BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 30.11.2015
CORAM :

THE HONOURABLE MR.JUSTICE V.RAMASUBRAMANIAN
and
THE HONOURABLE MR.JUSTICE N.KIRUBAKARAN

Writ Appeal(MD) No.1287 of 2015 against WP.(MD).1727/2015
and
M.P(MD)No.1 of 2015

1.The Insurance Ombudsman,
Forum for Insurance Corporation,
Fathima Akthar Court,
Rep by its Deputy Secretary,
4th Floor, 453, Annasalai, Teynampet,
Chennai 600 018.

2.The Life Insurance Corporation of India,
represented by its Zonal Manager,
southern Zonal Office,
LIC of India, LIC Building, P.B.No.2450,
102, Annasalai, Chennai 600 002.

3.The Life Insurance Corporation of India,
Rep by its Senior Divisional Manager,
LIC of India, Jeevan Prakash,
Divisional Office, P.B.No.16,
Bridge Station Road, Sellur,
Madurai 600 002.

4.The Life Insurance Corporation of India,
Rep by its Senior Manager,
LIC of India,
Palani Road, Dindigul 624 001. ... Appellants

Vs.

M.Manimekalai ... Respondent

Writ Appeal is filed under Clause 15 of the Letters Patent against the order dated 31.07.2015 made in W.P.(MD)No.1727 of 2015.

Prayer in WP.(MD).No.1727 of 2015:This Writ petition is filed under Article 226 of the constitution of India praying to issue a writ of certiorarified Mandamus to call for the entire records relating to the impugned letter issued by the first respondent dated:25.09.2014, in Ref:CHN-L-0291415-0531 and quash the same and consequently direct the respondents 2 to 4 herein to disburse the claim made by the petitioner based on the Endowment AssurancePolice No.745871240 within the stipulated period that may be fixed by this court.

For Appellants : Mr.G.Prabhu Rajadurai

For Respondent : Mr.A.Saravanan

JUDGMENT

(Judgment of the Court was delivered by V.RAMASUBRAMANIAN,J)

This appeal is by the Life Insurance Corporation challenging an order of the learned Judge setting aside the repudiation of a claim made by the respondent.

2.Heard Mr.G.Prabhu Rajadurai, learned counsel for the Corporation. Mr.A.Saravanan, learned counsel takes notice for the respondent.

3.The respondent's husband took a life policy. The date of commencement of the policy appears to be 26.02.2010. Unfortunately, the life assured died on 01.08.2011 due to a road traffic accident in which he was involved on 25.07.2011.

4.The respondent made a claim on the policy. But it was repudiated by the appellants on the ground that the deceased was guilty of suppression of material particulars with regard to the condition of his health. As against the order of repudiation, the respondent filed an appeal. But the ombudsman also rejected the claim forcing the respondent to file a writ petition in W.P(MD)No.1727 of 2015. This writ petition was allowed by a learned Judge, forcing the appellants to come up with the above appeal.

5.Admittedly, the deceased did not die on account of any illness. He was involved in a road traffic accident, that happened on 25.07.2011 and he succumbed to the injuries on 01.08.2011.

6.The reason for repudiation is that the deceased was suffering from diabetic for six years prior to the proposal and that in the proposal form, he did not disclose the same as against column No.11-A. Since a contract of a life insurance is a contract of good faith, the appellants claimed that the deceased was guilty of wilful suppression of material particulars.

7.It is true that the contract of life insurance is a contract of based upon good faith. But the life expectancy of the deceased got reduced not on account of any illness but on account of the sudden road traffic accident. Therefore, we do not think that the learned Judge committed any error in allowing the claim.

8.The appellant corporation appears to be primarily aggrieved by the observation contained in the order of the learned Judge to the effect that the authorised medical officer of the Corporation examined the deceased before the proposal was accepted. According to the appellant corporation, the examination by the authorised medical officer of the Corporation would not absolve the proponent from disclosing true facts.

9.On the above contention, we have no difference of opinion. The examination by the authorised medical officer of the appellant Corporation will not certainly absolve a proponent from his primary responsibility to disclose all facts truly and faithfully in the application form. As we have pointed out, a contract of life insurance is a contract of uberrimae fidei. But in the case on hand, as we have pointed out earlier, what snatched the life of the deceased was a road traffic accident and the appellant Corporation has omitted to look into the same from that perspective.

10.Therefore, we see no reason to interfere with the order of the learned Judge in dismissing the writ petition. Accordingly, the writ appeal is dismissed. No costs. Consequently, M.P(MD)No1 of 2015 is closed.

Sd/-
Assistant Registrar(Writs)

/True copy/

Sub AssistantRegistrar

To

1.The Deputy Secretary,
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4.The Senior Manager,
LIC of India,
Palani Road, Dindigul 624 001.

+1cc to Mr.G.Prabhu Rajadurai, Advocate SR.NO.68459
+1cc to Mr.A.Saravanan, Advocate SR.No.68215

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