



**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

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CWP-7500-2026

Date of Decision: 12.03.2026

SUMIT KUMAR

...Petitioner

Vs.

THE PERMANENT LOK ADALAT AND OTHERS

...Respondents

CORAM:- HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present:- Mr. Ashutosh Kaushik, Advocate with
Mr. Abhivrat Arya, Advocate
for the petitioner

JAGMOHAN BANSAL, J. (ORAL)

1. The petitioner through instant petition under Articles 226/227 of the Constitution of India is seeking setting aside of order dated 26.07.2024 whereby Permanent Lok Adalat (for short 'PLA') has rejected his application filed under Section 22C of Legal Services Authorities Act, 1987 (for short '1987 Act').

2. The petitioner's father namely Mr. Karambir Singh obtained Life Insurance Policy No. NP012103206373 from M/s Shri Ram Life Insurance on 18.03.2021. The sum insured was Rs.4,71,500/- with death benefit of Rs.5,03,250/-. He paid first premium of Rs.63,040/- and expired on 25.04.2021 due to sudden heart attack. It is apposite to notice that death took place within 38 days from the date of insurance policy. The insurer repudiated death claim vide letter dated 21.09.2021 on the ground that there was suppression of material pre-existing chronic liver

disease besides Hepatitis C. The petitioner in terms of Section 22C of 1987 Act preferred claim before Ld. PLA which vide order dated 26.07.2024 rejected his claim. The findings recorded by PLA read as:-

“20. From the medical report of deceased life assured Karambir Singh issued by the doctor of renowned hospitals i.e. Amar Hospital, Patiala and Sir Ganga Ram Hospital, New Delhi leave no doubt that Karambir Singh was suffering from chronic liver disease prior to the issuance of the insurance policy by the respondent insurance company. He was well aware of the fact that he was suffering from fatal deadly disease. He died within a period of 1 month and 8 days of the issuance of the policy. He was bound to disclose the fact as regards his previous ailment and hospitalization in the proposal form. The insurance policy is issued by the insurance company on the basis of the disclosures made by the life assured in the proposal form.

21. It is now well settled that Life Insurance Policies are contract governed by the principle of "Uberrima Fidei" From oral as well as documentary evidence brought on record it stands proved that the deceased life assured Karambir Singh was suffering from Chronic liver disease, Portal hypertension, Ascites, Hepatitis C prior to the taking of the Policy, which was very much in his knowledge. He remained under continuous treatment in Amar Hospital, Patiala since August 2020. The Ultrasonography reports of Karambir Singh Ex. R-13 and Ex. R-16, issued by Durga Ultrasound & Diagnostic Centre, Kaithal leave no doubt that Karambir Singh was suffering from Chronic liver disease. The said ultrasound reports are dated 01.12.2020 and 06.01.2021 respectively. The discharge summary of Karambir Singh Ex. R-17 was issued by Sir Ganga Ram Hospital, New Delhi on 03.02.2021 i.e. just 1 month and 15 days prior to the

submission of the proposal form by the life assured. The life assured gave false and misleading information to the respondent insurance company despite having knowledge of the fact that he was suffering from Chronic Liver Disease for the last more than a year prior to the issuance of the policy by the insurance company.

22. *The learned Counsel for the applicant has placed reliance upon the following case law:*

(i) National Insurance Company Limited Vs. Sardar Kulbir Singh, III(2010) CPJ 276 (NCDRC, New Delhi).

(ii) Life Insurance Corporation of India & Anr. Vs. Sudesh, II (2012) CPJ 65 (NCDRC, New Delhi).

(iii) Manmohan Nanda Vs. United India Assurance Co. Ltd. & Anr, Civil Appeal No. 8386/2015 D/d 06.12.2021 (SC)

23. *We have gone through the case law cited by learned Counsel for the applicant. The same are clearly distinguishable on facts. In Kulbir Singh's case, the insurance company failed to produce any concrete evidence to the effect that the deceased life assured was suffering from the disease for the last 10 years. Neither the proposal form was produced nor the Discharge Summary disclosed as to on what basis the life assured was suffering from the disease. In Sudesh's case (supra,) there was no evidence to show that the insured had under gone hospitalization for any disease in near proximate of time when the policy was obtained. In the present case, the insured got himself medically examined and remained admitted in Sir Ganga Ram Hospital, New Delhi just 1 month and 15 days prior to the issuance of the policy.*

24. *The observations made by Hon'ble Supreme Court in Manmohan Nanda's case support the contention of the respondent insurance company. The observations made by*

the Hon'ble Supreme Court in Para nos. 38 of the aforesaid Judgment are reproduced hereunder:

"38 Whether a fact is material will depend on the circumstances, as proved by evidence, of the particular case. It is not the court to rule as a matter of law, whether, a particular fact is capable of being material and to give directions as to the test to be applied. Rules of universal application are not therefore to be expected, but the propositions set out in the following paragraphs are well established:

(a) Any fact is material which leads to the inference, in the circumstances of the particular case, that the subject matter of insurance is not an ordinary risk, but is exceptionally liable to be affected by the peril insured against. This is referred to as the 'physical hazard'.

(b) Any fact is material which leads to the inference that the particular proposer is a person, or one of a class of persons, whose proposal for insurance ought to be subjected at all or accepted at a normal rate. This is usually referred to as the 'moral hazard'.

25. In the present case, as already observed, the insured was very much in the knowledge of the fact that he was suffering from various diseases including chronic liver disease Cirrhosis. Had the insured not been in the knowledge of the fact that he was suffering from any such ailment at the time of submission the proposal from, the matter would have been different. In Manmohan Nands's case, the deceased life assured came to know of the disease from which was he was suffering, after the issuance of the Policy. It was in those circumstances that the insurance company was held liable to indemnify the petitioner/complaint.

26. *In view of the observations made above, we have formed the opinion that the claim has been legally and validly denied/repudiated by the respondent insurance company vide letter dated 21.09.2021, Ex. P-5/R-18 as per the terms and conditions of the insurance policy. There has been no deficiency in service or unfair trade practice on the part of the respondent insurance company in the present case. Accordingly, it is held that applicant is not entitled to any of the reliefs as prayed for by him in the present application.”*

3. Learned counsel for the petitioner submits that insured died on account of heart attack. The insurer repudiated his claim on the ground that insured was suffering from chronic liver disease besides Hepatitis C and did not disclose at the time of buying insurance. The insured did not die because of pre-existing disease which was allegedly not disclosed, thus, as per judgment of Hon’ble Supreme Court in **“Sulbha Prakash Motegaonkar and Ors. Vs. Life Insurance Corporation of India”**, (2021) 13 SCC 561 respondent could not repudiate his claim.

4. Heard the arguments and perused the record.

5. From the perusal of record, it is evident that insured was suffering from chronic liver disease and Hepatitis C prior to taking policy. He was under continuous treatment in Amar Hospital, Patiala since August’ 2020. He was discharged by Sir Ganga Ram Hospital, New Delhi on 03.02.2021 i.e. just 1½ month prior to submitting proposal form. He did not disclose his chronic disease. He passed away within 38 days from the date of policy. He was indubitably guilty of non-disclosure of

material information. The judgment cited by petitioner is inapplicable because in said case, the insured was not suffering from life threatening disease whereas in the present case insured was suffering from chronic liver disease and had remained admitted in hospitals. He passed away within 38 days from the date of insurance policy.

6. There is no manifest factual or legal infirmity in the impugned order warranting interference. The instant petition deserves to be dismissed and accordingly dismissed.

7. Pending application(s), if any, stands disposed of.

(JAGMOHAN BANSAL)
JUDGE

March 12, 2026
Deepak DPA

Whether Speaking/reasoned	Yes/No
Whether Reportable	Yes/No