IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.7533 of 2019

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Sunita Devi W/O Late Manoj Kumar, Resident of Sanghat Per, Masaurhi, P.O.- P.S.- Masaurhi, District - Patna, Bihar.

... ... Petitioner

Versus

1. The Life Insurance Corporation of India Head Office, Jeevan Bima Marg, Nariman Point, Mumbai, Mahrastra - 400021.
2. The Zonal Manager, Life Insurance Corporation Of India, East Central Zone, Jeevan Deep Building, 5th floor Exibition Road Patna -1, Bihar.
3. The Divisional Manager Life Insurance Corporation of India, Divisional Office Jeevan Prakash Mazharul HaquuePath, Fraser Road, Patna, Bihar.
4. The Branch Manager, Life Insurance Corporation of India, Jahanabad, District - Jahanabad.

... ... Respondents

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Appearance :

For the Petitioner	:	Mr.Bankey Bihari Singh, Advocate Mr.Sanjay Kumar, Advocate Mr.Shailendra Prasad, Advocate Mr.Manoj Kumar, Advocate
For the Respondents	:	Mr.Sanjay Kumar, Advocate

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CORAM: HONOURABLE MR. JUSTICE RAJEEV RANJAN PRASAD

ORAL ORDER

3 17-09-2019 At the outset, learned counsel for the Life Insurance Corporation of India Ltd. (in short 'Insurance Company') submits that during pendency of the writ application the Zonal Manager, East Central Office of the Insurance Company decided to pay the claim of the petitioner which was earlier repudiated. It is submitted that a sum of Rs. 5,04,735.34/- and Rs. 5,08,613/- under two different policies have been released and the payments have been made to the petitioners through NEFT.

Learned counsel for the petitioner, at this stage, submits that from the voucher enclosed with the counter affidavit it would appear that while accepting the case of the petitioner against the repudiation action though the sum assured and bonus has been allowed but in terms of the provisions of the Protection of Policyholders' Interests Regulations, 2002 (as amended upto date) (hereinafter referred to as the 'Regulations of 2002) the Insurance Company has not paid interest 2% over and above the bank rate.

Prayer has been made that this Court may direct the respondents-Insurance Company to pay the interest amount in terms of the Regulations of 2002.

In the given facts and circumstances of the case, this Court finds that once the Insurance Company has accepted the claim of the petitioner, it was liable to pay interest for the delayed period during which the petitioner kept on waiting for payment of the claim amount.

This is the mandate of Insurance Regulatory and Development Authority which finds place in the Regulations of 2002. Even otherwise in view of the settled principles of law if the petitioner has been deprived of getting the help of the claim proceeds on time and had to wait for a considerable period of about four years, the Insurance Company would be liable to pay the interest thereon. Reference in this regard may be made to the latest judgment of Hon’ble Supreme Court passed in Civil Appeal No. 5998 of 2019 (**M/s. Balwant Singh and sons vs. National Insurance Company Ltd. and Anr.)** vide order dated 31.07.2019.

This Court, therefore, disposes off this writ application with a direction to the Insurance Company to make payment of interest for the delayed period @ 2% over and above the Bank rate in terms of the Regulations of 2002. The payments shall be made to the petitioner within a period of 30 days from the date of receipt/production of a copy of this order.

(Rajeev Ranjan Prasad, J)

vats/ved

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