**(2005) 06 NCDRC CK 0015**

**In the National Consumer Disputes Redressal Commission**

LIC OF INDIA APPELLANT

Vs

Pratap Sekhar Naik RESPONDENT

**Date of Decision :** 03-06-2005

**Acts Referred:**

**Citation :** 2005 2 CPR 508 : 2005 4 CPJ 21

**Hon'ble Judges :** R.K.PATRA , SUBASH MAHTAB J.

## Judgement

1. BOTH the aforesaid appeals being analogous, we have heard them together. They are hereby disposed of by this common order. C.D. Appeal No. 891 of 1997 has been filed on behalf of the Life Insurance Corporation of India Limited challenging the order of the District Forum to pay to the complainant (respondent) Rs. 5,000/ - (first survival benefit due) with interest at the rate of 9 percent per annum from 28.3.1992 together with compensation of Rs.

2. ,000/ - AND costs of Rs. 500/ -. 2. The complainant has filed C.D. Appeal No. 903 of 1997 challenging the very order of the District Forum. The contention of the complainant in his appeal is that the compensation AND the rate of interest granted by the District Forum is too low. The case of the complainant is that, he insured his life with the Life Insurance Corporation of India under Money Back Policy which commenced from 28.3.1982. The policy number is 60494257. As per the terms AND conditions of the policy, 20 percent of the sum assured is payable to the policy holder during his survival within ten years from the date of commencement of the policy. Although, he was entitled to receive the first due of claim of Rs. 5,000/ - when the policy matured in March, 1992, he was not paid the same. He was however paid the second claim of Rs. 5,000/ - in March, 1997. As he is entitled to the first claim, the same having been not paid, he filed the complaint alleging deficiency in service. The Life Insurance Corporation in its written statement admitted non -payment of the first survival benefit. It, however, pleaded that it could not be paid because of omission. It agreed to pay the same with interest on the amount of Rs. 5,000/ - from the due date at the rate of 9 per cent interest per annum.

3. IN view of the admitted position of non -payment of the first survival benefit, the District Forum directed the appellant (in C.D. Appeal No. 891 of 1997) to release the same to the complainant with interest thereon at the rate of 9 percent per annum from 28.3.1992 till payment. It also granted a sum of Rs. 2,000/ - as compensation.

4. ADMITTEDLY , the first survival benefit of Rs. 5,000/ - was not paid to the complainant although he was entitled to receive the same. The Life Insurance Corporation admitted its mistake for non -payment of its and agreed to pay the same. In view of this, the District Forum has rightly directed the Life Insurance Corporation of India to make payment to the complainant the first survival benefit amounting to Rs. 5,000/ -. We do not find any merit in the appeal (C.D. Appeal No. 903 of 1997) filed by the complainant for enhancement of compensation and the rate of interest. The compensation of Rs. 2,000/ - as assessed by the District Forum appears to be reasonable. The rate of interest awarded by the District Forum on the principal amount is also rational.

5. IN view of what has been stated above, we do not find any merit in both the appeals. The appeal filed by the complainant is dismissed but without any costs. The appeal filed by the Life Insurance Corporation of India is dismissed with costs assessed at Rs. 5,000/ -. We have awarded costs against the Life Insurance Corporation of India because it should not have filed this appeal. In its written version, it admitted that there was omission on its part in not paying to the complainant the first due. Therefore, it agreed to pay the same to the respondent. It is needless to say that Life Insurance Corporation of India is dealing with public money. It should not have wasted its time, money and energy in filing this appeal which had no merit for the reasons stated herein. Life Insurance Corporation is not a private individual. It is responsible to the public because it deals with the public money. It should not file appeal for the sake of filing appeal. A copy of this order may be sent to the Head Office of Life Insurance Corporation of India for information and necessary action. Mr. Subash Mahtab, Member -I agree. Appeals dismissed -