IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.5253 of 2010

Choudhury Nirodchandra Das .... ***Petitioner***
Mr. Tuna Sahu, Advocate

-versus-

Life Insurance Corporation of India and another .... ***Opp. Parties***
Mr. A.K. Mohanty, Advocate

CORAM:
THE CHIEF JUSTICE
JUSTICE R.K.PATTANAIK

ORDER
06.07.2022

Order No.

02. 1. The present petition has been filed challenging an order dated 26th August, 2009 passed by the Insurance Ombudsman, Bhubaneswar rejecting the Petitioner's complaint No.22-0001-0888. The Petitioner had filed the above complaint aggrieved by the refusal by the Life Insurance Corporation of India (LIC) to accept the premium against his 'Jiban Plus policy' on the ground that the policy had already been foreclosed. He was also aggrieved by his request for restoration of the policy not being considered.

2. It was explained by the LIC before the Ombudsman, and it has been reiterated by it in the counter affidavit filed on 22nd February, 2021 in the present petition, that the policy in question which was a unit-linked policy stood automatically foreclosed in June 2008 itself as the fund value of the balance units held after recovery of units towards risk charges as on 30th May, 2008 was

reduced to one annualized premium. The amount in excess of the said annualized premium i.e. Rs.297/- was insufficient for the risk premium for June 2008.

3. It has been explained in para16 of LIC's reply that an option was given to policy holders whose policies were facing foreclosure to have the policy renewed subject to submission of a declaration related to his health. LIC also decided to waive interest and other charges and taxes for revival purposes. Such option was communicated to the Petitioner. However, by e mail dated 28th October, 2010 just three days prior to the closing date of the revival, the Petitioner wrote back to the LIC stating that he had filed the present petition and expressed his reluctance to submit the declaration regarding health. It appears that on receipt of the e mail, the LIC wrote back to the Petitioner explaining the scheme of revival and impressing on him that the revival window would close on 31st October, 2010. Yet, the Petitioner did not opt for revival.

4. As far as the impugned order of the Ombudsman is concerned, he was unable to find the action of the LIC to be unreasonable since it was in terms of the conditions of the policy itself. Considering that even thereafter the LIC gave an option for revival of policy, which was not availed by the Petitioner, the Court finds no grounds to interfere with the impugned order of the Ombudsman. It is noticed that in the impugned order, the Ombudsman has issued certain direction to the LIC to refund the

balance amount after termination of the policy. The said direction be complied with, if not already done, by the LIC forthwith.

5. The writ petition is disposed of in the above terms.

(Dr. S. Muralidhar)
Chief Justice

(R.K. Pattanaik)
Judge

KC Bisoi