IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 12.06.2024

CORAM

THE HONOURABLE MR.JUSTICE **G.K.ILANTHIRAIYAN**

W.P.No. 2190 of 2021

S.Seetha .... Petitioner

Vs

1. The Life Insurance Corporation of India,
Tambaram Branch,
Rep. by its Branch Manager,
17-A, Shanmugam Road,
West Tambaram, Chennai – 600 045.

2. Kuppammal Subramani .... Respondents

Prayer:- Writ Petition filed under Article 226 of Constitution of India for the issuance of Writ of Mandamus, directing the first respondent to disburse the petitioner's husband's Life Insurance Policy No.714126104 benefits accrued to the petitioner and her children on account of his demise, vide representation dated 11.12.2020.

For Petitioner	:	Mr.AR.M.Arunachalam
For R1	:	Mr.J.T.Rajasuriya
For R2	:	No appearance

ORDER

This Writ Petition has been filed for a direction directing the first respondent to disburse the petitioner's husband 's life insurance amount to the petitioner and her children on account of his demise under Life Insurance Policy No.714126104.

2. Heard Mr.AR.M.Arunachalam, learned counsel appearing for the petitioner and Mr.J.T.Rajasuriya, learned counsel appearing for the first respondent and perused the materials available on record.

3. The petitioner got married to one Selvaraj and gave birth to two children. Before her marriage, her husband had subscribed a money back policy with the first respondent on 23.03.2005, the sum assured being Rs.1,00,000/-. At the time of subscription, her husband entered his mother's name as his nominee viz., the second respondent herein. While being so, on 25.06.2018, he died due to accident. The petitioner and her children, being legal heirs of the deceased Selvaraj, submitted representation to the first respondent to disburse the policy amount to all the legal heirs including the second respondent.

4. The learned counsel appearing for the petitioner has relied upon the Judgment of the Hon'ble High Court of Andhra Pradesh

reported in ***AIR 1985 Andhra Pradesh 58*** in the case of ***L.I.C. of India, Hyderabad Vs. Nirmala Adi Reddy and others,*** in which, the Hon'ble High Court of Andhra Pradesh held that the nomination made by the assured under Section 39 of the Insurance Act does not vest the beneficial interest in the nominee. The policy amount devolves according to the general law of succession and it cannot be divested by reason of the nomination made under Section 39 of the Insurance Act.

5. He also relied upon the Judgment of this Court in ***W.P.No.29894 of 2002*** in the case of ***S.Sandhya Vs. The Chief General Manager,*** in which, this Court held that the nomination under Section 39 of the Insurance Ac, 1938, to receive the amount and referring the Judgment of the Hon'ble Division Bench of this Court, wherein it was held that the mere use of the word 'nominee' or 'assignee' in Section 14 of the Act does not decide the title to the money.

6. It is relevant to extract the provision under Section 39(2) of the Insurance Act is hereunder :-

> *"39 (2). Any such nomination in order to be effectual shall, unless it is incorporated in the text of the policy itself, be made by an endorsement on the policy*

communicated to the insurer and registered by him in the records relating to the policy and any such nomination may at any time before the policy matures for payment be cancelled or changed by an endorsement or a further endorsement or a will, as the case may be, but unless notice in writing of any such cancellation or change has been delivered to the insurer, the insurer shall not be liable for any payment under the policy made bona fide by him to a nominee mentioned in the text of the policy or registered in records of the insurer".

7. Admittedly, it is a contractual obligation between the parties. As per the terms and conditions of the policy, the first respondent can disburse the policy amount to the nominee. In the case on hand, pending this writ petition, the first respondent had already disbursed the policy amount in favour of the second respondent. Therefore, the prayer sought for in this writ petition cannot be considered. However, the petitioner is at liberty to approach the appropriate forum to claim their share in the amount received by the second respondent in the manner known to law, if so advised.

8. In the result, this writ petition stands dismissed. No costs.

12.06.2024

Internet : Yes
Index : Yes/No
Neutral Citation : Yes/No
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To

The Branch Manager,
The Life Insurance Corporation of India,
Tambaram Branch,
17-A, Shanmugam Road,
West Tambaram, Chennai – 600 045.

G.K.ILANTHIRAIYAN, J.

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