212 **IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH**

CWP-16576-2014
Date of Decision : 24.05.2017

Neelam ....Petitioner

versus

State Bank of India and others ....Respondents

CORAM : HON'BLE MR. JUSTICE M.M.S. BEDI

Present: Mr. Ravi Sodhi, Advocate
for the petitioner.

Mr. Rajneesh Malhotra, Advocate
for respondent No. 2.

Mr. R.K. Singla, AAG, Haryana.

M.M.S. BEDI, JUDGE (ORAL)

Husband of the petitioner, Surender Singh, died on 06.12.2012 on account of alleged sudden attack of illness. The deceased had taken a personal loan of Rs.1,75,000/- from respondent No. 1 Banker on 13.09.2012. Loan amount was insured with personal insurance by the deceased with respondent No. 2 under RiNN Raksha Insurance Policy of SBI Life Insurance Company Ltd. . The motive of the insurance was that in case of death of insured, his legal heirs were not liable to return the loan amount and respondents No. 1 and 2 will settle the loan amount with the claim.

On account of the deceased having died within a period of 45 days, the claim of the petitioner was declined under the Rinn Raksha Insurance Policy. Claim of the petitioner having been repudiated by the respondents, she approached the Permanent Lok Adalat (Public Utility

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Services), Sirsa by filing an application under Section 22-C of the Legal Services Authority Act, 1987 for settlement of the dispute. Vide order dated 28.01.2014 Annexure P-4, the Permanent Lok Adalat (Public Utility Services) Sirsa dismissed the petition upholding the order of repudiation of the claim of the petitioner passed by respondent No. 2.

The civil rights of the parties were required to be adjudicated upon on the basis of the rights accruing from the contractual obligation in context to the disputed circumstance whether the deceased was actually suffering from chronic disease dis-entitling him to seek benefit of the Insurance Policy. The rights of the parties were to be adjudicated upon on the complicated principles of law and fact. The said exercise could not have been taken in hand by the Permanent Lok Adalat (Public Utility Services) as per the provisions of Section 22 C (8) of the Legal Services Authority Act, 1987.

Despite the fact that the "insurance service" falls under Section 22-A (b) (iv) of the Legal Services Authority Act, complicated question of law and fact could have been adjudicated upon either by the Civil Court as per Section 9 CPC or before an appropriate forum like the District Consumer Disputes Redressal Forum under the Consumer Protection Act or the authorities which fall under the Insurance and Regulatory Authorities under the Statute applicable in the circumstances of the case.

In the interest of justice, the order dated 28.01.2014 is hereby set aside but as a consequence of setting aside of the order dated

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28.01.2014, the petitioner is held entitled to avail any of the above legal remedies to seek claim against the respondents. In case, the petitioner opts to avail the other remedies, the appropriate forum/Court shall entertain the claim and will decide the same on merits by giving fair opportunities to both the parties. The observations of the Permanent Lok Adalat (Public Utility Services) will be deemed to be only reconciliation proceedings and any adjudication on merits will not stand in the way of the petitioner and will not be considered prejudicial to her while adjudication of her claim by the other appropriate forum.

The period spent by the petitioner in seeking adjudication from an inappropriate forum would be dealt as per Section 14 of the Limitation Act.

This petition is disposed of with above observations.

(M.M.S. BEDI)
JUDGE

24.05.2017
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Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No

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