IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.19837 of 2021

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1. Sri Amrendra Kumar Ojha S/o Late Hari Ganesh Ojha, Resident of Vill-Murthan, P.O.-Parmanandpur, P.S. Sonepur, Saran (Chhapra), at present resident of K-107, P.C. Colony, Hanumannagar, P.O.-Lohiyanagar, Kankarbagh, P.S.-Patrakar Nagar, District-Patna-800020.
2. Smt. Indu Rani, Wife of Amrendra Kumar Ojha, Resident of Vill-Murthan, P.O.-Parmanandpur, P.S. Sonepure, Saran (Chhapra), at present resident of K-107, P.C. Colony, Kankarbagh, P.O.-Lohiyanagar, Hanuman Nagar, P.S.-Sonepur, District-Patna-800020. ... Petitioners

Versus

1. The Life Insurance Corporation of India through its Chairman, Yogakshema Central Office, Jeevan Bima Marg, Mumbai-400020.
2. The Zonal Manager, Life Insurance Corporation of India, East Central Zone, Jeevan Jyoti (5th Floor), Exhibition Road, Patna-800001.
3. The Regional Manager (MI), Life Insurance Corporation of India, East Central Zone, Jeevan Deep, Exhibition Road, Patna-800001.
4. The Secretary, Micro Insurance Department, Central Office Yogakshema, Jeevan Bima Marg, Nariman Point, Mumbai-400021.
5. The Manager (CRM), Life Insurance Corporation of India, Patna Division-1, Jeevan Prakash, Fraser Road, Patna-800001. ... Respondents

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Appearance :

For the Petitioners	:	Mr.Amrendra Kumar Ojha (In Person)
For the Respondents	:	M/s Rakesh Kumar, Abhimanyu Vatsa, Rajni Kant Singh, Manish Kumar and Sameer Sawarn, Advs.

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY

ORAL ORDER

4 13-03-2024

Heard the parties.

2. The present writ petition has been filed for the following relief(s) :

i. For issuance of appropriate writ/writs in the nature of writ of certiorari to quash the award/order dated 31.08.2021 passed by the Insurance Ombudsman, States of Bihar and Jharkhand whereby and whereunder without considering the legal provisions incorporated under Section 64 VB of the Insurance Act 1938 which provide the *acceptance of Insurance Premiums either through Cheque or Cash or postal money order has directed the petitioners to deposit the premiums of the Insurance Policies exclusively by cash which is in the teeth of provisions as stipulated Under Section 64VB of Insurance Act 1938.*

ii. For a direction to the respondents to accept the premium of Micro Insurance Policies at the option of the petitioners either by cheque/cash/money order according to the premium receipts of all other Insurance Policies.

iii. For direction to revive the policies of the petitioner which have not been revived by the respondents on the sole ground of not depositing the Insurance premiums of the Insurance Policy through cash, the revival of the policy be made with retrospective effect without charging interest.

iv. For a direction to the respondents to revive the Micro Insurance Policies under Special Revival Scheme without any penalties or late fees which are being declared as lapsed policies due to the reasons of refusal to receive the renewal premium through account payee cheques whereas and where under the said policies was issued to the petitioner on submissions of account payee cheque.

v. For grant of any other relief or reliefs as made available to the petitioner as per the law.

3. It is a case of the petitioners that the petitioners have taken insurance from the respondent-Corporation and they have paid the first installment through a cheque. That subsequently when the petitioners wanted to pay the premium amount by cheque, the

authorities are refusing to receive the same and insisting for payment of the premium amount only in cash. Learned counsel has stated that in spite of several requests made by the petitioners to the authority concerned they are adamant to receive the premium amount only by way of cash and not cheque. That the petitioners have made a complaint to the Ombudsman however the Ombudsman has passed the impugned award in a mechanical manner without deciding the issue involved. Learned counsel has stated that as per the Section 64 VB of the Insurance Act, 1938, the Corporation cannot collect the premium amount in cash and the insistence by the authorities for payment of the premium amount only through the cash is contrary to the said provision and also the RBI guidelines. Further, it is stated that the Reserve Bank of India as well as the Central Government have issued various guidelines depreciating the practice of accepting the premium amount in cash and, therefore, prayed this Hon'ble Court to direct the authorities to accept the premium amount by way of cheque.

4. Per contra the learned counsel appearing on behalf of the respondent-Corporation has vehemently opposed the very maintainability of the present Writ Petition. The learned counsel has stated that the policy which the petitioner has taken was special type of product which has been specifically designed for lower income strata of the society, as the targeted premium are from the poor,

marginalized and low income persons, the premium is collected only by way of cash. That as per the scheme, the policy does not accept cheques and even the website through which the premium amount are paid does not have any provision for accepting cheques. That the initial premium amount collected from the petitioners by one of the Deputy Managers was done by mistake and action has been taken against the said Deputy Manager. Further it is stated by the counsel for the petitioners that the authorities are not trying to deprive the petitioners from paying the premium amount but the insistence of the petitioners to pay the premium amount only by way of cheque is not being entertained as there is no mechanism for accepting the same. That as per the guidelines issued by the Reserve Bank of India/Government of India cash transaction upto Rupees two lakhs is permissible and, therefore, in the special type of policy specially designed for lower income people the payment of the premium amount through cash is permissible and the same is not violative of Section 64 VB of the Insurance Act, 1938, or the Rules approved by the IRDA. That merely because a mistake has been committed initially by the then Deputy Manager in taking the first installment through cheque the same cannot be perpetuated when there is no facility to accept cheques. Learned counsel has, therefore, prayed this Hon'ble Court to dismiss the present Writ Petition.

5. The perusal of the pleadings and the documents reveal that the petitioners have taken the policy under the Micro Insurance Policies which is special type of policy floated by the authority. The fact that the petitioners are not being denied from renewing the policy has not been denied by the petitioners. The only grievance of the petitioners is that they are not being allowed to pay the premium amount through cheque. The screen shots filed by the respondents of the Life Insurance Corporation of India Portal with regard to the micro insurance policy shows that the renewal/premium amount can be made only through cash and there is no facility for making the payments through cheques. When the scheme does not permit the collection of the premium amount through cheques, the petitioners cannot insist for making the premium amount only through cheque. Further, it is not the case of the petitioners that their policy is not being renewed or that they are being denied the opportunity of paying the premium, the petitioners have the option of paying the premium amount by cash. Further, as per the guidelines issued by the Reserve Bank of India, a premium amount of rupees two lakhs can be paid through cash, therefore, the contention of the petitioners that the collection of the premium amount through cash is contrary to the provisions of the Act is not correct.

6. This Court does not find any merit in the present case

which warrants any interference for granting of any relief sought for in this CWJC. The Writ Petition is devoid of merits and the same is disposed of, however, granting liberty to the petitioners to make an application to the respondent-Corporation for renewal of their policy and for paying the premium amount. On such representation being made the same shall be considered on its own merit. However, it is made clear that any premium amount payable shall be paid by the petitioners in cash and they cannot insist for making the payment through cheques.

7. With the above directions, the CWJC stands disposed of.

(A. Abhishek Reddy , J)

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