IN THE HIGH COURT OF ORISSA AT CUTTACK

W.P.(C) No.6284 of 2022
(Through hybrid mode)

Priyanka Senapati and another .... ***Petitioners***

Mr. N.K. Sethi, Advocate

-versus-

Chairman, Permanent Lok Adalat (PUC), Dhenkanal and others .... ***Opposite Parties***

None

CORAM: JUSTICE ARINDAM SINHA

ORDER
15.07.2022

Order No.	
3.	**1.** Mr. Sethi, learned advocate appears on behalf of petitioners and produces order dated 18th May, 2022 dismissing as withdrawn on settlement, C.S. no.14 of 2022 (Susama Pandit v. B.M., LIC, Dhenkanal and others) dealt with by Court of Senior Civil Judge, Dhenkanal. None appears on behalf of opposite parties though order sheet reveals opposite party no.5 was represented on 4th September, 2022.

2. The writ petition was moved on 4th April, 2022. Mr. Sethi had submitted impugned is award dated 15th February, 2022, by which the Permanent Lok Adalat (PLA) directed his client to furnish bank guarantee of Rs.3.5 lakhs to enable her to receive death benefit under life insurance policy, in respect of her deceased husband. Further direction was for paying out proportionate share of the benefit to her mother-in-law. He submitted, insurance law is clear on the nominee being beneficiary, in respect of insurance pay out. In any event, his client does not have the means to furnish bank guarantee of Rs.3.5 lakhs.

3. Sub clause (6) in clause (b) under section 22 A, Legal Services Authorities Act, 1987 provides for insurance service to be an utility, over which the Lok Adalat has jurisdiction. It does not appear that there is element of insurance service involved in impugned award. It appears to be adjudication of the contesting claims on the insurance pay out. Whether the Lok Adalat can adjudicate on entitlement to the benefit, on contesting claims, there being no resistance by the insurer in fulfilling the liability on happening of the contingency, is the question to be answered.

4. Text of order dated 4th July, 2022 is reproduced below.

> *"1. Mr. Sethi, learned advocate appears on behalf of petitioners and submits, under challenge is judgment dated 15th February, 2022 passed by the Permanent Lok Adalat (PLA). Mr. Mishra, learned advocate appears on behalf of opposite party no.5 and submits, he has instructions that there has been settlement between the*

parties. Mr. Sethi confirms there has been settlement but, prays for directions to set aside the award, for the settlement to be worked out.

2. Parties are free to produce the settlement and thereupon heard for purpose of disposal of the writ petition.

3. List on 11th July, 2022."

5. Court has already recorded above that there does not appear to be resistance by the insurer in fulfilling the liability on happening of the contingency. The suit stands dismissed on settlement out of Court. Therefore, there is no dispute regarding claiming benefit under the policy. Impugned award dated 15th February, 2022 is set aside and quashed. On claim made by petitioner, the insurance company is expected to act in accordance with law.

6. The writ petition is disposed of.

(Arindam Sinha)
Judge

Sks