IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

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C.M. NO.11203 C OF 2017 &
R.S.A. NO.4322 OF 2017
DATE OF DECISION: FEBRUARY 14, 2019

Sunita Sharma

.....Petitioner

VERSUS

Life Insurance Corporation of India, Mumbai and others

....Respondents

CORAM:- HON'BLE MR.JUSTICE AUGUSTINE GEORGE MASIH

Present: Mr. D. K. Gupta, Advocate,
for the applicant-appellant.

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AUGUSTINE GEORGE MASIH, J. (ORAL)

Prayer in C.M. No.11203 C of 2017 is for condonation of delay of 406 days in filing the appeal.

The reason for inordinate delay is that the applicant-appellant was suffering from an ailment of backbone and was out of station for her medical treatment because of which she could not contact her counsel before the Civil Court, resulting in delay in filing the appeal. However, no details with regard to the date on which the applicant-appellant suffered the said disease or ailment, nature of ailment and the period for which she had remained out of station has been mentioned. There is an inordinate unexplained delay on the part of the applicant-appellant in approaching this Court. Thus, no ground for condoning the delay in filing the appeal is made out.

Still, the case has also been perused on merits.

On 10.12.2018, counsel for the appellant has stated that the appellant would not challenge termination of her agency and restrict her claim to all the renewal commissions on the policies, which have been sold by her. In this regard, the counsel has placed reliance upon Regulation 19 of the Life Insurance Corporation of India (Agents) Regulations, 1972 (hereinafter referred to as "the 1972 Regulations"), which deals with payment of commission on discontinuance of agency. He contends that although the agency has been terminated but still the appellant would be entitled to commissions. Learned counsel for the appellant has placed reliance upon the judgment of this Court in Kuldip Singh Sandhu Vs. Life Insurance Corporation of India and another, 2012 (1) PLR 402 and Division Bench judgment of Delhi High Court in Life Insurance Corporation of India Vs. R.K.Mahajan and others, 2015 (71) R.C.R. (Civil) 909 to support the claim of the appellant.

Having heard the submissions made by counsel for the appellant and on going through the judgments passed by the Courts below, this Court does not find any ground to interfere in the appeal on merits as well.

Regulation 19(1) of the Regulations 1972 reads as under:-

"***19. Payment of commission on discontinuance of agency:-***

(1) In the event of termination of the appointment of an agent, ***except for fraud****, the commission on the premiums received in respect of the business secured by him shall be paid to him if such agent:*

(a) has continually worked for at least 5 years since his

appointment and policies assuring a total sum of not less than Rs.2 lakhs effected through him were in full force on a date one year before his ceasing to act as such agent; or

(b) has continually worked as an agent for at least 10 years since his appointment; or

(c) being an agent whose appointment has been terminated under clause (e) of sub-regulation (1) of regulation 16 has continually worked as an agent for at least two years from the date of his appointment and policies assuring a total sum of not less than Rs.1 lakh effected through him were in full force on the date immediately prior to such termination:

Provided that in respect of an absorbed agent the provisions of clause (a) shall apply as if for the letters, figures and word "Rs.2 lakhs", the letters and figures "Rs.50,000" had been substituted." (highlighting is by Court)

As per the above provision, in the event of termination of an appointment of an agency, the commission on the premiums received in respect of business secured by the agent shall be paid except for fraud. In the present case, the appellant has mentioned the wrong age of the person insured as 42 years whereas he was 79 years of age. It was a clear case of fraud having been committed by the appellant upon the Insurance Company and, therefore, the claim of the appellant would not be covered under Regulation 19(1) of the 1972 Regulations.

The judgments, on which reliance has been placed, would not be applicable to the case in hand as R.K.Mahajan's case (supra) is a case where there was violation of the principles of natural justice while terminating the agency. Further, the case of Kuldip Singh Sandhu (supra) was a case of non-satisfaction of the agent fully to the effect that whether the assured was fully physically fit or not whereas it was found that it was a case of accident. In those circumstances, the Court has proceeded to grant the benefit of payment of renewal premiums of agent's commission whose agency was terminated. Since in the present case, the appellant has committed fraud, she is not entitled to the said benefit.

In view of the above, the application for condonation of delay stands dismissed and as a result thereof the appeal also stands dismissed as barred by limitation as well as on merits.

February 14, 2019 **(AUGUSTINE GEORGE MASIH)**
khurmi **JUDGE**

Whether speaking/reasoned:	Yes/No
Whether Reportable:	Yes/No