



WEB COPY



W.A.No.1049 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20.08.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,  
CHIEF JUSTICE

AND

THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

W.A.No.1049 of 2026  
and C.M.P.No.10601 of 2026

Life Insurance Corporation of India  
Rep by its Assistant Secretary (Legal and HPF)  
Life Insurance Corporation of India  
Southern Zone Office, 153, L.I.C. Buildings,  
Anna Salai, Chennai - 600002.

Appellant(s)

Vs

1. Sekar  
No.3/305, Kombai, Palayampudur P.O,  
Nallampallipalayam, Dharmapuri District.
2. The Insurance Ombudsman  
4th Floor, 453, Anna Salai, Teynampet  
Chennai - 600 018.

Respondent(s)

PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order 14.10.2025 passed by the learned Single Judge in W.P.No.32691 of 2022.



W.A.No.1049 of 2026

For Appellant(s): Mr.Chockalingam.SP

For Respondent(s): Mr.J.Manikandan for  
Mr.R.Marudhachalamurthy  
for R1

JUDGMENT

(Delivered by the Hon'ble Chief Justice)

This intra-court appeal under Clause 15 of the Letters Patent challenges the order dated 14.10.2025, passed by the learned Single Judge in W.P.No.33257 of 2022. By the said order, the learned Single Judge dismissed the writ petition filed by the appellant and affirmed the award dated 29.7.2022, passed by the second respondent/Insurance Ombudsman, Chennai, directing settlement of insurance claims in favour of the first respondent.

2.1. The relevant facts giving rise to this dispute run as follows: The wife of the first respondent, was employed in the Primary Agricultural Cooperative Credit Bank (PACB), Pennagaram, Dharmapuri. Through the appellant/Corporation's authorized agent, she availed two life insurance policies under the New Endowment Plan: (i) Policy No.316818174, with a sum assured of



W.A.No.1049 of 2026

Rs.2,00,000/-, which commenced on 9.9.2020; and (ii) Policy No.342452600, with a sum assured of Rs.1,50,000/-, which commenced on 28.2.2021.

2.2. On 12.5.2021, during the severe second wave of the COVID-19 pandemic, the wife of the first respondent developed acute respiratory complications and passed away at Annapoorna Medical College and Hospital, Salem. The first respondent, as the registered nominee and husband of the deceased, submitted claim forms to the appellant/Corporation seeking settlement of the assured sum under both policies.

2.3. The appellant/Corporation treated the claims as "*early claims*" because the insured died within eight months of obtaining the first policy and within two months of the second. Following an internal inquiry, the Corporation discovered that in February 2015, the deceased had been treated for Stage-I Breast Carcinoma at SKS Hospital, Salem, where she underwent breast conservation surgery.

2.4. Pointing out that this 2015 medical history was not



W.A.No.1049 of 2026

disclosed in the proposal forms, the appellant/Corporation repudiated both claims on the grounds of deliberate suppression of material facts, cancelled the contracts and refunded the premium amounts.

2.5. Aggrieved by the repudiation, the first respondent approached the Insurance Ombudsman under the Insurance Ombudsman Rules, 2017. The first respondent contended that the deceased was fully cured in 2015 and remained in good health for over five years until struck down by the COVID-19 virus. He further asserted that the appellant/Corporation's agent had merely obtained the signatures of the insured on pre-printed forms without explaining the detailed health questionnaires.

2.6. The second respondent/Ombudsman, after reviewing the records, found that the proximate cause of death was COVID-19 acute respiratory distress, rather than the cured cancer and directed the appellant/Corporation to honour both the policies.

2.7. The appellant/Corporation challenged this award before



W.A.No.1049 of 2026

this Court in W.P.No.33257 of 2022. The learned Single Judge found no merit in the challenge and dismissed the writ petition. Assailing the same, the appellant/Corporation has now filed this writ appeal.

3.1. Learned counsel for the appellant/Corporation submitted that the life insurance contracts depend on total transparency. The deceased answered "No" to specific medical questions in Column III(e)(7) of the proposal form regarding past cancer, tumors, or surgery. Since she was a literate woman working in a cooperative society, the plea that the agent merely took signatures should not be accepted.

3.2. It is further submitted that the non-disclosure was not a simple mistake and it was a calculated concealment of a major illness, which amounts to fraud and, therefore, the appellant/Corporation was well within its rights to repudiate the contract within three years.

3.3. He submitted that even if the direct cause of death was COVID-19 hypoxia, past cancer history remains a serious



W.A.No.1049 of 2026

comorbidity that elevates mortality risk and the suppression of the said fact directly affected the risk assessed by the insurer.

4. In response, learned counsel for the first respondent supported the findings rendered by the learned Single Judge and the second respondent/Ombudsman. He emphasized that the hospital records explicitly list the direct cause of death as "*Hypoxia, Acute Respiratory Distress Syndrome due to COVID-19*" and the insured lived an active, symptom-free life for more than five years after that treatment and, therefore, prayed for dismissal of the present appeal.

5. We have heard learned counsel on either side and perused the documents available on record.

6. Following the comprehensive amendment to Section 45 of the Insurance Act in 2015, the legislature created a clear balance between an insurer's right to assess risk and a policyholder's protection against arbitrary claim repudiations. To sustain a repudiation under the said provision, the insurer must establish two



W.A.No.1049 of 2026

essential elements: (i) The suppressed fact must have a direct bearing on the actual risk undertaken; and (ii) The insurer must prove that had it known the true fact, it would not have issued the policy at all.

7. In the case at hand, the appellant/Corporation fell short on both counts. Before the second respondent/Ombudsman and the learned Single Judge, the appellant/Corporation conceded that if the 2015 treatment had been disclosed, the standard procedure was to refer the paper to the Zonal or Central Underwriting Section and obtain an oncologist's opinion. The appellant/Corporation did not place any underwriting guidelines or empirical rules on record showing that an individual successfully treated for Stage-I cancer, who remained disease-free for more than five years, is uninsurable as a matter of policy.

8. The death summary issued by Annapoorna Medical College and Hospital records the direct cause of death as "*Hypoxia, Acute Respiratory Distress, COVID-19.*" The wife of the first respondent succumbed to severe acute respiratory distress caused by the



W.A.No.1049 of 2026

COVID-19 infection during May 2021, a period when the pandemic caused widespread, severe respiratory fatalities across the country irrespective of prior health records. The wife of the first respondent had been successfully treated for cancer years earlier in 2015. It was neither the active illness nor the proximate cause of her respiratory failure.

9. As the learned Single Judge rightly observed, an associative historical note on a hospital discharge card cannot be converted into the primary cause of death to avoid a contractual obligation.

10. The decisions relied upon by learned counsel for the appellant/Corporation in *Reliance Life Insurance Co. Ltd. v. Rekhaben Nareshbhai Rathod*<sup>1</sup> and *P.C.Chacko v. Chairman, Life Insurance Corporation of India*<sup>2</sup> are clearly distinguishable on facts. In the present case, the insured was completely cured of Stage-I Carcinoma and remained asymptomatic and disease-free for more than five years and the appellant/Corporation failed to prove any underwriting guideline rendering her uninsurable or demonstrate

---

<sup>1</sup> (2019) 6 SCC 175

<sup>2</sup> (2009) 1 SCC 321



W.A.No.1049 of 2026

any nexus between the remote 2015 treatment and her sudden demise caused solely by COVID-19 Acute Respiratory Distress Syndrome.

11. In such view of the matter, we find no reason to interfere with the impugned order passed by the learned Single Judge.

12. In the result, the writ appeal is dismissed and the order of the learned Single Judge is affirmed. The appellant/Corporation is directed to forthwith disburse the proceeds of both insurance policies to the first respondent in tune with the directions issued by the learned Single Judge.

There shall be no order as to costs. Consequently, connected interim application stands closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ) (G.ARUL MURUGAN,J)  
20.08.2026

Index : Yes/No  
Neutral Citation : Yes/No  
sasi



W.A.No.1049 of 2026

To:

WEB COPY

1. The Insurance Ombudsman  
4th Floor, 453, Anna Salai, Teynampet  
Chennai - 600 018.



WEB COPY



W.A.No.1049 of 2026

THE HON'BLE CHIEF JUSTICE  
AND  
G.ARUL MURUGAN,J.

(sasi)

W.A.No.1049 of 2026

20.08.2026