IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.04.2023

CORAM

THE HONOURABLE MR. JUSTICE S.M.SUBRAMANIAM

W.P.No.25713 of 2017

1.Mrs.R.Seethammal

2.Mr.Suganthan

3.Mrs.Mekala ...Petitioners

-Vs-

1.The Zonal Manager,
Life Insurance Corporation of India,
Zonal Office, Anna Salai, Chennai-600 002.

2.The Senior Divisional Manager,
Life Insurance Corporation of India,
India Life Building,
Divisional Office,
1543/44 Trichy Road,
Coimbatore-6410018.

3.The Senior Branch Manager,
Life Insurance Corporation of India,
Vella Pilliaiyar Koil Street,
Bhavani. ...Respondents

Prayer:- Writ petition filed under Article 226 of the Constitution of India praying for issuance of a writ of Certiorarified Mandamus calling for the records of case pertaining to order dated 27.06.2014 on the file of the 1st respondent and quash the same as illegal and arbitrary and further direct the respondents to settle the claim of the petitioner.

For Petitioners	:	Mr.A.Arokia Satheesh for Mr.S.Sethuraman
For Respondents	:	Mr.M.Vaidyanathan

ORDER

The writ on hand has been instituted questioning the validity of the rejection order passed by the respondent excluding the husband of the writ petitioner from the Group Insurance coverage by citing the terminal date as contemplated under the conditions of the Policy.

2.The husband of the first petitioner, Late Sri S.N.Rangaswamy was an LIC agent with Agent Code No.02514765 attached to Bhavani Branch of Life Insurance Corporation of India. The LIC of India introduced a Group Insurance Scheme for the welfare of its own agents. The scheme was introduced with effect from 01.09.2007 for a Risk cover of

Rs.50,000/- to Rs.5,00,000/- depending upon the duration of the agency ie., up to three years or more than 10 years respectively. The scheme was modified from time to time. At the time of introduction of the scheme, the age of the confirmed agent was applicable between 18 years to 65 years.

3.Admittedly, the husband of the petitioner was a member of the Group Insurance Scheme and paid the subscription regularly without committing any default. Thus, he is eligible to avail the benefit under the scheme. While so, the husband of the petitioner suddenly died on 18.04.2013 after crossing the age of 65 years. The petitioners submitted an application to settle the benefits under the Group Insurance Scheme and the respondents declined to settle on the ground that the petitioner has crossed the age contemplated under the policy, that is the terminal date, and therefore, the petitioners are not entitled to get the benefit under the Group Insurance Scheme.

4.The learned counsel for the petitioner mainly contended that the erroneous interpretation of the respondents in respect of the policy conditions resulted in denial of the rightful benefit to the petitioners. Undoubtedly, one of the conditions stipulated in the policy defines the terminal age and accordingly, the deceased member of the policy should not have completed the age of 65 years, and in the present case, the respondents rejected the petitioners' claim on the ground that the husband of the first petitioner died after completing 65 years of age and therefore, he is not falling within the terminal date and consequently not entitled for the benefit of Group Insurance Scheme.

5.The learned counsel for the petitioner reiterated that the deceased husband of the petitioner seized to be a member of the policy on 12.08.2012 and therefore, the LIC age calculator is to be followed and accordingly, the age must be calculated as on 01.09.2012 for the purpose of determining the eligibility of the deceased agent with reference to the definition given under the policy for "terminal date". If the age is calculated as on 01.09.2012, and taking into consideration the date of death of the deceased agent, that is 12.08.1947, the husband of the petitioner was aged about 65 years, 0 months and 20 days. As per the LIC Policy, they consider the nearest birth date for calculating the age and adopting the LIC age calculator, the deceased agent is eligible and falling within the definition of terminal date as contemplated under the Group Insurance Policy.

6.The learned counsel appearing on behalf of the respondents objected to the said contention by stating that the deceased agent admittedly died after completing the age of 65 years. Even as per the LIC Age calculator, the husband of the petitioner was aged about 65 years, 0 months and 25 days, and therefore, he had completed the age of 65 years and thus, does not fall within the definition of "terminal date" contemplated under the Group Insurance scheme.

7.The learned counsel for the respondents further states that the first petitioner was appointed as an LIC agent in the place of her husband and all the commission amount accrued in the name of her deceased husband is also being paid by the LIC promptly. Thus, the LIC, being a welfare organisation, extended all eligible benefits to the family members of the deceased agent and therefore, under the Group Insurance Scheme, the conditions stipulated cannot be relaxed for settling the policy amount in favour of the petitioners.

8.Considering the arguments, this Court has to consider the conditions stipulated under the Group Insurance Scheme for the confirmed agents of the corporation who died. Clause A- Sub-clause (1) stipulates that the date of commencement of the scheme is 01.09.2007. Sub-clause(4) stipulates the eligibility by stating that all the confirmed died agents who had completed one year from the date of appointment and who are aged less than 65 years.

The Terminal Date has been defined as follows:

"TERMINAL DATE shall mean in respect of each Member the date on which the member completes the age of 65 years or the date on which the agency terminates."

The eligibility has been stipulated as follows:

"(a) Agents attached to the Corporation who satisfy the following conditions:

(i)Age is between 18 and 65 years

(ii)Agent is confirmed

(iii)Agent who is on roll as on the effective date

(iv)Agent who is on roll as on the effectie date and is otherwise eligible to join the scheme, provided he has not given an option not to join the scheme."

(b)No member shall withdraw from the Scheme while he is still an eligible member satisfying the conditions of Eligibility described above.

(c)Present Agents of the Corporation though eligible but have exercised the option not to join the scheme on the Effective Date shall not be allowed to join the scheme at any future Date.

(d)All the Agents appointed on or after the date of commencement of the scheme, who are otherwise eligible, shall compulsorily join the scheme on confirmation."

9.Clause 7 speaks about <u>Benefit on Death Prior to Terminal Date</u> :

"On the death of the member, whilst he is insured, prior to Terminal Date, the sum assured under the Assurance then in force shall be payable to the Nodal Agency for the benefit of the Beneficiary."

10.Clause 8 denotes <u>Termination of Assurance</u> as under:

"The Assurance on the life of a Member shall terminate upon the happening of any of the following events and no benefit will become payble there under:

(a)Discontinuance of contributions relating to the Assurance for any reason whatsoever,

(b)The Member reaching the Terminal Date

(c)The Member ceasing to be agent attached to the Corporation."

11.Thus, it is unambiguous. Each member must be up to the age of 65 years for the purpose of availing the benefit under the Group Insurance Scheme. A member should not have crossed the age of 65 years, and if he has crossed 65 years, then he becomes ineligible. A person who completes 65 years is eligible, since he has not crossed the age of 65 years. The age of 65 years would be considered to be crossed or not based on the date of birth of the individual concerned. For example, if a person's date of birth is 01.04.__ of a particular year, and if the terminal date falls on 31st March of that year, then he is eligible to avail the benefit under the scheme.

12.Considering the hardship arising on account of fraction of days or months, the LIC being a welfare organisation has given certain benefits to the policy-holders and accordingly, the LIC age calculator has been adopted for the purpose of settling the benefits to the policy-holders. As per the LIC age, calculated before this Court, which is not disputed between the parties, the following calculation is to be adopted in respect of the age of the deceased agent, which reads as under:

LIC Age Calculator

Age for the most of the LIC policies are considered according to nearest birthday, for example, if a person is 26 Years, 5 Months and 23 Days old then his/her age will be counted as 26 years but if it is 26 Years, 6 Months and 23 Days, then his/her age will be counted as 27 years.

Please enter your date of birth to calculate the prevailing age according to Nearest Birthday.

Age Calculated On

01-09-2012

Date of Birth

12-08-1947

Calculate

Calculated On : **01-09-2012**

Exact Age : **65** Years **0** Months **20** Days

Age For LIC Plan (Nearest Birthday) : **65** Years

13.Considering the above LIC age calculated, which is placed before this Court, the age of the deceased husband of the petitioner is to be calculated as on 01.09.2012 since his date of birth was 12.08.1947. Accordingly, the exact age of the deceased agent was 65 years, 0 months, and 20 days. Taking note of the LIC age calculated, if the person is aged 26 years, 5 months and 23 days, then his/her age will be counted as 26 years, but if the age of the person is 26 years, 6 months and 23 days, then his/her age will be counted as 27 years. Adopting the said method of calculation of the age, the age of the deceased agent in the present case is to be considered as 65 years, 0 months, 25 days and therefore, is to be counted as 65 years. If it is counted as 65 years, then the definition of Terminal Date would be applicable since the definition unambiguously stipulates that "in respect of each member, the date on which the member completes the age of 65 years".

14.In the present case, though the deceased agent had completed the age of 65 years admittedly, he is falling within the benefit of LIC as he has not crossed 65 years, 6 months, but he has just completed 65 years, 0 months and 20 days. Thus, the deceased agent is entitled to avail the benefit of the LIC as the deceased agents' age calculated for the purpose of getting the benefit under the Group Insurance Scheme is counted as 65 years.

15.In view of the reasons considered in the aforementioned paragraphs, the petitioners are entitled for the benefit under the Group Insurance Scheme. Accordingly, the order impugned passed by the respondents in the proceeding dated 27.06.2014 is quashed and consequently the respondents are directed to settle the eligible benefits under the Group Insurance Scheme in favour of the petitioners within a period of eight (8) weeks from the date of receipt of a copy of this order.

16.With the above directions, the writ petition stands **allowed**. No costs.

(sha) 12.04.2023
Index : Yes (2/2)
Speaking Order
Neutral Citation : Yes

S.M.SUBRAMANIAM. J.,

(sha)

To

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Life Insurance Corporation of India,
Zonal Office, Anna Salai, Chennai-600 002.

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Life Insurance Corporation of India,
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