(2010) 10 NCDRC CK 0004

In the National Consumer Disputes Redressal Commission

ORIENTAL INSURANCE CO LTD — APPELLANT

Vs

SATBIR SINGH — RESPONDENT

Date of Decision : 08-10-2010

Acts Referred:

Citation : 2010 4 CPJ 389

Hon'ble Judges : Ashok Bhan , Vineeta Rai J.

Final Decision : Revision Petition dismissed.

Judgement

1. ORIENTAL Insurance Co. Ltd., which was the Opposite Party before the District Forum has filed this Revision Petition against the Judgment and Order dated 26th September, 2006 passed by the Delhi State Consumer Disputes Redressal Commission whereunder the State Commission upheld the order passed by the District Forum.

2. RESPONDENT-Complainant after purchasing a truck rang up Parvinder Singh, Development Officer of the Petitioner- Insurance Company for getting the truck insured. Parvinder Singh deputed his representative Mr. Pran Khanna @. Rinku to deliver the cover note. The Respondent on receipt of the cover note paid premium amount of Rs. 25,186 to Khanna. The said truck met with accident on 14thNovember, 2003 in respect of which a report was lodged with the Police Station, Charkhi Dadri and a claim was filed with the Petitioner. Claim of the Respondent was repudiated on the ground that insurance cover note produced by the respondent was fake and was not issued by the authorized agent of the Petitioner.

3. AGGRIEVED by the repudiation of the claim, Respondent filed the complaint before the District Forum.

4. ON being served, Petitioner entered appearance and filed written statement. The stand taken by the Petitioner in the written statement was that there was no privity of contract between the Petitioner and the Respondent as the vehicle had not been insured by the Petitioner. That the Petitioner had never received the

amount of premium paid by the Respondent. It was stated that book containing cover notes was misplaced by the Development Officer and a complaint to this effect had been lodged with the Police Station. That the said cover note was not signed by the Development Officer.

5. DISTRICT Forum after taking into consideration the pleadings and the evidence led by the parties came to the conclusion that the Respondent had paid the premium to the authorized official of the Petitioner who did not deposit the same with the Petitioner. The complaint was allowed and the Petitioner-Insurance Company was directed to pay (i) the sum of Rs. 1,98,000 towards the claim filed by the Respondent, (ii) Rs. 10,000 as compensation for causing unnecessary harassment and mental torture to the Respondent and (iii) Rs. 2,000 as costs, to the Respondent.

6. AGGRIEVED by the order of the District Forum, Petitioner filed an appeal before the State Commission which has been dismissed by the impugned order.

7. MR. S.M. Tripathi, learned Counsel for the Petitioner contends that the copy of the blank cover note which was signed by the Development Officer had been misplaced for which a report had been lodged with the concerned Police Station. That the amount of premium had not been received by the Petitioner and, therefore, there was no privity of contract between the Petitioner and the Respondent.

8. WE do not find any substance in this submission. It is not disputed before us that the cover note given to the Respondent had been duly signed by the Development Officer. The Insurance Company appoints agent who are authorized to issue cover notes on receipt of the premium amount either in cash or by way of cheque. The risk of the insured is covered from the date of issuance of the cover note. Insurance Policies are dispatched by the Insurance Company subsequently. Except for lodging the complaint with the Police Station, Petitioner did not produce any evidence to show that the cover note issued to the complainant had in fact been lost. In view of the admission made that the cover note had been duly signed by the Development Officer, the story put forth by the Petitioner that the cover note issued to the Respondent was fake cannot be accepted. In normal course no Development Officer would sign the cover note without filling up the details therein. On receipt of the premium amount by the agent, the Insurance Company becomes liable for the acts of omission and commission of its agent.

9. WE do not find any infirmity in the findings recorded by the Fora below. The Revision Petition is dismissed with costs assessed at Rs. 2,000. Revision Petition dismissed.

