**(2005) 06 NCDRC CK 0009**

**In the National Consumer Disputes Redressal Commission**

LIFE INSURANCE CORPORATION OF INDIA APPELLANT

Vs

Devidas Sirsode RESPONDENT

**Date of Decision :** 22-06-2005

**Acts Referred:**

**Citation :** 2005 4 CPJ 223 : 2006 1 CLT 115

**Hon'ble Judges :** N.K.JAIN , PRAMILA S.KUMAR J.

## Judgement

1. THIS appeal is by opposite party the Life Insurance Corporation of India which have been directed by the Forum below to pay to respondent -complainant accidental benefit Rs. 50,000/ - with interest and costs.

2. ADMITTEDLY , respondent -complainant was insured with the appellant LIC for a sum of Rs. 50,000/ -. The policy also carried accidental benefit. The respondent insured met with an accident on a railway track and his both legs were amputated from above knee joints. His claim for accidental benefit was, however, repudiated by the appellant LIC on the ground that the disability suffered by the respondent did not constitute permanent disability as contemplated under the policy inasmuch as he is still in the employment and earning his livelihood. The Forum below rejected the ground of repudiation as set up by the appellant insurer and passed the order for payment of amount of accidental benefit with interest and costs.

3. WE have heard Mr. Deepesh Joshi, learned Counsel for appellant and Mr. Sushil Goswami, learned Counsel for respondent. This appeal in our considered view must fail with some more directions to the appellant LIC.

4. THE core question requiring determination in the case is whether accidental injuries suffered by the respondent insurer constituted permanent disability as defined under Clause 10(a) of the policy. It thus reads: The disability above referred to must be disability which is the result of an accident and must be total and permanent and such that there is neither then nor at any time thereafter any work, occupation or profession on that the life assured can ever sufficiently

do or follow to earn or obtain any wages, compensation or profit. Accidental injuries which independently of all other causes and within 120 days from the happening of such accident, result in the irrecoverable loss of the entire sight of both eyes or in the amputation of both hands at or above the wrist, or in the amputation of both feet at or above ankles, or in the amputation of one hand at or above the wrist and one foot at or above the ankle shall also be deemed to constitute such disability. (Emphasis supplies) Mr. Deepesh Joshi, learned Counsel for appellant LIC strenuously contended that under the aforesaid definition, the disability should be such so as to render the insured incapable of doing any work, occupation or profession for the entire remaining part of his life. It is pointed out that in the instant case the respondent insured who was serving as driver in Akashwani though reduced in rank is still under the employment of the said employer and earning his livelihood. We are simply unable to agree with the contention which, we are afraid is wholly misconceived. The disability as defined under the aforesaid clause is in two parts, both independent to each other and required to be read disjunctively. The first part relates to a disability which should not only be total and permanent but should be such so as to render the insured incapable of doing any work, occupation or profession for whole of his life. The second part of the definition is illustrative in nature and provides that in case of accidental injuries resulting in irrecoverable loss of entire sight of both the eyes, or in amputation of both hands at or above wrists, or in amputation of both feet at or above ankles or in amputation of one hand at or above wrist and one foot at or above ankle shall also be deemed to constitute permanent disability. Words ''shall also be'' used in this latter part of the definition makes it abundantly clear that happening of any of these contingencies would also constitute disability as envisaged under the said clause. If we accept the contention of learned Counsel for appellant, the second part of the definition would become redundant. The disability suffered by the respondent was total and permanent as contemplated in the aforesaid clause and the appellant Insurance Company was wholly unjustified in repudiating the claim. It was rather unbecoming on the part of the appellant a Government of India -owned company, to apply such a narrow construction of the aforesaid definition just to invent a ground to repudiate the rightful claim of the respondent -insured.

5. HONBLE the Supreme Court in case of Asha Goel, AIR 2001 SC 549 exhorted the appellant LIC and cautioned it against mechanical rejection of claims of policy holders in following terms: ''In the course of time the Corporation has grown in size and at present it is one of the largest public sector financial undertakings. The public in general and crores of policy -holders in particular look forward to prompt and efficient service from the Corporation. Therefore, the authorities -in -charge of management of the affairs of the Corporation should bear in mind that its credibility and reputation depend on its prompt and efficient service. Therefore, the approach of the Corporation in the matter of repudiation of a policy admittedly issued by it should be one of extreme care and caution. It should not be dealt with in a mechanical and routine manner.''

 

6. IN the instant case as already pointed out the appellant LIC simply misread and mis -construed the said definition of disability and wrongly rejected the rightful claim of the respondent. The respondent is rightly held by the District Forum entitled to the accidental benefit under the policy. The Forum below has ordered for payment of entire accident benefit to the respondent -complainant. This was not correct. How the benefit is to be extended is again provided in Sub -clause (i) of Clause

7. (A) of the policy which thus reAds: ''(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.'' 10. In the instAnt cAse Also the sum equAl to the sum Assured wAs pAyAble to the respondent in monthly instAlments spreAd over 10 yeArs. The respondent wAs Also entitled for wAiver of pAyment of future premiums. To this extent, therefore, the order pAssed by the Forum below deserves to be modified.

8. WE accordingly dispose of the appeal with direction to the appellant LIC to pay to respondent -complainant a sum equivalent to the sum assured under the policy in monthly instalments spread over 10 years from the first day of the month next following the month in which the respondent suffered accidental injuries. The amount which has already become due shall be paid to him in lumpsum and the remaining amount be paid in monthly instalments as provided by the aforesaid clause. The policy shall also continue to remain in force without respondent being liable to pay any future premiums. For wrongful refusal of accidental benefit to the respondent for all these four years, we direct the appellant to pay Rs. 5,000/ - as compensation to the respondent. The appellant shall also bear the respondents costs of both the Fora and the same is quantified at Rs. 1,000/ -. The impugned order shall stand modified accordingly. Appeal disposed of.