(1992) 04 NCDRC CK 0042

In the National Consumer Disputes Redressal Commission

N.CHIRANJAVI APPELLANT

Vs

Branch Manager, L.I.C. RESPONDENT

Date of Decision : 09-04-1992

Acts Referred:

Citation : 1992 2 CPJ 572 : 1992 2 CPR 636

Hon'ble Judges : S.C.Mohapatra , J.Patnaik J.

Final Decision : Appeal disposed of

Judgement

1. DEFICIENCY in life insurance service in grievance of appellant.

2. COMPLAINANT filed a complaint u/Sec. 11 of the Consumer Protection Act (hereinafter referred to as ''the Act'') stating that her husband a lecturer during his life time insure his life and life of the appellant for a sum of Rs. 75,000/- as per policy dated. 28.3.1987 under Table 89-20. Quarterly premium of Rs. 1,101.60 paise was paid upto quarter ending June, 1988. On 10.8.1988 her deceased husband made an application to the Branch office of the Life Insurance Corporation at Palkol in the State of Andhra Pradesh where the policy was made to trausfer the policy to Rajmahendry branch in Andhra Pradesh State since he had been transferred to that place as lecturer. When transfer was not effected and complainant''s husband could not deposit the premium as and when due inspite of approaching Rajmahendry branch he took assistance of an Advocate who wrote letters on 14.9.1988, 30.11.1988 and 31.12.1988 for such transfer. Long thereafter, he received a letter dated 1.5.1989 from Palkol branch to remit the pending quarterly premium from September, 1988 to March, 1989 whereafter the documents would be transferred to Rajmahendry branch. By that time her husband had expired in an accident on 19.1.1989 while crossing the railway tracks at Rajmahendry. Death of her husband was intimated to Rajmahendry branch. This was however returned on 17.8.1989 stating that the policy does not relate to that branch. When the Palkol branch was intimated about the death, reply came on 9.11.1989 that the premia due not having been paid in time, claim stands rejected. To get her legitimate claim complainant approached the

District Forum alleging deficiency in service. On objection by respondents, District Forum held that it has no territorial jurisdiction to entertain the complaint. It also held that policy having lapsed, complainant has no claim.

District Forum is not correct that on account of lapse of policy, complainant had no claim. In case her husband had requested Palkol branch on 10.8.1988 that the documents should be transferred to Rajmahendry branch, there is no reason why there was delay in taking action since upto date premium till end of June, 1988 had been paid. This delay had the other consequences. Therefore, in case it would have been held that there was unreasonable delay, a clear finding could have been given that at that stage there was deficiency in service. It could have examined the effect of such deficiency in service. When a representation was made to the Head Office of the Life Insurance Corporation, this aspect of the matter ought to have been examined to assist the widow than resisting her claim. We have no doubt that on a representation being made by the appellant afresh, Head Office of the Life Insurance Corporation would reopen the matter to examine how the lady can be assisted.

3. AS regards territorial jurisdiction, complainant does not disclose any part of the cause of action arising in Orissa at any stage for less to speak of Koraput District. Section 11(2) of the Act reads as follows:- "11.(1) xx xx (2) A complaint shall be instituted in a District Forum within the local limits of whose jurisdiction:- (a) the opposite party or each of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides or carries on business, or personally works for gain; or. (b) any of the opposite parties, where there are more than one, at the time of the institution of the complaint, actually and voluntarily resides, or carries on business, or personally works for gain, provided that in such case either the permission of the District Forum is given or the opposite parties who do not reside, or carry on business, or personally work for gain, as the case may be, acquiesce in such institution; or (c) the cause of action, wholly or in part, arises"

There is no material that any of the two opposite parties reside in Koraput District or had their office within that district for carrying on business though Life Insurance Corporation of India may have an office as its branch. No part of the transaction is alleged to have been made by Koraput office. Accordingly, District Forum has no territorial jurisdiction. This principle has been settled by the National Commission in the decision reported in II (1991) CPJ 686 (NC) (Indian Airlines Corporation &. Ors. v. Consumer Education & Research Society, Ahmedabad & Anr.) the question for consideration was whether a State Commission can validly entertain a complaint against a corporation where no part of cause of action arose within territorial jurisdiction merely because a corporation has a branch office in that State. Dissenting from the view expressed by Gujarat State commission in the decision reported in II (1991) CPJ 148 (Consumer Education & Research Society & Others v. Canara Bank & Ors.) it was held that State Commission has no jurisdiction. Accordingly, District Forum was correct in its view that no part of cause of action having arose in Koraput district it would have no territorial jurisdiction merely because complainant was residing in that district and Life Insurance Corporation has a branch office in Koraput District. We are however of the view that corporation is a statutory authority exercising the power and discharging duties under the Life Insurance Corporation Act and accordingly, is an authority under Article 12 of the Constitution. Head Office ought to have considered the grievance of the complainant sympathetically since its branch office had also neglected to send the documents to Rajmahendry. We are satisfied that this is a fit case for ex-gratia payment atleast in respect of the premium amount paid with interest and bonus accrued to the complainant since the disability to pay the further premium was on account of non transfer of the policy and service of the deceased at Rajmahendry far off from the place where the policy was taken. On an application made by the complainant with a copy of this order, Head Office shall reconsider the case of the complainant even though it might have been rejected once. There is no res judicata for such reconsideration.

4. WITH the aforesaid observation, the appeal is disposed of. No costs. Appeal disposed of.

