**IN THE HIGH COURT OF PUNJAB & HARYANA
AT CHANDIGARH**

207

CWP-17469-2015 (O&M).
Date of Decision: 01.02.2023.

Sarla Devi

...Petitioner

Versus

Permanent Lok Adalat and others

…Respondents

CORAM: HON'BLE MR. JUSTICE VINOD S. BHARDWAJ

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Present: Mr. Paramjit Singh Jammu, Advocate, for the petitioner.

Mr. G.S. Walia, Advocate, for respondents No.2 and 3.

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VINOD S. BHARDWAJ. J (ORAL)

The present writ petition has been filed raising a challenge to the award dated 27.04.2015 (Annexure P-3) passed by the Permanent Lok Adalat (Public Utility Services), Sirsa, whereby the claim of the petitioner for grant of Rs. 20 lacs as insurance has been declined and only an amount of Rs.2,50,000/- has been awarded.

Briefly summarized the case of the petitioner is that Mohan Lal, the deceased husband of the petitioner had availed an insurance policy No.18017969 for a term of 10 years. The date of risk commenced w.e.f. 27.08.2013. The aforesaid insurance cover was on an annual premium of Rs.16,320/- and Rs.2,017/- to be paid as service tax and education cess. Unfortunately, Mohan Lal – husband of the petitioner passed away on 16.11.2013. After his demise, the petitioner preferred a claim before the respondent-Insurance Company however, the same was not entertained. Consequently, an application under Section 22 C of the Legal Services Authorities Act, 1987 was filed.

The respondent-Insurance Company appeared before the Permanent Lok Adalat (Public Utility Services), Sirsa and filed the joint reply wherein they had averred that the petitioner had not disclosed the complete particulars and that the policy in question i.e. Policy No.18017969 was issued on 27.08.2013 as a term plan. A request form was received on 08.10.2013 by the respondent-Insurance Company for cancellation along with the original kit for change of the product. Accordingly, the plan was changed to "Save and Protect" under the Endowment Plan. The total premium paid under the said policy was Rs.17101/- and a fresh policy document bearing No.18140210 was thereafter issued and was in force on the date when Mohan Lal passed away. It was thus contended that the claim of the petitioner for release of the amount to the tune of Rs.20 lacs under the old policy is not maintainable since the said policy stands superseded by the subsequent policy document and the sum assured thereunder was Rs.2,50,000/- lacs only.

Steps were undertaken by the Permanent Lok Adalat (Public Utility Services), Sirsa to amicably resolve the issue between the parties, however, as the effort of the settlement failed to persuade the parties to amicably resolve the dispute, adjudication in terms of Section 22 C (8) of the Act was undertaken by the Permanent Lok Adalat (Public Utility Services), Sirsa.

Upon consideration of the evidence adduced by the respective parties, the application was allowed to an extent whereby the Permanent Lok Adalat (Public Utility Services), Sirsa directed the respondent-Insurance Company to pay as sum of Rs.2,50,000/- i.e. the sum assured under the policy No.18140210 in question along Rs.10,000/- as compensation towards litigation expenses and harassment. The said amount is stated by the learned counsel for the respondent–Insurance Company, to have already been released in favour of the petitioner.

Aggrieved by the aforesaid, the present writ petition has been filed.

Learned counsel for the petitioner has vehemently argued that the stand of the respondent-Insurance Company was factually incorrect and that the policy in question could not have been changed by the respondent-Insurance Company after expiry of a period of 15 days from the date of issuance of the same as Freelook period had already come to an end. He further contends that the request Annexure R-1 appended along with the reply filed by the respondent-Insurance Company herein shows that there are numerous columns that have been left blank and that such form *ipso facto* does not inspire confidence. It is argued that the stand about change of the policy adopted by the respondent-Insurance Company is an afterthought and should not be given much credence. The amount in terms of the initial policy issued in favour of Mohan Lal ought to have been awarded.

Per contra, learned counsel for respondent-Insurance Company has emphasized that the respondent-Insurance Company had taken a specific stand in its written statement filed before the Permanent Lok Adalat (Public Utility Services), Sirsa, that the request for change of the product had been submitted by the deceased Mohan Lal and that upon verification of the signatures on the product change proposal form along with the verified signatures on the accompanying Voter Identity Card, the policy had been changed from the ICICI (II) to "Save and Protect" Plan of the respondent-Insurance Company. A new policy document was accordingly issued by the answering respondents on the basis of the request submitted by the Life assured. It is contended that since the change of the policy was on instructions from the life assured, the petitioner cannot, at this juncture, be permitted to undo what had already been undertaken at the his request of Mohan Lal himself. It is further contended that the policy document gives rise to a contractual agreement between the parties and the terms of the policy as also the policy document having undergone a change on the request of the husband of the petitioner, the respondent-Insurance Company is not liable to pay any liability under a superseded policy document.

I have heard learned counsel for the respective parties and have gone through the documents appended along with the present petition.

The dispute revolves only around whether the Insurance Company has to release the benefits under the erstwhile policy or the second one. A specific stand in this regard was adopted by the respondent-Insurance Company and a finding was also recorded by the Permanent Lok Adalat (Public Utility Services), Sirsa, about the changed policy having been duly issued on the request of deceased Mohan Lal. The petitioner never raised any challenge to change of the policy document on the request of Mohan Lal and had sought disbursement of the insured amount on the strength of the policy. Such plea is not sustainable in a contract of Insurance. The contractual obligations are based upon the contractual arrangement between the parties and policy document lays down the mutual obligations and responsibility agreed between the contacting parties. The liability of the respondent-Insurance Company is governed by the policy document which is in force. It cannot be left to the petitioner to disown the policy document that had been issued on the request of the insured and to seek enforcement of the rights under a superseded policy document especially when the issuance of the new policy is on a valid and enforceable request. The request having been submitted in original and in writing by the deceased himself, the petitioner cannot at this stage deny existence of said request and the obligations that arise therefrom.

In so far as the submission of the petitioner that various columns of the request for change of policy document have been left blank and thus must not be relied upon is concerned, the proposal request has been examined. The relevant columns have been duly filled in. The signatures of the deceased are also appended and stand duly verified. Such application was submitted in the presence of a witness and duly accompanied by the Voter Identity Card issued by the Election Commission of India. There is nothing on record to suggest that the signatures appearing on the request for the change of product and/or the accompanying Voter Identity Card issued by the Election Commission of India are not the signatures of insured deceased Mohan Lal. There is thus no reason for this Court to come to a conclusion that the change of the policy had been undertaken in an illegal manner and/or without any proper request having been submitted by the insured.

The policy No.18140210 under the Plan "Save and Protect" having been validity issued come into being, the obligation of the respondents-Insurance Company cannot travel beyond the fresh policy. The award of the Permanent Lok Adalat (Public Utility Services), Sirsa is based upon appreciation of the evidence adduced before it and after recording finding of fact on the respective contentions raised by the parties upon appreciation of the documents brought on record. The findings recorded by the Permanent Lok Adalat (Public Utility Services), Sirsa cannot be said to be illegal, perverse, improper or suffering from vice of gross mis-appreciation of the evidence on record. In the absence of any evidence to discredit the finding recorded by the Permanent Lok Adalat (Public Utility Services), Sirsa, I do not find any illegality, perversity of impropriety with the award. The award dated 27.04.2015 (Annexure P-3) passed by the Permanent Lok Adalat (Public Utility Services), Sirsa is accordingly affirmed.

The present petition is thus dismissed being devoid of merits.

February 01, 2023 **(VINOD S. BHARDWAJ)**
raj arora **JUDGE**

Whether speaking/reasoned : Yes/No
Whether reportable : Yes/No