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* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

Date of decision: 13th SEPTEMBER, 2023

IN THE MATTER OF:

\+ **W.P.(C) 11994/2023**

SUBHASH CHANDER SEHGAL ..... Petitioner

Through: Mr. Sanjay Sehgal, Advocate.

versus

THE INSURANCE OMBUDSMAN & ORS ...... Respondents

Through:

CORAM:
HON'BLE MR. JUSTICE SUBRAMONIUM PRASAD

JUDGMENT (ORAL)

CM APPL. 47027/2023 (Exemption)

Allowed, subject to all just exceptions.

W.P.(C) 11994/2023

1. *Vide* the present Writ Petition the Petitioner seeks to challenge the Order dated 30.12.2022, passed by the Insurance Ombudsman, Delhi, rejecting the complaint of the Petitioner herein against Respondent No.2.

2. The facts, in brief, leading to the present Writ Petition are that the Petitioner purchased two policies bearing Nos. C239671721and C195015803 from Respondent No.2. It is the contention of the Petitioner that when the Petitioner purchased the plan, he was informed that on making a one-time payment of Rs. 12,72,500/- (12,50,000/- being the principal amount and Rs.22,500/- as taxes, cesses and levies on the purchase price),

the petitioner would get monthly annuity of Rs.9,404/- and after his death his nominees would get the sum assured, i.e. the principal amount, back. It is stated that the Petitioner purchased the policies only on the basis of the said representation given by the agent of Respondent No.2. It is stated that in August, 2022 when the Petitioner visited the Branch office of Respondent No.2 to cancel one of his policy, he was informed that the surrender value of the policy is zero and that no amount will be paid to his nominees in the event of his death. It is stated that thereafter the Petitioner wrote letters to the Respondent No.2 for cancellation of the Policies and for crediting Rs.25,00,000/-, which he paid for purchase of the policies, in his account on the ground that he has been duped into purchasing the policies. It is stated that thereafter the Petitioner approached the Insurance Ombudsman under the Insurance Regulatory and Development Authority of India (IRDAI) for redressal of his grievances on the ground that the terms and conditions of the policy were misrepresented by the agent of Respondent No.2 while selling the Policies to the Petitioner. The Insurance Ombudsman, *vide* the Order impugned herein has rejected the claim of the Petitioner for cancellation of the policies and for refund of the policy premium by holding that the Petitioner is a literate man who had purchased the policies after going through their terms and conditions. It is this Order which has been assailed in the present Writ Petition.

3. Learned Counsel for the Petitioner has taken this Court through policy form and stated that if the maturity amount was zero then there was no need to take the details of the nominees of the Petitioner. He, therefore, states that the very fact that details of the nominees of the Petitioner has been taken at the time of purchase of the policies, the Petitioner is entitled to surrender

value. He states that if no amount was to be given to the Petitioner on his death then there is no purpose of getting the details of the nominees of the Petitioner.

4. Heard the Counsels and perused the material on record.

5. A perusal of the Annuity Plan purchased by the Petitioner shows that the Petitioner is a 72 years old gentleman. The details of the plan shows that the date of commencement of Policy No.C239671721 was 06.12.2021 and the date of commencement of Policy No.C195015803 was 05.12.2021 and the plan option is described as 'Immediate Life Annuity' and the Annuity Type is shown as 'Single Life' and there is no deferment period in the Policies. The purchase price of one Policy excluding taxes is shown as Rs.12,50,000/- and after applicable taxes, cesses and levies of Rs.22,500/- the total purchase price comes out to be Rs.12,72,500/-. The annuity payable per month was Rs.9,404/-. It is significant to note that the projection of values specifically shows that there is no guaranteed death benefit or surrender value. The Policies clearly state that they are not insurance contract and the most relevant clause states that the Plan does not offer any maturity benefit.

6. The Petitioner is a 72 years old literate gentleman. He cannot say that he did not know the terms of the Policies. In fact he has signed and accepted the terms and conditions of the Policies. It, therefore, cannot be said that the Petitioner was not aware of the terms and conditions of the Policies. The Petitioner has not raised any concern with the insurer at the time of signing the Policies and he has approached for cancellation of the Policies only after enjoying the annuity value for eight months. The Petitioner cannot turn around and say that he was not aware of the fact that he did not knew that

that there was no maturity value of the Policies or that on his death the principal amount will not be returned to his nominees. There is nothing on record to show that the Petitioner has been mislead or there was any kind of misrepresentation when a reading of the Policy itself makes it clear that all that the Petitioner would get from each policy was a sum of Rs.9,404/- per month till his death.

7. In view of the above, this Court does not find any error in the Order passed by the Insurance Ombudsman warranting interference by this Court under Article 226 of the Constitution of India.

8. Accordingly, the Writ Petition is dismissed. Pending applications, if any, also stand dismissed.

SUBRAMONIUM PRASAD, J

SEPTEMBER 13, 2023
Rahul