

IN THE HIGH COURT OF ORISSA AT CUTTACK

WP(C) No.3697 of 2016

(Through Hybrid mode)

Smt. Santilata Satpathy ***Petitioner***

-versus-

Life Insurance Corporation of ***Opposite Parties***
India, 1st Floor, Mumbai and others

Advocates appeared in this case :

For Petitioner : Mr. S. K. Singh, Advocate
For Opposite Parties: Mr. S. P. Panda, Advocate
Mr. I. Acharya, Advocate

CORAM: JUSTICE ARINDAM SINHA

JUDGMENT

20.10.2022

1. Mr. Singh, learned advocate appears on behalf of petitioner and submits, his client is nominee under three life insurance policies taken by Rajendra Satapathy, since deceased. All three policies were taken from opposite party no.1 (LIC of India). Particulars of the policies are given below:-

(i) Policy nos.570871885 and 570871891, both dated 10th October, 2002 commencing from that date; and

(ii) Policy no.571443876 dated 28th May, 2004 commencing from that date.

2. On 27th July, 2005, the Deceased Life Assured (DLA) met with motor accident. On 30th July, 2005 the DLA succumbed to the injuries. The insurance company by letter dated 14th September, 2015 repudiated claims under the policies alleging withholding material information regarding previous policies, at the time of effecting the assurances with them. Mr. Singh submits, the repudiation came long after expiry of three years from commencement of the policies. In the circumstances, the repudiation stood barred by section 45 in Insurance Act, 1938.

3. Mr. Acharya led by Mr. Panda, learned advocates appear on behalf of the insurance company. Mr. Acharya submits, the repudiation was duly made and there should not be interference.

4. Section 45 bars calling into question policy of life insurance on any ground whatsoever after expiry of three years from date of the policy or from date of issuance or date of commencement or date of revival or date of rider to the policy, whichever is later. Sub-section (2) provides for ground of fraud in calling into question a policy of life insurance, within the time provided. In this case the time is to be reckoned from commencement of policies/risk. All three policies commenced as aforesaid. The DLA died on 30th July, 2005. There was no event of subsequent revival of the policy and none has urged there was rider to it. In the circumstances,

the repudiation on 14th September, 2015 is clearly beyond the time allowed, to allege misrepresentation by the DLA.

5. Impugned repudiation is set aside and quashed. Opposite party no.1 will forthwith pay on the policies. In event payment is not made by 15th November, 2022, the aggregate amount will carry interest at the rate of 5% per annum simple calculated from 26th February, 2016 (date of presentation of the writ petition) till date of payment.

6. The writ petition is disposed of.

(Arindam Sinha)
Judge

Sks

