IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 03.11.2025

CORAM:

THE HON'BLE MR.JUSTICE M.DHANDAPANI

W.P.No.35328 of 2025

M.Nanjundan ... Petitioner

Vs.

1.Insurance Regulatory & Development
Authority of India
Rep. by its The Chairman,
115/1, Finacial District,
Manakaramguda, Guchibowl,
Hyderabad-500 032.

2.SBI Life Insurance Co. Ltd.,
Rep. by its Managing Director,
Natraj M.V. Road & Western,
Express Highway Junction,
Andheri (East) Mumbai-400 069. ... Respondents

Prayer: Writ Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Mandamus, directing the respondents to expedite enquiry on the basis of the representation and legal notice dated 20.02.2025 and 21.05.2025 respectively, of the petitioner and to allow the Writ Petition.

For Petitioner : Mr.M.Nanjundan, P-IN-P

For Respondents : No Appearance

ORDER

This Writ Petition has been filed by the petitioner/party-in-person, seeking a direction to the respondents herein to expedite an enquiry on the representation of the petitioner dated 20.02.2025 and also to take action on his legal notice dated 21.05.2025 and to settle the insurance refund value amount due to him.

2. Heard the petitioner/ Party-in-Person. Though notice has been served on the respondents and their names were printed in the cause title, none appears on their behalf today.

3. The averments stated by the petitioner in the affidavit is as follows:

3.1. The petitioner had purchased a life insurance policy from SBI Life Insurance Company Limited bearing Policy No.1H330283002 for a sum assured of Rs.2 lakhs on 25.09.2018. As per the policy namely, "SBI Life Smart", he has to pay an annual premium of Rs.2 lakhs each year for a period of five years viz., 2018, 2019, 2020, 2021 & 2022. He had paid the premium amount for two years i.e., for the years 2018 & 2019 and was unable to pay the premium amount for the remaining years due to insufficient income caused by COVID pandemic and hence, the policy has been classified as 'Discontinuance of Premium'. On termination of the insurance contract, i.e., on 26.09.2023, full amount assured has to be settled but the second respondent refused to settle the dues to the petitioner under the said policy, instead they mandated him to purchase a new insurance policy for two-thirds of the total settlement amount. Due to which, the petitioner made a complaint before the Consumer Disputes Redressal Commission, the Commission on conducting an enquiry passed the following order:

> *a)To repay the sum of Rs.5,20,024/-, the sum being the lapse terminated refund value to be paid by the respondents;*
>
> *b)To pay interest at the rate of 6% p.a., for the sum of Rs.5,20,024/- from 25.09.2023 till the order dated 18.07.2024;*
>
> *c)To pay a sum of Rs.2 lakhs as compensation for mental agony, sufferings etc., and*
>
> *d)To pay a sum of rs.10,000/- towards cost of the proceedings of the complainant.*
>
> *e)The entire amount shall be paid within two months from the said order, failing which the entire*

amount shall carry interest 9% p.a., from the order dated 18.07.2024 till the date of realization.

3.2. The petitioner stated that the second respondent before the Consumer Commission submitted a notification of the first respondent in which it has been stated that while settling the discontinuance of premium refund amount to the policy holder, the Insurance Regulatory Authority has approved that two-thirds of the said amount should be used to sell a new insurance policy, which is against the fundamental rights of a citizen. Assailing the order of the Commission dated 18.07.2024, the respondents has preferred an appeal before the State Commission. In the meanwhile, the petitioner submitted a representation to the first respondent on 20.02.2025 to conduct an enquiry into the matter and thereafter, he has sent a legal notice on the issue of mandatory purchase of new policy from the discontinued premium amount on 21.05.2025 in order to settle his premium amount dues. However, there was no response from the respondents.

4. Aggrieved by the inaction on the part of the respondents, the

petitioner was constrained to approach this Court by way of the present Petition.

5. Considering the facts and circumstances of the case, this Court is inclined to direct the first respondent herein to conduct an enquiry on the petitioner's representation dated 20.02.2025 and also on the legal notice dated 21.05.2025 and pass appropriate orders in accordance with law, after affording an opportunity of hearing to the petitioner, as well as to the second respondent herein, within a period of 12 weeks from the date of receipt of a copy of this order.

6. With the above directions, the Writ Petition stands disposed of. There shall be no orders as to costs.

03.11.2025

Index: Yes/No
NCC : Yes/No
Order : Speaking/Non Speaking

DP

To

1.The Chairman,
Insurance Regulatory & Development
Authority of India,
115/1, Finacial District,
Manakaramguda, Guchibowl,
Hyderabad-500 032.

2.The Managing Director,
SBI Life Insurance Co. Ltd.,
Natraj M.V. Road & Western,
Express Highway Junction,
Andheri (East) Mumbai-400 069.

M.DHANDAPANI.J,

DP

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