(1999) 02 NCDRC CK 0043

In the National Consumer Disputes Redressal Commission

Life Insurance Corporation of India APPELLANT

Vs

KRISHNA DEVI RESPONDENT

Date of Decision : 10-02-1999

Acts Referred:

Citation : 1999 1 CLT 664 : 1999 2 CPC 78 : 1999 2 CPJ 423

Hon'ble Judges : A.L.Bahri , Jasbir Singh , Davinder Kaur Bhamrahs J.

Final Decision : Appeal dismissed

Judgement

1. THIS appeal is by Life Insurance Corporation challenging order of District Forum, Ludhiana dated August, 14,1997 passed on the complaint of Smt. Krishna Devi. The Corporation was directed to pay insured amount of Rs. 50,000/- with 12% per annum interest from the date of filing of the complaint till payment.

2. HARPHOOL Singh husband of Krishna Devi had obtained a life insurance policy from the Corporation in the sum of Rs. 50,000/-. On the night of April 22,1993, HARPHOOL Singh died that complainant being the nominee lodged the claim with the Corporation. The claim was repudiated vide letter dated January 19,1996 on the ground that the deceased was in the habit of taking liquor, which fact Was not disclosed at the-time of taking the insurance policy. Hence the complainant approached the District Forum with the complaint. The Corporation as stated above, took up the same plea that when the insurance cover was issued on December 14,1992 HARPHOOL Singh had not disclosed that he was chronic alcoholic addict taking as much as 1 to 1 bottles of liquor per day for the last 30 years. He was suffering from acute pancratitis and the repudiation was made on the material collected. Both the parties led their evidence on affidavits and documents, on the basis of which the impugned order was passed. The District Forum held that drinking of liquor as stated may be a habit but was not a disease that deceased HARPHOOL Singh was required to disclose this fact at the time of taking the policy. Learned Counsel for the Corporation had argued that in the questionnaire when specific question was put to the proposer that if he had been

taking liquor, he had to reply in the affirmative but HARPHOOL Singh replied in the negative and thus he concealed material fact at the time of obtaining policy and in fact he died on account of use of excessive liquor. There is no merit in this contention. It is well established principle of law that minor ailments are not required to be disclosed at the time of taking insurance policy. It would not vitiate the contract of insurance. One of such decision was referred to in the impugned judgment, i.e. L.I.C. v. Sanjeev M. Lal Shah, 1996 (1) CPR 189. Such a question is to be answered in the facts of each case taking into consideration the nature of ailment with which the proposer was suffering and the period during which he remained alive after taking the policy and finally whether it has any co-relation with the cause of death. Apart from the fact being mentioned by the doctor in the questionnaire given to the Company no other evidence was produced by the Insurance Company that factually HARPHOOL Singh was a liquor addict and that too for the last 30 years. Simply obtaining report of the doctor from Daya Nand Medical College and Hospital where HARPHOOL Singh ultimately died, making reference to the history recorded in such papers that HARPHOOL Singh used to take liquor 1 to 1. bottles for the 30 years is not considered enough material to record a finding either in fact HARPHOOL Singh was addict to such quantity and it was for the last 30 years or that his death was on that account. No post-mortem appears to have been done on the dead body of HARPHOOL Singh. As no such report has been produced which would have been a cogent evidence to prove the cause of death. Such a cause of death given on the history note recorded may not be enough. Furthermore, taking liquor daily per se cannot be held to be a disease or ailment that the proposer was required to disclose it at the time of taking the policy. One such like matter came up before this Commission wherein the proposer had stated in the proposal form that he used to take 1 to 2 pegs of liquor daily and on his death the claim was repudiated. This Commission allowed the complaint and directed the Life Insurance Corporation to pay the insured amount. That was Life Insurance Corporation v. Usha Rani Bansal, 1998 (2) CON.LT 486. The cause of death in that case was pneumonia and jaundice. It was held that the Life Insurance Corporation had failed to lead direct evidence that the disease was suffering from pneumonia and jaundice at the time of taking the insurance policy. Inspite of the fact that the proposer had disclosed that he was taking liquor 1 or 2 pegs daily, the policy was issued and the Corporation could not wriggle out of the contract of insurance. The cause of death in the present case is stated to be shock and it was also mentioned that he was chronic addict of liquor. Shock can be on different account and not necessarily on account of taking excessive liquor. No medical evidence in this respect was produced by the Life Insurance Corporation. In the present case there was undue delay in repudiating the claim. Harphool Singh died on April 22, 1993 and immediately claim was lodged before the Corporation. The repudiation was made on January 19,1996 after a gap of more than three years. The delay in repudiation per se amounts to deficiency in rendering service. The District Forum in the facts of the present case was justified in allowing the compensation. Finding no merit in this appeal, the same is dismissed with no order as to costs. The order of the District Forum is affirmed. Appeal dismissed.

