BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT
DATED: 05.10.2021
CORAM
THE HON'BLE MR.JUSTICE SENTHILKUMAR RAMAMOORTHY

W.P.(MD)No.17991 of 2021
and
WMP(MD).No.14861 of 2021

R.Indira ... Petitioner

Vs.

1. The Insurance Ombudsman,
Office of the Insurance Ombudsman,
Fathima Akhtar Court, 4th floor,
453 (Old 312), Anna Salai,
Teynampet, Chennai 600 018.

2. Shriram Life Insurance Co. Ltd.,
5th and 6th Floor, Ramki Selenium,
Plot Nos.31 and 32,
Besides Andhra Bank Training Centre,
Financial District, Gachibowli,
Hyderabad - 500 032.

3. The Company Secretary,
Compliance Officer,
Shriram City Union Finance Ltd,
No.144, Santhome High Road,
Chennai-4.

4. The Regional Manager,
Shriram City Union Finance Ltd.,
Karaikudi, Sivagangai District.

5. The Authorised Officer,
Shriram Life Insurance Company Ltd.,
No.123, Angappanaicken Street,
Chennai-1.

6. The Branch Manager,
Shriram Life Insurance Company Ltd.,
Second Floor, 241, Chekkalai Road,
Karaikudi, Sivagangai District. ... Respondents

Prayer: Writ petition filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records relating to the impugned Award No.IO/CHN/A/LI/0038/2020-2021 dated 19.10.2020 passed by first respondent, quash the same and consequently direct the respondents herein to grant waiver of alleged default from February 2018 till the respondents 2 to 6 herein furnish the date of adjustment of policy, actual amount of policy adjusted in the loan amount, award compensation for want of transparency in the recovery of dues against RBI guidelines.

For Petitioner : Mr.K.Appadurai

O R D E R

The petitioner assails an award dated 19.10.2020 issued by the first respondent.

2. The petitioner states that her late husband, Thiru.S.Rajendran, was running a hotel. In connection therewith, he availed of a loan from Shriram City Union Finance Limited. He also took out a life insurance policy from Shriram Life Insurance Company Limited. In connection with such life insurance policy, it is stated that the petitioner's husband paid the requisite premium. After falling ill in the year 2018, it is stated that the petitioner's husband died on 06.02.2018 leaving behind the petitioner, her children and a seventy year old mother as the legal heirs.

3. After the death of the petitioner's husband, the petitioner submitted a representation dated 18.07.2018 to Shriram Life Insurance Company Limited and also submitted a death claim form on 30.10.2018. Since Shriram Life Insurance Company Limited paid only a sum of Rs.1,62,636/- and not the entire amount outstanding towards the loan taken from Shriram City Union Finance Limited, the petitioner approached the Insurance Ombudsman. The proceedings before the Insurance Ombudsman was disposed of by award dated 19.10.2020, which is assailed herein.

4. The petitioner assails the award on the ground that Shriram Life Insurance Company Limited had promised to provide insurance in respect of the entire loan outstanding to Shriram City Union Finance Limited. However, the petitioner has not produced a copy of the relevant life insurance policy. From the reply from the counsel for Shriram City Union Finance Limited dated 14.03.2019, it appears that the coverage under the relevant life insurance policy was for a sum of Rs.1,62,636/-.

5. In judicial review, the Court does not sit in appeal over the order impugned. Instead, the scrutiny is limited to examining whether the decision making process was reasonable and whether the order impugned is perverse. The impugned award should be examined from such perspective.

6. On perusal of the impugned award, it is evident that the Insurance Ombudsman took into account the submissions made on behalf of both the complainant and the insurer. The documents relied upon

by the parties have also been set out in the award. Thereafter, the Insurance Ombudsman has set out the observations and conclusions in paragraph 22 thereof. In paragraph 22(e), the Insurance Ombudsman has recorded that the Master Policy vide Member Policy No.MN180123027390068 has a risk coverage from 25.11.2017 to 24.11.2022 (5 years) for a cover amount of Rs.1,62,636/- It is also recorded therein that such cover was provided by charging a single premium of Rs.7000.08/-. The Insurance Ombudsman has also proceeded to record that no documentary or any other evidence was adduced by the complainant therein/petitioner herein to prove her contention that her late husband was covered for the entire loan amount. In addition, it is recorded therein that there is no basis to the petitioner's assertion that it is mandatory for a financial institution to provide insurance equivalent to the loan amount.

7. Thus, the order impugned contains cogent reasons for rejecting the petitioner's claim. Consequently, the petitioner has completely failed to make out a case to interfere with the impugned order.

8. As a result, W.P(MD).No.17991 of 2021 is dismissed without any order as to costs by leaving it open to the petitioner to contest proceedings relating to the claim made by Shriram City Union Finance Limited in accordance with law. Consequently, connected WMP (MD).No.14861 of 2021 is closed.

Sd/-

Assistant Registrar (Ad-II)

// True Copy //

/ /2021

Sub Assistant Registrar(CS)

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To

The Insurance Ombudsman,
Office of the Insurance Ombudsman,
Fathima Akhtar Court, 4th floor,
453 (Old 312), Anna Salai,
Teynampet, Chennai 600 018.

+1 CC to M/s.K.APPADURAI, Advocate (SR-31364[F] dated 06/10/2021)

W.P.(MD)No.17991 of 2021
05.10.2021

DJ(CO)
KB(12.10.2021) 3P 3C