(1997) 07 NCDRC CK 0065

In the National Consumer Disputes Redressal Commission

Life Insurance Corporation of India APPELLANT

Vs

NIRMALA DEVI RESPONDENT

Date of Decision : 22-07-1997

Acts Referred:

Citation : 1997 2 CPC 447 : 1998 3 CPJ 285

Hon'ble Judges : A.L.Bahri , R.L.Gupta J.

Final Decision : Appeal allowed

Judgement

1. NOTICE of the appeal was sent to the complainant- respondent. Since registered notice was not received back, he was proceeded ex parte vide order dated February 24, 1997. The case was adjourned to July 15,1997. An intimation of date of hearing was again ordered to be sent to the respondent by ordinary post, which was done. Nobody has appeared on behalf of the respondents.

2. LIFE Insurance Corporation, the appellant challenges order of District Forum, Patiala dated October 22,1996 whereby the complaint filed by Nirmala Devi was allowed with a direction to the Corporation to pay in lump sum of sum of Rs. 10,000/- inclusive of the amount of the premium paid and interest thereon. The amount was given to Nirmala Devi for herself and her minor children. Ashok Kumar husband of Nirmala Devi purchased life insurance policy from the Corporation on May 15,1992. His life was insured for 20 years for a sum of Rs. 25,000/-. On October 11,1993, he died, leaving behind Nirmala Devi and three minor daughters. The premium was payable quarterly, which was paid as due upto the date of death, amounting to Rs. 2,400/-. Claim was made before the Corporation on the basis of the policy aforesaid. The Corporation contested the complaint inter alia alleging that the claim was repudiated after holding enquiry that the insured had concealed state of his medical health at the time of purchase of the policy. Both the parties led evidence on affidavits and documents. The District Forum came to the conclusion that since the deceased had paid the premium from May, 1992 to August, 1993, the complainant was entitled to the amount of the premium and the interest thereon and there was

thus deficiency in rendering service.

Mr. B.J. Singh, learned Counsel for the Corporation has argued that this is a case where ultimately the claim was repudiated vide letter dated May 30, 1995 after holding enquiry that the insured had concealed his previous ailment of T.B. with Chromic Bronchitis and had taken medical leave on several occasions since August, 1990 upto April, 1992, the repudiation was valid and bona fide made and nothing was payable to the complainants under the policy. We find merit in this contention.

3. SINCE, death had taken place after a short interval of taking the policy, the Corporation rightly did not decide the matter and kept the case for investigation. To this effect, communication was addressed to the complainant vide letter Annexure C8. Annexures R6 to R12 are the applications supported by medical evidence for taking leave by Ashok Kumar, which would show that he had taken leave from August, 9 to August, 1990, from January, 19 to February 20,1992 from April 21 to April 13,1992. The medical certificates attached with such applications also indicate that he was suffering from Pul. T.B. with chromic Bronchitis. The Proposal Form gave negative answers to all the questions put. In April, 1992 with respect to his previous ailment a specific question of tuberculosis was answered in the negative. Ex. R-15 is the letter dated March 30,1995 vide which the Corporation repudiated the claim, giving the material on the basis of which the same was passed. The delay in every case in settlement of the claim by the Corporation cannot be held to be fatal, particularly in the present when unimpeachable evidence was produced. Regarding previous history of ailment of the insured and that he had been taking leave for months together, on that account repudiation was valid and bona fide made after collecting material and the complainants are not entitled to any relief in the complaint. The complainant cannot be refunded the amountof premium paid by Ashok Kumar in the facts of the present case when he had concealed the previous ill-health while submitting Proposal Form. The order of the District Forum granting refund of the premium is not supported by any law when there is no deficiency in rendering service on the part of the Corporation. For the reasons recorded above, this appeal is allowed with no order as to costs. Order of the District Forum is set aside. Appeal allowed.