(1998) 07 NCDRC CK 0006

In the National Consumer Disputes Redressal Commission

United India Insurance Co. Ltd. APPELLANT

Vs

MAHESH MOHAN, PROP. M/S. INDIAN VIDEO RESPONDENT

Date of Decision : 29-07-1998

Acts Referred:

Citation : 1998 2 CLT 424 : 1998 2 CPC 525 : 1998 3 CPR 553 : 1999 1 CPJ 357

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

Final Decision : Appeal partly allowed

Judgement

1. THE interpretation of clause in the insurance policy covering risk of a video camera is involved in this appeal. District Forum, Ropar, vide order dated December 18, 1996 allowed the complaint filed by Mahesh Mohan, Proprietor of M/s. Indian Video and granted compensation of Rs. 25,650/- with 18% interest thereon and costs of Rs. 2,500/- against the United India Insurance Company with whom the aforesaid video camera was insured.

2. HENCE this appeal by the Insurance Company. Initially the insurance policy was taken for a year commencing from October 17,1992 by the complainant. Subsequently, it was renewed for a year from October 22, 1993 to October 21, 1994. The complainant is running a Photo Studio, for which he had purchased the video camera, which for the course of his business was taken out for taking photographs for commercial purposes. On the relevant date i.e. April 9,1994, an employee of the complainant taken the video camera to cover a commercial booking at Dera Wadbag Singh, Hoshiarpur. During a robbery, the aforesaid camera was lost. Report with the police was made and claim before the Insurance Company was made. The Insurance Company having repudiated the claim, District Forum was approached claiming the amount of Rs. 45,000/- for which the aforesaid camera was insured by the Insurance Company. As stated above the plea was taken by the Insurance Company that the repudiation of the claim was within the terms and conditions of the policy as the risk covered was with respect to the camera lying at the address given i.e. the address of the complainant as given in the insurance policy. After both the parties led their

evidence on affidavits and documents, impugned order was passed.

The clause in the insurance policy covering risk reads as under : "An electronic equipment insurance policy to the extent of Rs. 45,000/- only on one movie camera details per photo copy of invoice with the previous insurance cover No. 631549 lying at the above said address."

(Emphasis supplied) The District Forum while interpreting the aforesaid clause observed that since video camera was to be used outside the studio of the complainant in normal course; the loss, the risk was covered and while video camera was taken out for any purpose, the risk was not covered. We have given due consideration to this argument and we are of the view that the view of the District Forum in giving above interpretation is correct and justified in the facts of the present case. Since the complainant is doing the business of photography he needed video camera for filming outside the studio. It is for the common knowledge that while in the studio ordinary fixed cameras are used and video cameras are generally used outside the studio. The purpose of getting insurance policy for the video camera would be to cover the risk while it is being used outside the studio. A strict interpretation of the terms and conditions of the policy as referred to above in the present case cannot be adopted that the risk of the video camera covered only while it was lying at the studio/shop.

3. ASSUMING for the sake of arguments that in the circumstances of the present case two interpretations could be possible, it is well settled that one in favour of the consumer is to be accepted. Furthermore, when such interpretation would otherwise achieve the object of the policy, as already stated above, normally video cameras are to be used outside the studio for which the video camera was to be insured. It may be further observed that it is not shown by the Insurance Company that insuring the risk outside the studio the tariff for insurance is higher than what has been charged from the complainant. The position would have been different if this stand had been taken by the Insurance Company before the District Forum. We are conscious of the fact that where the goods lying in a godown are covered under the policy, by shifting the godown there is violation in the terms and conditions of the policy and the Insurance Company may not be liable but such ratio cannot be applied to the case in hand keeping in view the type of the goods insured. Learned Counsel for the appellant has also argued that the District Forum was not justified in granting interest @ 18% per annum on the amount awarded. In support thereof reliance has been placed on the decision of the Supreme Court in United India Insurance Co. v. M.K.J. Corporation, III (1996) CPJ 8 (SC), wherein it has been held that in the matter of grant of compensation by way of interest against the Nationalised Insurance Companies, it should not be more than 12% per annum. To that extent the order of the District Forum requires to be modified. For the reasons recorded above, this appeal is partly allowed. The order of the District Forum is modified to the extent of grant of interest, which should be 12% per annum. With respect to other matters, the order of the District Forum is affirmed. There will be no order

as to costs in this appeal. Appeal Partly allowed.