(2006) 02 NCDRC CK 0076

In the National Consumer Disputes Redressal Commission

LIC OF INDIA — APPELLANT

Vs

KANTA RANI — RESPONDENT

Date of Decision : 13-02-2006

Acts Referred:

Citation : 2006 2 CLT 400 : 2006 2 CPC 170 : 2006 2 CPJ 284

Hon'ble Judges : K.S.Gupta , P.D.Shenoy J.

Final Decision : Revision Petition allowed

Judgement

1. THIS revision is directed against order dated 29.5.2003 of State Consumer Disputes Redressal Commission Haryana, Chandigarh allowing appeal against the order dated 26.8.1998 of a District Forum and directing the petitioner/opposite party Insurance Company to pay the insured amount with interest @ 9% p.a. to the respondent/complainant.

2. SANJEEV Kumar Pathria, husband of the respondent had taken a policy of Rs. 50,000 on 28.3.1991 from the petitioner. Policy lapsed on 28.3.1993 due to non-payment of premium and was got revived on 8.2.1994. Policy again lapsed due to non-payment on 28.3.1994 and was got revived on 4.1.1995 on the basis of personal statement regarding state of health as given by the life assured. Assured died on 31.8.1996. Claim made by the respondent was repudiated by the petitioner by the letter dated 5.2.1997 on ground of assured having concealed material facts regarding his state of health at the time of revivals. Complaint thereafter filed by the respondent, was contested by the petitioner on the ground similar to that taken in said repudiation letter. Short submission advanced by Mr. S.P. Mittal for petitioner was that at the time of second revival of policy on 4.1.1995 the assured was on medical leave. The assured had bone marrow done in 1993 in PGI and was having recurrent fever and was anaemic since 1993 and this material fact was suppressed by the life assured at the time of two revivals of the policy. Relying on the decision in Ahmedunnisa Begum v. LIC, Hyderabad, AIR 1981 A.P. 50, further contention advanced by Mr. Mittal was that revival of a lapsed policy is a new contract. Our attention was invited to the

statement showing the period on which the assured was on medical leave (copy at pages 26-27) and certificate of treatment issued under the signature of Medical Officer, Government Hospital, Karnal (copy at pages 28-30). Said statement would show that the assured was also on medical leave for the period from 30.12.1994 to 6.1.1995. To be only noticed that second revival was done on 4.1.1995. Aforesaid certificate of treatment prepared on the basis of case summary would indicate that assured had undergone bone marrow at PGI in 1993 and was having recurrent fever and was anaemic since 1993 that his final diagnosis was Pertal hypertumia and bone marrow aplasia. Indisputably, at the time of any of the two revivals the facts as disclosed in aforesaid certificate were not disclosed by the assured. Ahmedunnisa Begum''s case (supra) supports the contention of Mr. Mittal that revival of a policy is a new contract. Petitioner had, thus, rightly repudiated the claim by the letter dated 5.2.1997. There being no deficiency in service on part of petitioner, the State Commission had acted erroneously in reversing the order of the District Forum. Impugned order, therefore, deserves to be set aside being not sustainable in law.

Accordingly, while allowing revision the order dated 29.5.2003 is set aside and complaint dismissed. No order to cost. Revision Petition allowed.