be either on account of accident or any other unnatural reason. In that situation exclusion clause would always come handy to the Insurance Company to repudiate the genuine claims arising out of genuine accident. In our view the above clause is attracted only in cases where it is established that life assured has died pursuant to his own act of commission or omission which would have made him liable for a penal offence, had he survived. For instance committing suicide by the life insured is one such act which might be considered as committing the breach of law by the insured and sufficient to disentitle the beneficiary from claiming the accident benefits. We are, therefore, of the opinion that it is not each and every violation, howsoever slightest it may be, which can be labeled as ''committing breach of law'' within the meaning of the said Condition No. 10. 2 (b) (iv) of the terms and conditions of the policy.

4. IN any case if the terms of the policy are vague, it should be interpreted for

the benefit of the assured as it would serve the purpose and object of getting insurance coverage. The law on this subject is settled by the Apex Court in Skandia Insurance Co. Ltd. v. Kokilaben Chandravadan and Ors. , I (1987) ACC 413 (SC)= (1987) 2 SCC 654; Shashi Gupta v. LIC of India, II (1995) CPJ 15 (SC)= (1995) 1 SCC (Suppl.) 754; B. V. Nagaraju v. Oriental Insurance Co. Ltd. , II (1996) CPJ 28 (SC)=i (1997) ACC 123 (SC)= (1996) 4 SCC 648; LIC v. Raj Kumar Rajgarhia and Anr. , II (1999) SLT 362= (1999) 3 SCC 465. In any case where there is any ambiguity or term is capable of two interpretations, interest of justice would be served , if interpretation one beneficial to the policy holder is accepted : (Re: United India Insurance Co. Ltd. v. M/s. Pushpalaya Printers, I (2004) CPJ 22 (SC)=ii (2004) SLT 263= (2004) 3 SCC 694. Now coming to the facts and circumstances of the present case, both the Fora below have concurrently held that the Insurance Company failed to substantiate their plea that the deceased did not possess a valid driving licence and he was driving the scooter in question in a rash and negligent manner. From the side of the complainant ample material was brought on record in the shape of affidavits of Abdul Rahim Shekh Tanu and Sardar Satpal Singh Chhadha vouching about the deceased possessing a valid driving licence during the relevant period. No evidence was produced from the side of the Insurance Company to rebut this evidence. In the circumstances, the Fora below were justified in negating the plea of the Insurance Company in that behalf. So far as the plea that the deceased was driving the scooter in a rash and negligent manner also the Fora below have held that it was not so and we have no reasons to disagree with the same. Merely because a person met with an accident, is not by itself indicative of the fact that he must be driving the scooter in a rash and negligent manner. There may be umpteen reasons which may lead to a motor vehicular accident. For the above stated reasons, we are of the opinion that the plea put fourth by the Insurance Company in not granting the accident benefit and not releasing double the amount of the policy was for wholly unjustified and untenable reasons. The Insurance Company cannot escape its liability to pay the amount towards accident benefits under the three policies taken by the deceased.

5. ACCORDINGLY, we do not see any illegality, material irregularity or jurisdictional error in the impugned order passed by the State Commission. The order passed by the District Forum and the State Commission are hereby upheld and the revision petition filed by the Insurance Company is hereby dismissed as devoid of any merits, leaving the" parties to bear their own costs However, since the time for compliance of the order by the State Commission has already expired, we grant a further four weeks'' time to the Insurance Company to comply the orders passed by the District Forum. R. P. dismissed.

