IN THE HIGH COURT OF JUDICATURE AT PATNA
Civil Writ Jurisdiction Case No.2797 of 2024

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Veena Devi W/o Late Amod Rai R/o Rai Bhawan, New Sidhouli, P.S.- Dalmia Nagar, District- Rohtas, Bihar 821306

... ... Petitioner/s

Versus

1. Bharat Sanchar Nigam Ltd through Chief General Manager Telcom, Bihar Circle, Patna, Bihar.
2. The General Manager (Finance), O/o of Chief General Manager Telcom (C.G.M.T.), Bihar Circle, Patna, Bihar.
3. The District Manager Telecom, BSNL, Sasaram.
4. The Divisional Engineer (A and P), O/o the Telcom, District, Manager, BSNL Sasaram- 821115
5. The LIC of India through Zonal Manager, Zonal Office, Patna, Bihar.

... ... Respondent/s

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Appearance :

For the Petitioner/s	:	Mr. Mithilesh Kumar Rai, Adv.
For the Respondent/s	:	Mr. Rakesh Kumar, Adv.
For the BSNL	:	Ms. Nutan Sahay, Adv.
For the LIC	:	Mr. Rajan Ghoshrave, Adv.

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CORAM: HONOURABLE MR. JUSTICE A. ABHISHEK REDDY

ORAL JUDGMENT

Date : 01-09-2025

Heard the learned counsel for the parties.

2. This writ petition has been filed for the following relief(s):-

> *"That this is an application for issuance of a writ in the nature of Mandamus, commanding and directing the respondents to make payment of remaining insurance claim in the case of late husband of the petitioner namely, late Amod Rai to the tune of Rs. 2,80,109/- (Two Lakh, Eighty Thousand, Once Hundred and Eight only), which has been paid Rs. 19,892/- only (Nineteen Thousand, Eight Hundred and Ninety-two Only)*

against the full claim of Rs. 3 Lakhs only and/or may pass such any other order/orders for which the petitioner may be found legally entitled to."

3. It is the case of the petitioner that during the life time of her husband, namely, late Amod Rai the respondent BSNL had taken a Group Insurance Scheme for a claim amount of Rs. 3 lakhs. That husband of the petitioner late Amod Rai had died on 11.02.2019 and thereafter the petitioner along with her son and two daughters filed a claim petition before the respondent LIC-Corporation. However, the claim of the petitioner was denied and she was paid only an amount of Rs. 19,892/- as against the full claim of the Rs. 3 lakhs. Learned counsel for the petitioner submits that the petitioner is entitled to the full amount of Rs. 3 lakhs as she is a nominee of her late husband. Learned counsel for the petitioner submits that the claim of the petitioner has been denied solely on the ground that the policy of the petitioner has lapsed due to non payment of the premium amount by the employer/BSNL. It is submitted that the respondent- Corporation has accepted the premium paid by the employer/BSNL on 15.03.2019 and the petitioner cannot be blamed for the lapses if any committed by the said employer. Learned counsel further states that once the respondent- Corporation has accepted the premium amount from

the employer/BSNL, the petitioner cannot be denied the full claim by the LIC Corporation. Learned counsel has, therefore, prayed this Hon'ble Court to allow the present writ petition and direct the respondent- LIC corporation to pay the full claim amount after deducting an amount of Rs. 19,892/- which has already been paid.

4. In the counter affidavit filed by the respondent BSNL, the above facts have not been controverted. Learned counsel appearing on behalf of the respondents- BSNL states that the premium amount has been paid by the BSNL on 15.03.2019 and the same was accepted by the LIC Corporation. Learned counsel has further stated that once the premium has been accepted, the benefits which are payable under the policy have to be necessarily given to the employees.

5. *Per contra*, on the other hand learned counsel appearing on behalf of the respondent LIC Corporation has vehemently opposed the very maintainability of the present writ petition. Learned counsel has stated that the respondent- BSNL had taken a Group Insurance Scheme for its employees. That as per the terms and conditions of the said policy, the employer is obligated to deposit the premium amount well before the last date. However, in this particular case the employer has deposited the premium amount only on 15.03.2019 whereas the deposit of the

premium for the month of January, 2019 should had being made by 20^{th} of the said month. Further, it is submitted that there is no grace period order the Group Insurance Scheme and the policy will lapse. Learned counsel has stated that mere acceptance of the premium amount by the respondents- Corporation does not absolve the liability of the employer and in case the petitioner has any grievance, the remedy is to seek compensation from the employer i.e. Respondent BSNL and not the LIC corporation. Learned counsel has drawn the attention of the Court to Annexure-R/1 filed along with the supplementary counter affidavit more specifically Clause B (v) in support of his case. Learned counsel has therefore prayed this Hon’ble Court to dismiss the present CWJC.

6. Admittedly, in this particular case the husband of the petitioner was an employee of the respondent- BSNL and he has died in harness on 11.02.2019. During the lifetime of the husband of the petitioner, he was a member of the Group Insurance Scheme floated by the LIC corporation. The fact also remains that the premium amount for the said Group Insurance Scheme was paid on 15.03.2019 and the same has been accepted by the LIC-Corporation. After the death of the husband of the petitioner, the claim of the petitioner has been rejected solely on the ground that

the premium amount was paid late and in the interregnum the policy had lapsed. Though the learned counsel appearing on behalf of the respondents LIC corporation has tried to impress upon this Court that the Group Insurance Scheme cannot be equated with the individual policies and has drawn the attention of the Court to Annexure – R/1 of the supplementary counter affidavit more specifically clause B (v) which reads as under :

> *"v. There are no Days of Grace under GSLI Schemes and the premiums are to be remitted by the employer on or before the due date of such premiums. The date of commencement of the scheme should therefore be fixed as 20th or so after discussion with the employer to allow sufficient time to him for reconciliation, remittance of premium etc. after deduction of premium from the salary of concerned employees.*
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> *It may, thus, be observed that the working of GSLI Schemes is quite different from the individual insurance policies issued under Salary Savings Scheme of the Corporation and it is very necessary to strictly follow the rules in order to make the administration of schemes feasible. Any deviation will pose problems for the employer, employees and the concerned P&GS Unit. The co-operation of the employer is very much essential for the satisfactory running of these schemes.*
>
> *The P&GS Units should immediately take up the matter with concerned policy holders*

> *to regularise all such GSLI Schemes where any of the abovesaid conditions are not being followed. It should be noted that no GSLI Scheme in future should be introduced by a Unit without properly explaining the working of the scheme to an employer and without his agreeing to fulfil his obligations under such schemes."*

7. However, it is to be noted that this is an internal circular issued by the Life Insurance Corporation of India to all the Zonal/Divisional Officers of the Corporation dated 09.05.1997. Therefore, it cannot be said that the employer/BSNLwas aware of the same. Though the learned counsel for the respondents Corporation has submitted that as per the terms and conditions of this Group Insurance Scheme the employer was obligated to pay the premium amount well within the time but in this particular case the employer has paid the premium amount only on 15.03.2019 when the same was actually due on 20^{th} January therefore, the claim of the petitioner had to be necessarily rejected. However, it is to be noted that this circular has never been communicated to the respondent- BSNL. Further, the circular does not say anything about the policy getting lapsed due to non payment of the premium amount within the time fixed. Nothing has been placed on record by the respondent- Corporation to show that non- payment of the premium amount within the stipulated time would result in the policy getting lapsed and that the policy

holder who are the members of the Group Insurance Scheme will not get the benefits under the policy if they die in the interregnum. The above contention of the counsel for the respondents-Corporation that the petitioner is not entitled to the full claim on account of non- payment of the premium amount by the employer is without any legal basis. In the absence of any clause either in the policy or the guidelines issued by the respondent- corporation to the employer have subscribed to the Group Insurance Scheme specifically stating that the policy would lapse and the insured would not get any benefits if the premium is not paid within the stipulated time, the rejection of the claim of the petitioner has to be necessarily held as arbitrary, bad, illegal and contrary to the terms and conditions of the policy. The respondent- corporation having accepted the premium without any protest or caveat cannot reject the claim of the petitioner. The authority ought to have taken a pragmatic view of the entire matter and processed the full claim of the petitioner as they are already under distress due to death of the sole bread winner of the family and the claim amount is only Rs. 3 lakhs.

8. Having regard to the above mentioned facts and circumstances, this Court is of the opinion that the ends of justice would be made if the present writ petition is allowed and the

respondent- Corporation directed to process the claim of the petitioner and pay the full claim amount to the petitioner. The writ petition is accordingly allowed consequently the respondent corporation is directed to process the claim of the petitioner and pay the amount of Rs. 3 lakhs after deducting the amount of Rs. 19,892/- already paid. It is hoped that authority shall endeavour to process the claim as expeditiously as possible positively within a period of six weeks from the date of receipt of the copy of this order.

9. With the above directions, the present writ petition stands allowed to the extent indicated.

(A. Abhishek Reddy , J)

Gauravkr/-

AFR/NAFR	NAFR
CAV DATE	N/A
Uploading Date	08.09.2025
Transmission Date	N/A