

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

CWP No.2588 of 2016 (O&M)

Date of decision : 24.04.2017

Abhinandan Jain

...Petitioner

Versus

Life Insurance Corporation of India and others

...Respondents

CORAM: HON'BLE MR. JUSTICE AMIT RAWAL.

Present: Mr. Munish Gupta, Advocate for the petitioner.

Mr. Puneet Sharma, Advocate for respondent No.3.

AMIT RAWAL, J. (Oral)

The petitioner has knocked the door of this Court seeking following relief:-

“For issuance of writ in the nature of mandamus directing the respondents to reinstate the agency of the petitioner.

For issuance of writ in the nature of mandamus directing the respondents to release renewal premiums into the account of the petitioner.”

Mr. Munish Gupta, learned counsel appearing on behalf of petitioner submits that the petitioner on 24.07.2009 was appointed as LIC agent by allotting the Agent Code No.02262-318 and licence No.5593570 under North Zone and in under Rohtak Division at Branch Office Narnaul and was confirmed by the competent authority on 24.01.2010 i.e. after

probation of six months as per Regulations. However, during the first agency year, the petitioner has bought the business of first premium income of ₹1,04,77,000/- with 112 new life policies and in the second agency year, the petitioner did business of first premium income amounting to ₹13,40,269/- with 18 life policies and in the third agency year, the petitioner got business of ₹4,35,240/- with 12 life insurance policies and in the fourth agency year, owing to the deterioration of the health of the grandfather, the petitioner could not own income and resultantly same has not procured the aforementioned policies and amount. The agency of the petitioner was terminated on 01.08.2013. As per Rule 13 of the Life Insurance Corporation of India (Agents) Regulation 1972,, the agency of the petitioner was terminated.

However, as per the Circular (Annexure P-2), the petitioner applied in the fifth agency year i.e. on 30.07.2014 for renewal of agency through his branch office who forwarded to the Senior Divisional Manager but no action was taken. Stand taken in the written statement is that there was no question of taking into consideration the aforementioned request owing to the non-achieving of the target as per the terms and conditions of the licence and the Rules as indicated above, i.e. non-fulfillment of the minimum amount of business.

He submits that though LIC has changed the Rules as earlier the condition was of 12 insurance policies and now it is 1,00,000 or twelve policies.

Mr. Puneet Sharma, learned counsel appearing on behalf of Life Insurance Corporation-respondent No.3 do not deny the applicability of

the Rules and the Circular (Annexure P-2) is with regard to the reinstatement of the agent guidelines. He submits that request of the petitioner was never received in the office of Senior Divisional Office. Since it is found to be in this Court, it shall be considered though there is no provision of affording opportunities. The termination of the agency was as per the terms and conditions of the Rules, much less, licence. The petitioner was aware of the aforementioned fact and thus urges this Court for dismissal of the present writ petition.

I have heard learned counsel for the parties and appraised the paper book.

In the letter dated 26.12.2014 (Annexure P-6), addressed by the Branch Manager, Branch-Narnaul to the Senior Divisional Manager, Life Corporation of India, Divisional Office, Rohtak, the factum of receipt of the application of the renewal of the agency is not denied. The contents of the letter reads thus:-

“Insurance Corporation of India

Ref.Bo/318/Sales

Date: 26.12.2014

To

The Sr. Divisional Manager,

Life Corporation of India,

Divisional Office-Rohtak

Respected Sir,

Re: 5th year reinstatement of Sh. Abhinandan Jain Ag. Code 2262318

In respect the above. We may submit that reinstatement papers of the above mentioned agency were received in branch within the last days of 5th reinstatement year i.e. 30th July 2014 and we had immediately forwarded

the papers to the competent authorities, Divisional Office, Rohtak through courier service. But somehow or others, papers could not be delivered at the Divisional Office and we forwarded another set of papers. But in the meantime 5th year of agency was elapsed and case was regretted by the competent authority. Now as per telephonic discussion with your goodself, we are again forwarding the papers.

You are requested, keeping in view of above circumstances of the case to consider the matter sympathetically and recommended the case for 5th year reinstatement.

Thanks

*Yours faithfully
Sd/- Branch Manager,
Branch-Narnaul”*

The circular (Annexure P-2) with regard to re-instatement reads thus:-

“A) Who can be reinstated:

Agents terminated for failure to bring in minimum business to be secured by and agent.

Agent terminated on account of expiry of licence.

Care should be taken that the agency of those agents terminated on account of a vigilance enquiry, disciplinary action, early claim etc. should not be considered for reinstatement.”

On reading of the aforementioned circular, Senior Divisional Officer has decided the application of the petitioner once it has been acknowledged the receipt of the branch office.

Since, there is no provision of affording the opportunities but in terms of the compliance and in order to render principle of natural justice

and to give the effective opportunity of hearing, I deem it appropriate that by considering the request of the petitioner for renewal of agency, Senior Divisional Office shall afford the opportunities to the petitioner for renewal of the agency.

Let this effort be made by the aforementioned officer/Branch Manager or any competent authority within a period of two months from the date of receipt of certified copy of the order.

Accordingly, present writ petition stands disposed of.

24.04.2017

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**(AMIT RAWAL)
JUDGE**

Whether speaking/reasoned:-

Yes/No

Whether reportable:-

Yes/No