BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED : 21.11.2023

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THE HONOURABLE MR.JUSTICE N.ANAND VENKATESH

W.P.(MD)No.21596 of 2021

C.Pandiyammal ... Petitioner

Vs.

1.The Manager,
PNP Housing Finance Ltd.,
PNP Housing Finance,
Nanthini Building 3rd Floor,
No.48, Bye Pass Road, Madurai – 625 010.

2.The Manager,
TATA AIG General Insurance Co. Ltd.,
2nd Floor, Samsung Towers,
No.403, L.Pantheon Road,
Egmore, Chennai – 600 008. ... Respondents

PRAYER: Writ Petition filed under Article 226 of the Constitution of India for issuance of Writ of Mandamus, directing the 1st Respondent Bank to adjust the insurance amount in Loan Account NO.NHL / MDU / 0917 / 432985 from the 2nd Respondent Insurance Company Policy Number .0235000071 on the basis of the petitioner's representation dated 30/06/2021.

For Petitioner : Mr.V.Karuna

For R-1 : Mr.I.Suthakaran

For R-2 : Mr.V.Sakthivel

ORDER

This Writ Petition has been filed for the issue of writ of mandamus directing the first respondent to adjust the insurance amount towards the loan repayable to the first respondent by virtue of the Insurance Policy that was taken before the second respondent Insurance Company, by considering the representation made by the petitioner on 30.06.2021.

2. The case of the petitioner is that her husband had availed a housing loan from the first respondent in the year 2017 to the tune of Rs.12,60,000/- (Rupees Twelve Lakhs and Sixty Thousand only). As a security, the title deed was deposited and this document was also registered. The husband of the petitioner had also taken an insurance from the second respondent and as per the terms of the Policy, if there is any untoward incident where the petitioner's husband dies, the entire loan amount will have to be adjusted from the insurance amount that is payable by the second respondent as per the Policy.

3. The further case of the petitioner is that her husband died on 28.04.2021 leaving behind the petitioner, two female children and one male child. In view of the same, the petitioner requested the housing loan amount to be adjusted from the Insurance Policy that was taken by the husband. Since this request did not yield any response, the present Writ Petition was filed before this Court.

4. The second respondent has filed a counter affidavit. The relevant portions in the counter affidavit are extracted hereunder:

> "*6. This respondent submits that it is true that this respondent has issued to Accident Shield Policy 2017 - 0235744961 was from 31.10.2017 to 30-10-2020. The date of death of the said Chandran was on 28-4-2021 and it was not covered under the said policy. So far the Policy Group Credit Secure vide policy No 0235000071 and it effects from 10-11-2017 to 9-11-2022 and sum insured was Rs.5,75,000/-. The said policy is a contract entered between the said Chandran and the respondent Insurance*

company and the terms and conditions attached to the said policy binds both the parties.

7. This respondent submits that if the insured or his legal heirs wants the benefit of the policy, has to intimate the loss and submit necessary documents before the respondent insurance company. The authorized officer/competent authority after scrutinizing the entire documents submitted by the insured or his legal heirs and after application of his mind, has to decide whether the claim is payable or not. In this case even the date of loss was on 28-4-2021, the writ petitioner has not intimated about the death of the Chandran to this respondent and the writ petitioner has not submitted the relevant documents along with claim form. Hence this respondent is unable to decide the issue whether the writ petitioner is eligible for the claim amount or not. After receipt of notice from this Honorable Court, the respondent came to knowledge about the death of the Chandran. There is no negligence or deficiency in service on the part of the respondent. In other respects the petition is devoid of any merits.”

5. This Court carefully considered the submissions made on either side and the materials available on record.

6. There is no dispute with regard to the fact that there was an Accident Shield Policy that was taken by the petitioner's husband. According to the second respondent, if the legal heir wants to take the benefit of the policy, they have to submit necessary documents before the second respondent and the second respondent will scrutinize the entire documents and only thereafter, they will decide as to whether the claim amount is payable as per the Policy. According to the second respondent, the Insurance Company was not even informed about the demise of the petitioner's husband and therefore, there was no occasion for the second respondent to deal with the claim that was made by the petitioner.

7. The learned counsel for the first respondent submitted that the petitioner has to make her claim before the second respondent Insurance Company and if the claim is allowed, it can be adjusted towards the housing loan account that was availed with the petitioner's account.

8. Taking into consideration the facts and circumstance of the case and the specific stand that has taken by the second respondent, there shall be a direction to the petitioner to submit all the necessary documents before the second respondent and make a claim under the Policy within a period of two (2) weeks from the date of receipt of a copy of this order. The second respondent on receipt of the claim, shall scrutinize it, as per the terms and conditions of the Policy and take a decision and inform the same to the petitioner within a period of four (4) weeks from the date of receipt of the claim from the petitioner. Depending upon the decision taken by the second respondent Insurance Company, the adjustment of the insurance amount towards the housing loan that was given by the first respondent can be worked out.

9. This Writ Petition is disposed of in the above terms. No costs.

21.11.2023

NCC:yes/no
Index:yes/no
Internet:yes/no
tsg

N.ANAND VENKATESH, J.

tsg

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