IN THE HIGH COURT OF JUDICATURE AT MADRAS
DATED : 19.08.2019
CORAM
THE HON'BLE MR.JUSTICE P.D.AUDIKESAVALU
W.P. No. 1842 of 2018

Mrs. C. Banumathi ... Petitioner

-vs-

1. The Life Insurance of India,
Represented by its Chairman,
First Floor,
J.B. Nagar Shopping Centre,
Above Karnataka Bank,
Borivali, Mumbai,
India.

2. The Branch Manager,
Life Insurance Corporation of India,
Prithivi Building,
Railway Feeder Road,
Chidambaram.

3. The Manager (CRM),
Life Insurance of India,
Divisional Office,
P.B. No. 423,
Jeevan Prakash Arcot Road,
Vellore-632 004. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India praying to issue a Writ of Mandamus, directing the Respondents to pay the benefits under the policy No. 736552065, issued to the Petitioners' late husband Mr. Chandru, to the Petitioner along with interest @ 18% from 25.04.2017 till date of repayment.

For Petitioner : Mr. R. Srinivas

For Respondents : Mr. M.B. Raghavan
for Mr. M.B. Gopalan Associates

O R D E R

Heard Mr. R. Srinivas, Learned Counsel for the Petitioner and Mr. M.B. Raghavan, Learned Counsel appearing for the Respondents.

2. The husband of the Petitioner, viz., R. Chandru, had obtained Jeevan Akshay VI Policy No.736552065, by submitting a proposal to the Chidambaram Branch of Life Insurance Corporation of India, who is the Second Respondent, and the Petitioner was named as nominee for the same. After the death of the said R. Chandru on 19.04.2017, the Petitioner made claims to pay annuity to the Second Respondent. In reply to the legal notice dated 01.07.2019 sent by the Petitioner, the Respondents sought certain documents on 09.10.2017 but had not paid the benefits to the Petitioner. In that backdrop, this Writ Petition has been filed for directing the Respondents to pay the benefits under the Policy No. 736552065 to the Petitioner along with interest at the rate of 18% from 25.04.2017 till the date of repayment.

3. Learned Counsel appearing for the Respondents, relying on the Counter Affidavit filed by the Respondents contends that the eligible amounts in the form of annuity have already been paid to the husband of the Petitioner during his lifetime and there is nothing which remains to be paid to the Petitioner as nominee. In this regard, it would be useful to extract the relevant portions therefrom, which are as follows :-

> "4. ....The Jeevan Akshay is an Annuity based insurance which provides for various forms of annuity benefit, some of which include a refund of the Purchase Price as detailed in Co. No. 3 of Annexure 11 being the Proposal.
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> 5. The Petitioner's husband had specifically chosen a option (A) which contemplates Annuity payable during his life time. Based on such Proposal the Policy was issued for benefit of "Annuity payable during life" by the 2nd Respondent Branch.
>
> 6. Under the Policy the Petitioner's husband/ Policyholder is the "Annuitant to whom Annuity is payable quarterly. He did not opt for a option where there is a return of Purchase Price to him or to legal heirs. Based on the said Proposal the Policy was issued for the benefit of Annuity during the lifetime of the Policyholder only. The Policyholder did not opt for the option of payment of Annuity subject to return of Purchase Price and accordingly the Policy was not issued on that basis. The Petitioner has mis-quoted the Policy wording leaving out the expression "Purchase Price (if applicable)". In the present case the Purchase Price is not payable.
>
> 7. The Respondent was paying the Annuity during the lifetime of the Annuitant/ Policyholder during 2013-17. Upon his death, no further Annuity or Purchase

Price is payable. Hence the Petitioner is not entitled to seek refund of the Purchase Price, after the Annuitant had obtained the benefit of the Annuity payment during his lifetime. The fact that he survived only for 4 years after insurance is not a ground to re-write the contract and demand refund of the Purchase Price, which is not permitted by the contract of insurance based on the Proposal of the Policyholder. The Petitioner's husband out of his free will having chosen particular option of annuity under this plan of insurance, the Petitioner cannot ignore the same and demand benefits which are not contemplated by the Policy. In view of the above the Petition is not maintainable.

8. The various allegations in the affidavit contrary to what is stated above are all specifically denied. In particular it is absolutely false to state that the Policy was taken by Petitioner's husband so that he would receive Annuity during his life time and thereafter the purchase price will be paid to her by LIC. The said allegation is contrary to the intention of even the Policyholder as reflected in the Proposal.

9. The naming of the Petitioner as nominee was only to receive any last annuity benefit that was payable at the time of death, which had remained unpaid due to the sudden demise. The Petitioner cannot project the naming of her as Nominee, in a manner that is contrary to the Proposal and Policy.

10. The extract of the Policy in paragraph 6 of the affidavit is incorrect and intended to mislead this Hon'ble Court. The Petitioner has left out the crucial expression "Purchase Price (if payable)". Therefore, in all cases the Purchase Price is not refundable. It depends on the option of annuity that is chosen by the Policyholder in the Proposal based on which Policy is issued and mentions as benefit "Annuity payable for life".

Having due regard to the aforesaid submissions made establishing that all the eligible benefits have already been paid to the deceased during his lifetime in terms of the conditions of the insurance policy, nothing remains for further consideration in the matter.

4. Accordingly, the Writ Petition stands disposed. No costs.

Sd/-
Asst.Registrar (Insp Cell)

/true copy/

Sub Asst. Registrar

+1 cc to M/s.R.Srinivas Advocate sr70594
+1 cc to M/s.M.B.Gopalan Associates sr71567

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