IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 02-04-2024

CORAM

THE HONOURABLE MR.JUSTICE S.M. SUBRAMANIAM

WP No.33304 of 2023
And
WMP No.33046 of 2023

R.Sakthivel .. Petitioner

-vs-

Life Insurance Corporation of India,
Represented by its Chairperson Mr.M.R.Kumar,
Central Office, Yogakshema Building,
Jeevan Bima Marg, P.O.Box No.19953,
Mumbai,
Maharashtra-400 021. .. Respondent

Writ Petition is filed under Article 226 of the Constitution of India, praying for the issuance of a Writ of Declaration, declaring the resolutions of the Board of Directors of the Life Insurance Corporation of India dated 24.08.2021 and 08.01.2022, to the extent that they mandate maintaining separate fund w.e.f. From 31.09.2022, as illegal, void and unconstitutional.

For Petitioner : Mr.K.Rathinavel

For Respondent : Mr.Satish Parasaran,
Senior Counsel for Mr.Edward James.

ORDER

The Writ of Declaration has been instituted to declare the resolutions of the Board of Directors of the Life Insurance Corporation of India dated 24.08.2021 and 08.01.2022, to the extent that they mandate maintaining separate fund w.e.f. From 31.09.2022, as illegal, void and unconstitutional.

2. Admittedly, the petitioner is a policy holder of the Life Insurance Corporation of India. The petitioner has taken insurance policy, namely, Jeevan Anand Plan-149. The petitioner has filed the present writ petition, challenging the results of claims of Life Insurance Corporation of India, dated 24.08.2021 regarding participation in profits.

3. Mr.Satish Parasaran, learned Senior Counsel, appearing on behalf of the respondent, would submit that participation in profits is determined based on the decision taken by the Board then and there.

Therefore, the petitioner cannot question the Resolution passed by the Board, since it involves many other factors.

4. In the present writ petition, the Resolution was passed respectively on 24.08.2021 and 08.01.2022 and implemented for sharing profits amongst the policy holder. The present writ petition has been instituted belatedly in the year 2022 and therefore, the relief, as such, sought for in the present writ petition, lost its relevance.

5. It is needless to state that the conditions stipulated in the policy, are binding on the parties, namely, the policy holders and the Life Insurance Corporation of India. Clause 11 of the Policy, reads as under:-

> *"11. Participation in Profits: The policy shall participate in profits of the "With-Profit Assurance Policies'" at such rates as may be declared by the Corporation provided the policy has been kept in force by paying premiums continuously for a period of 3 years. The simple reversionary bonuses shall be declared as at 31st March every year which remain attached to the policy. Such bonuses or their cash value shall be*

> *paid along with the claim under the policy, if any.*
>
> *In case the premiums shall not be duly paid, the policy shall cease to participate in profits irrespective of whether or not the policy has acquired paid up value (reduced Sum Assured). Final Additional Bonuses may also be declared under the policy in the year when the policy results into a claim either due to death or maturity."*

6. The above Clause unambiguously stipulates that the policy shall participate in profits of the "With-Profit Assurance Policies'" at such rates as may be declared by the Corporation. Therefore, the right to declare profit vests with the Life Insurance Corporation of India, that cannot be questioned by the policy holder, to declare profit by the Board, will be shared amongst the policy holder. Thus the policy decision taken regarding declaration of policy by the respondent, is falling beyond the realm of the policy holder. Thus, the writ petitioner is not entitled for the relief, as such sought for in the present writ petition.

7. Accordingly, the present writ petition stands dismissed. However, there shall be no order as to costs. Consequently, the connected miscellaneous petition is also dismissed.

02-04-2024

Index : Yes/No
Internet: Yes/No
Speaking order/Non-Speaking order
Neutral Citation : Yes/No
Svn

To

Mr.M.R.Kumar,
The Chairperson
Life Insurance Corporation of India,
Central Office, Yogakshema Building,
Jeevan Bima Marg, P.O.Box No.19953,
Mumbai,
Maharashtra-400 021.

S.M.SUBRAMANIAM, J.

Svn

WP 33304 of 2023

02-04-2024