IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

CWP No. 20194 of 2017

Date of decision : 26.09.2017

Shri Ram Life Insurance Company

....Petitioner

V/s

The Chairman, Permanent Lok Adalat & ors.

....Respondents

BEFORE : HON'BLE MR. JUSTICE RAJAN GUPTA

Present: Mr. Rajeev Godara, Advocate for the petitioner.

RAJAN GUPTA J.

Ram Phal took a insurance policy on 12.05.2015 for a sum of ₹10,00,000/-. He appointed his wife as a nominee to claim the compensation in case of his death. Unfortunately, Ram Phal died on 18.06.2015. His widow, Santosh Devi thereafter approached the insurance company and completed all the formalities required by Branch office at Rohtak. The insurance company, however, issued repudiation letter no. 10720 dated 30.04.2016. Thereafter, Santosh Devi sent a legal notice but to no avail. She, thus approached the Permanent Lok Adalat for settlement of her claim. This claim was hotly contested by the petitioner-insurance company. It also raised a question how husband of respondent no. 2 had died within the six months of taking the insurance policy. The insurance company conducted an internal investigation and held that deceased Ram Phal had another insurance policy from a different company. As deceased was guilty of breach of terms and conditions of insurance policy, it rejected her claim. Matter was examined by Lok Adalat. Relying upon judgment reported as *LIC Insurance Corporation vs. Narinder Kaur Batra & ors*

(2005) ACC 420, it held that non-disclosure of other policies does not amount to suppression of material facts which would justify repudiation of a claim. It found other pleas raised by insurance company bereft of any substance. Holding that insurance policy was result of a contract between the parties, same was enforceable and territorial jurisdiction was not a strict principle which would stand in the way. It, thus, allowed the application. I find no infirmity with the order. It is inexplicable how the petitioner insurance company is bent upon repudiating the claim of a widow when there is no inherent defect with the policy and all formalities were completed prior to issuance of same. It appears that insurance company has forced the consumer to approach the court for settlement of her claim. It employed every method in its armory to reject the claim. In such a case, this court would not hesitate from imposing the appropriate costs. Accordingly, present petition is hereby dismissed with ₹30,000/- as costs. Same be remitted to respondent no. 2 within two months.

September 26, 2017 (RAJAN GUPTA)
Ajay JUDGE

Whether speaking/reasoned: Yes/No

Whether reportable: Yes/No