courtkutchehry.com

Company : CourtKutchehry
Website : www.courtkutchehry.com
Printed For :
Date : 02/09/2026

(1996) 05 NCDRC CK 0049

In the National Consumer Disputes Redressal Commission

TAHIRA BANU — APPELLANT

Vs

Branch Manager, L.I.C. — RESPONDENT

Date of Decision : 13-05-1996

Acts Referred:

Citation : 1996 3 CPJ 279 : 1996 3 CPR 8

Hon'ble Judges : D.R.Vithal Rao , Kumar Gowda J.

Final Decision : Appeal allowed with costs

Judgement

1. THIS appeal by the complainant is directed against the order dated 22.1.1994 passed by the District Forum, Raichur in Complaint No. RDFC /11 / 92, dismissing the complaint.

2. THE facts, briefly stated, are as follows : THE husband of the complainant had obtained a Life Insurance Policy for a sum of Rs. 25,000/- from the opp. party on 28.3.1989. THE complainant is the nominee under the said policy. THE husband of the complainant met with an accident near Kustagi on 28.7.1990 and was declared dead in the early hours of 29.7.1990, while he was carried to Usmania Medical College Hospital, Hyderabad. THE nominee of the complainant claimed the policy amount thereafter and the opp. party repudiated the claim on the ground that the policy had lapsed due to nonpayment of premium for the month of June, 1990. So the complainant thereafter filed the complaint seeking the amount under the policy. The opp. party filed its version and admitted that the husband of the complainant had obtained a policy for a sum of Rs. 25,000/- and he had made quarterly payment of premiums regularly. It is also admitted that the complainant was the nominee under the said policy.

The opp. party further averred that the premium was to be paid on 28.6.1990 and within the grace period of 30 days the quarterly premium was to be paid on or before 28.7.1990 and as the husband of the complainant had not paid the said premium so on the date of the death of the husband of the complainant i.e., on 29.7.1990, the policy stood lapsed and so the complainant was not entitled for any claim.

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/tahira-banu-appellant-hash-branch-...

3. DURING enquiry the complainant examined herself as PW 1 and got Exs. P.1 to P.6 marked in evidence. The opp. party did not adduce any evidence in rebuttal. The District Forum on consideration of this material held that the husband of the complainant had not made the payment of the quarterly premium even on 28.7.1990 and on the date of the death on 29.7.1990 the insurance policy stood lapsed, and in that view, dismissed the complaint. We have called for the records and received. We have also heard the learned Counsel for the respondents and perused the material on record.

4. THE husband of the complainant had regularly made payment of the quarterly premiums and the last quarterly premium paid by him was 28.3.1990. THE subsequent quarterly premium was to be paid by him on 28.6.1990. For payment of such a premium admittedly there is a grace period of 30 days provided and under the said grace period he was to make payment of the quarterly premium on or before 28.7.1990 and unfortunately the husband of the complainant met with an accident at about 1.00 p.m. on 28.7.1990 and was declared dead in the early hours on 29.7.1990 when he was carried to Usmania Medical College Hospital at Hyderabad. Admittedly the last date for payment of the quarterly premium was 28-6.1990. From that date admittedly 30 days grace period was provided to the Policy Holder for payment of the premium. From 28.6.1990, 30 days would be till the end of 28.7.1990. The 30th day would be 28.7.1990 and therefore if the 30 days grace period was provided to the policy holder for payment of the premium, for the husband of the complainant the last date for payment of such a premium was only on 29.7.1990 not on 28.7.1990 and unfortunately in the early hours of 29.7.1990 he was declared dead. Therefore, having regard to this fact, in our opinion, on the date of the death of the life assured the policy in question was not lapsed. The District Forum while considering this aspect of the matter observed thus : ".... No doubt the policy holder met with an accident at about 1.00 pm. on 28.7.1990 near Kushtagi and the complainant learnt of it only on 29.7.1990. The argument that the deceased would have paid the premium on 28.7.1990 the last day of the grace period had he not met with the accident appears to be though tempting does not appeal to the logic because the deceased was a resident of Manvi and it is difficult to imagine that he would have returned within the payment hours from Kushtagi only to pay the premium on 28.7.1990 particularly having regard to the time of the accident...."

This reasoning adopted by the District Forum is clearly erroneous. The travelling distance between Kushtagi and Manvi is only about 2V2 to 3 hours and the life Assured met with accident at about 12.30 or 1.00 p.m. and so he would have reached the place at Manvi and made payment before 4 or 4-30 p.m. on 28.7.1990.

5. IRRESPECTIVE of this fact, in our opinion, the last date for payment of this premium for the Life Assured was not 28.7.1990 but it was 29.7.1990 and unfortunately the life assured was found dead on 29.7.1990. So having regard to

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/tahira-banu-appellant-hash-branch-…

this fact we are of the opinion that the policy was not lapsed on the date of death of the husband of the complainant. The District Forum did not properly consider this material on record and came to a conclusion unwarranted from the material on record in holding the life policy stood lapsed on the date of death of the life assured. So the finding recorded by the District Forum is clearly erroneous and unsustainable.

6. IN the result, therefore, this appeal is allowed. The Finding recorded by the District Forum, Raichur in complaint No. RDFC/11/92 is set aside and the complaint of the complainant is allowed. The opp. party - Life INsurance Corporation of INdia is directed to pay to the complainant the sum assured with all the consequential benefits under the policy in question. The opp. party shall also pay a sum of Rs. 1,500/- to the complainant towards costs of this proceeding. The opp. party shall pay the sums so awarded to the complainant within a period of 60 days from the date of this order. Appeal allowed with costs.

Downloaded from CourtKutchehry — https://dev.courtkutchehry.com/judgments/tahira-banu-appellant-hash-branch-…