IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.17876 of 2017

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Charanjeet Singh son of Lal Singh, R/o Flat no. 104-A Lotus Apartment, Muhalla Patliputra Colony, P.s.- Pataliputra, District- Patna

... ... Petitioner

Versus

1. The Life Insurance Corporation Of India, through its Zonal Manager, Jeewan Prakash Frazer Road, Patna
2. The Zonal Manager, Zonal Office, Life Insurance Corporation of India, Jeevan Prakash, Frazer Road, Patna
3. The Chief Branch Manager, Life Insurance Corporation of India, Jeevan Prakash Frazer Road, Patna

... ... Respondents

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Appearance :

For the Petitioner/s	:	Mr. Sanjay Kumar, Advocate
For the Respondent/s	:	Mr. Ajay Kumar, Advocate

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CORAM: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD

ORAL ORDER

4 26-08-2019 Heard learned counsel for the petitioner and learned counsel representing Life Insurance Corporation of India (hereinafter referred to as the 'Corporation').

The Policy Docket has been produced before this Court. A perusal of the same shows that except the proposal form and the Agent's confidential report, no other material was there to effect the policy in question. The address of the proposer is shown at '104 A Lotus Apartment, New Patliputra Colony, Patna'. On what basis the address was accepted by the Corporation is also not appearing from the records placed before this Court. The Agent of the Corporation certified that the Life Assured was in the business of Motor Parts and was known to him for last one year. On record, this Court does not find even any identity proof of the Life Assured. The manner in which without there being any identity proof and address proof of the Life Assured, proposal in question has been accepted by the office of the Corporation does not speak well about what is happening in a hurry to procure business. Now when claim has been raised showing that the Life Assured died on 22.02.2016 due to sudden Cardiac Arrest, and investigation has been conducted through one Manoj Kumar, Branch Manager, LIC Satellite Office, Raja Bazar, Patna he has in his concluding part recorded that:

> "During investigation, the Secretary of the Apartment Mr. Sharad Prasad son of Janardan Prasad Singh has told me, the Flat was disputed and sold with two persons and mortgaged with Bank. Charanjeet Singh (Nominee) of the Policy, only lived and fled away. He has taken heavy loan from Bank and sold the property (flat) with two other people since last year. And the Life Assured Harcharan Singh son of late Satnam Singh was not resident of the Flat.
>
> On the basis of the facts we can say that the claim may be fraud and improper. No beneficiary (Nominee) was available and no identify has been found".

It is evident that the inquiry officer has conducted the investigation at least two years after the death of the Life Assured and at this stage certain disputes with respect to the flat in question has been informed. Inquiry officer has raised a suspicion by saying "Claim may be fraud and improper". It is on this basis alone that a Committee of the Managers prepared a note and recorded a finding as under:

> "1. The DLA died on 22.02.2016 due to heart attack all of a sudden without having any treatment.
> 2. The DLA died at the age of 54 years and was cremated without any death certificate being issued by a medical practitioner.
> 3. The family members have not bothered to consult a doctor upon the sudden death of a healthy person.
> 4. The death occurred within 10 months 19 days and 7 days respectively from the date of taking out the policies.
> 5. Identity of the DLA couldn't be established as per IO report.
> 6. The concerned agent has also not confirmed the death.
> 7. As per claimant's statement the place of death is Lotus Apartment, Patna but nobody confirmed the incidence at Lotus Apartment. This puts claim under doubt."

Learned counsel for the petitioner has submitted before this Court that the repudiation of claim is based on a tentative nature of finding without there being any material to support the same. It is his submission that he has got materials to prove identity of the deceased Life Assured, his address proof at the relevant time and would satisfy this Court with the materials in his hand that the Life Assured was engaged in business of Motor Parts and had sufficient income as also that the nominee (petitioner) is his cousin brother.

Learned counsel for the Corporation has defended the repudiation action on the basis of the findings recorded in the minutes of the members of the Committee of the Managers.

In course of perusal, this Court has noticed that at one stage the Committee of the Managers had taken note of the opinion of the Investigating Officer one S. K. Singh, SBM, PBO-IV who had opined that the Policy was taken fraudulently and the case should be referred to intelligence department. The Committee itself records that the said I. O. could not gather any documentary evidence in the case.

On the last date, this Court had called upon the Corporation to file an affidavit stating as to what action has been taken by the Insurance Company against all those who are said to be involved in commission of the alleged fraud. Unfortunately the affidavit filed today not at all talks about any such action.

In the given facts and circumstances of the case, this Court is of the considered opinion that the petitioner must be given an opportunity to place all such materials on which he wants to rely upon, before the Zonal Manager, L.I.C. of India, East Central Zonal Office, Patna. Even otherwise the stand of the learned counsel for the Corporation is that the petitioner has a remedy by filing representation before the Zonal Manager of the Corporation against the repudiation action which he has not availed. If the petitioner prefers within 30 days from today a representation along with all materials on which he wants to rely upon to controvert the findings of the Investigating Officer or the Committee of the Managers, the same shall be placed before the Zonal Manager and it will be incumbent upon the Zonal Manager, East Central Zonal office to consider the entire materials, give an opportunity of hearing to the petitioner to explain the materials if so required and then pass a reasoned order thereon within a period of 60 days from the date of receipt of representation on behalf of the petitioner.

This Court has given a prima-facie observation with regard to what have been found from the Policy Docket, in case the Zonal Manager finds that the Policy was effected without taking care to get on record the identity proof and address proof of the Life Assured as also the proof of income, the laxity on the part of the office of the Corporation in effecting the Policy shall also be taken note of and then appropriate action will be taken in the matter.

The writ application stands disposed of.

Let the Policy Docket be returned to learned counsel for the Corporation.

(Rajeev Ranjan Prasad, J)

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