(2004) 04 NCDRC CK 0089

In the National Consumer Disputes Redressal Commission

LIC OF INDIA APPELLANT

Vs

HABIBHUNNISA SAYEED RESPONDENT

Date of Decision : 28-04-2004

Acts Referred:

Citation : 2007 3 CPJ 166

Hon'ble Judges : M.S.Rane , R.N.Varhadi J.

Final Decision : Appeal dismissed

Judgement

1. TODAY we have separately disposed of Appeal being No. 654/2001 filed by Original O.P. No. 2.

2. THE appeal herein has been filed by Life Insurance Corporation of India who is O.P. in the complaint against the award of the District Forum dated 6.11.2000, whereby holding it deficient in the matter of settlement of the claim of the complainant and repudiating it on unjustifiable ground, the Forum has made the award ordering the LIC to pay the amount in the policy in question. For brevity''s is sake appellant is referred to as "LIC" and respondent No. 1 as ''Complainant'' and respondent No. 2 as ''Employer''. The complainant is the widow of deceased Mr. Jabbar Ismail who was employee of O.P. No. 2 and who was participant under the Group Insurance Scheme for a sum of Rs. 20,000 through his employer (O.P. No. 2) from LIC.

Herein after Mr. Jabbar insured is mentioned as ''Deceased Insured''.

3. THE Deceased Insured died on 20.1.1996 when the said Policy was in force and the widow the complainant herein lodged the claim. The LIC, however, repudiated the claim asserting that the policy in question was in lapsed condition. Hence the complaint.

4. IT is noticed that the modality of payment of premium was agreed as under : (i) The employer would deduct every month from the salary of the employee and then remit the same to the Insurance Company towards payment of Premium. (ii) IT is the case of the complainant that the salary of the diseased insured was

being deducted every month by the employer and that being so LIC cannot repudiate the claim.

Before the District Forum the Insurance Company appeared and justified its repudiation saying that since premium was not received by it, the policy went into lapse. Reference was also made to the correspondence LIC had with the employer and no response to the same. It is noticed that the employer did not respond to the notice issued by the District Forum and matter proceeded ex parte.

5. THE District Forum which heard the matter did not find the stand taken by the LIC has been tenable and relying upon the decision of the Supreme Court in the case of Delhi Electric Supply Undertaking v. Basanti Devi & Anr., reported in III (1999) CPJ 15 (SC)=VIII (1999) SLT 279, held that since the employers were Agent of the LIC and there was failure on the part of the employer, having deducted from the salary of deceased insured to remit the premium to the Insurance Company promptly. LIC was personally bound to make good the loss because of failure of its agent.

6. MR. Chavan, the learned Counsel for LIC stated that the ratio to the said judgment of the Supreme Court is not applicable in the fact situation. We have carefully gone through the impugned order of the appeal, as also related material, and also judgment of Hon''ble Supreme Court. We are of the view that the ratio of the judgment, as also principles laid down would squarely apply to the facts and circumstances as obtained in the matter herein in all force.

That being so, we do not find any merit in the appeal and consequently proceed to reject the same. ORDER 1. Appeal stands rejected. 2. No order as to costs. 3. Office to furnish copies of the order to the parties.

Appeal dismissed.

