IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 04-03-2026

CORAM

THE HON'BLE MR JUSTICE M.DHANDAPANI

WP No. 15230 of 2024
and WMP.No.16571 of 2024

S.Varalakshmi
W/o. R.Sivasubramanian, 2088/76 , 1st Street,
Vasantham Colony, 18th Main Road, Anna Nagar
West, Chennai 40

..Petitioner(s)

Vs

1. The Union Of India
   Rep. By Its Honble Secretary, The Ministry Of
   Finance, A704 Govindpuri Ma Anandmayee
   Marg, Srg Colony, Kalkaji, New Delhi , Delhi
   110 019
2. The Life Insurance Corporation Of India
   Through Assistant Secretary, Co Legal Cell,
   H-39, New Asiatic Building, Connaught Place,
   New Delhi 110 001

3. The Senior Divisional Manager
   Life Insurance Corporation Of India, Divisiona
   Office Ii, C-47, Ii Avenue, Anna Nagar Plaza,
   Anna Nagar, Chennai 40

4. The Insurance Ombudsman
   States Of Tamil Nadu And Puducherry,
   Fathima Akhtar Court, 4th Floor, No. 453
   Anna Salai, Teynampet Chennai 18

..Respondent(s)

Petition filed under Article 226 of the Constitution of India, praying for issuance of a Writ of Certiorarified Mandamus, calling for the records of the communication of the 3rd respondent LIC vide their letter dated 28.12.2022 and confirmed by the 4th respondent vide Award dated 24.02.2022 in its Impugned award No. /0/ CHN/ A/ L1/ 0141/ 2021- 22 and quash the same and consequently direct the 3rd respondent to pay the entire policy maturity amount of Rs. 5,00,000/- (Rupees Five lakhs only) together with interest as per the policy condition on LICs JEEVAN SAARAL (with profits) POLICY No. 719193569 dated 28.06.2010.

For Petitioner(s): Mr.V.P.Raju

For Respondent(s): Mr.V.Ashok Kumar, CGSC for R1
Mr.R.S.Anandan for R2 & R3
No Appearance for R4

ORDER

The communication of the third respondent LIC vide their letter dated 28.12.2022 which was confirmed by the fourth respondent vide Award dated 24.02.2022 in its Impugned Award No. /0/ CHN/ A/ L1/ 0141/ 2021- 22, are put under challenge in the present Writ Petition. Consequently, the petitioner has sought for a direction to the third respondent to pay the entire policy maturity amount of Rs.5,00,000/- (Rupees Five lakhs only) together with interest as per the policy condition on LIC's JEEVAN SARAL (with profits) POLICY No. 719193569 dated 28.06.2010.

2. Heard the learned counsels appearing on either side.

3. The brief facts of the case is as follows:

3.1. The petitioner on the advise of one LIC agent, invested in Jeevan Saral Policy with the permission of their family members, wherein the commencement and risk of the policy bearing No.719193569 were on 28.06.2010 and 21.07.2010 for a premium amount of Rs.7,017/- payable quarterly for a period of 165 months or 11 years which assured a sum of Rs.5 lakhs on maturity and the petitioner had paid her premium without any default and mentioned her son Prasanna as nominee for the said policy. While so, the petitioner received a letter from the third respondent to receive the maturity amount of Rs.1,16,496/- for the aforesaid policy which is less than the amount promised by the second and third respondents and thereafter, she received reminder letters from the third respondent to collect the maturity amount, however aggrieved over the same, the petitioner preferred a complaint before the fourth respondent, which passed an award stating that there is typographical mistake in the policy certificate and the petitioner is entitled for the residual part of the premium paid by her after deducting the appropriate risk premium with interest applicable at the rate as per the Insurance Ombudsman Rules, 2017. Thereafter, the third respondent sent a letter dated 02.08.2022 to the petitioner to receive the maturity amount as per the award of the fourth respondent and further a communication dated 28.12.2022. Challenging the impugned communication dated 28.12.2022 and Award dated 24.02.2022 of the third and fourth respondents, the present Writ Petition has been filed.

4. The learned counsel for the petitioner submitted that the petitioner is a senior citizen and as per the policy, the petitioner is entitled to receive a sum of Rs.5 lakhs on maturity, however the respondents have failed to pay the sum assured to her while taking the policy. He further submitted that though only death and accident sums were assured in the policy to the tune of Rs.5 lakhs, atleast the premium amount paid by the petitioner to the tune of Rs.3,08,748/- has to be repaid by the respondents and accordingly, prayed to pass appropriate orders.

5. Per contra, the learned Central Government Standing Counsel appearing on behalf of the respondents submitted that the life insurance policy necessarily provides coverage against the risk of untimely deaths and a premium amount to be charged is decided based on the age of proponent at the start of policy and the basic principle of insurance premium is higher the age at entry, higher is the amount of premium charges as rising age, risk of causing death also increases. He further submitted that Jeevan Saral plan is the one prescribed by Institute of Actuaries of India and as such, there is no violation of any settled principles of insurance by the respondents. He also drew the attention of this Court to the amount arrived by the respondents payable to the petitioner is only as per the terms and conditions of the policy, which reads as follows:

	Maturity Benefit	Death Benefit	Remark
	Maturity Sum Assured Rs.78,980 (As per Annexure II of the Plan Circular and payable upon maturity of policy)	Death Sum Assured Rs.5,00,000/- (Payable upon death of insured during term of policy)	As per plan features, death benefit amount with the addition of loyalty additions and the refund of premium becomes increasing value every policy year and not a static, and thereby giving very high returns under the policy.
Plus	Loyalty Additions Rs.37,516/-	Loyalty Addition in case death is in last year of the policy: Rs.37,516/-	
Plus	---	Return of premium paid (excluding extra premium) Rs.2,75,680/-	
	Total payable Rs.1,16,496/-	**Total payable Rs.8,13,196/-**	

Thus, he submitted that the impugned communication and the award of the third and fourth respondents respectively have been passed rightly as per the Insurance Rules and the same warrants no interference by this Court and prayed for dismissal of the petition.

6. I have considered the rival submissions made by the respective learned counsels and also perused the materials available on record.

7. Admittedly, the facts in the case on hand is not disputed by the respondents. The petitioner entered the contract with the LIC by taking the Jeevan Saral Policy and paid the premium amount without any default for the period of 165 months, for which the third respondent has offered to pay a sum of Rs.1,16,496/- on maturity. The amount of calculation for arriving the sum of Rs.1,16,496/- was explained by the respondents in their counter affidavits in paras 11 to 13 however, the same was not explained in the policy or during the proposal to the petitioner but they have informed it orally to the petitioner which is not sufficient to hold to arrive at calculating the matured sum by the third respondent. In the absence of any express statement in the contract or in the policy about the amount payable to the petitioner is only Rs.1,16,496/-, this Court cannot accept it as the maturity value. However, in the present case on hand, in the policy, maturity value is blank only other two categories were filled namely, it is pertinent to note that the death and accident sum assured were mentioned whereas the express statement with regard to maturity is absent. Since there is no express statement about maturity sum assured payable to the petitioner in the policy, the respondents are liable to pay the premium amount paid by the petitioner.

8. In view of the above discussions, the impugned communication as well as the Award of the third and fourth respondents dated 28.12.2022 and

24.02.2022 respectively, are set aside. Accordingly, the Writ Petition stands allowed to the above extent and the respondents are directed to pay the premium amount paid by the petitioner i.e., to the tune of Rs.3,08,748/-, within a period of six weeks from the date of receipt of a copy of this order. Consequently, connected Miscellaneous Petition is closed. There shall be no order as to costs.

04-03-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

DP

To

1. The Union Of India
   Rep. By Its Honble Secretary, The Ministry Of Finance, A704 Govindpuri Ma Anandmayee Marg, Srg Colony, Kalkaji, New Delhi , Delhi 110 019

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   Through Assistant Secretary, Co Legal Cell, H-39, New Asiatic Building, Connaught Place, New Delhi 110 001

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M.DHANDAPANI, J.

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