Mamta Devi Vs. Bajaj Allianz Life Insurance Company Limited and Another

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Court : Himachal Pradesh State Consumer Disputes Redressal Commission SCDRC Shimla

Decided On : Apr-23-2014

Judge : (Retd.) Surjit Singh, President &Amp; the Honourable Mrs. Prem Chauhan, Member

Appeal No. : First Appeal No. 413 of 2013

Appellant : Mamta Devi

Respondent : Bajaj Allianz Life Insurance Company Limited and Another

Judgement :

Justice (Retd.) Surjit Singh, President (Oral)

1. Appellant feels aggrieved by the order dated 13.09.2013, of learned District Consumer Disputes Redressal Forum, Hamirpur, whereby her complaint, under Section 12 of the Consumer Protection Act, 1986, which she filed against the respondents, has been dismissed, with the observation that benefit, to which she was entitled, on revival of policy, has already been credited in her account, maintained by the respondents.

2. Admitted facts are that the appellant purchased a Bajaj Allianz Capital Unit Gain Product Policy from the respondents on 03.02.2007. She was supposed to have paid premium at the rate of Rs.50,000/- per annum. She paid the premium for two years, i.e. 2007 and 2008. For the premium paid in 2007, she was allotted

3657.5037 units and for the premium for the year 2008, she was allotted 3162.2395 units. These facts are not in dispute.

3. Appellant did not pay the premium for the next year, which resulted in the lapse of the policy. Terms and conditions of policy provided for revival of the policy, by paying unpaid premium, within two years. Appellant admittedly paid the premium for the year 2009, in August, 2010 and the policy was revived. This fact is also not in dispute.

4. Dispute is with regard to the amount of money, which was credited in the account of the appellant, on revival of policy. Dispute has arisen, because at the time when the policy had lapsed, the value of one unit was Rs.7.847, whereas at the time, when the policy was revived, the rate per unit was Rs.15.9887. Respondent has credited the money in the account of the appellant at the rate prevailing at the time of lapse of policy.

5. Appellants plea is that she is entitled to the value of units as on the date of revival and not on the date when the policy had lapsed, as according to her, the revival of policy meant the revival of units and, therefore, their value as on the date of revival should have been entered in her account.

6. Respondents placed on record, the terms and conditions of the policy. Terms and conditions do not say that in the event of revival of policy, the policyholder is to get monetary benefit, equivalent to the value as on the date of lapse of the policy and not as on the date of revival of the policy.

7. Learned District Forum has placed reliance upon the following portion of Clause-18 of the policy, to dismiss the appellants complaint:-

œi) The policy shall immediately lapse alongwith all insurance covers.

ii) The policyholder may revive the policy within a revival period of two years from the due date of first unpaid regular premium, failing which the contract shall be terminated and 100% of the value of accumulation units pertaining to regular premiums as on date of lapse alongwith the Top Up Premium units if any, shall be paid at the end of the third policy year or at the expiry of the revival period, whichever is later.?

8. From a bare reading of the above reproduced portion of Clause-18, it is clear that this Clause is applicable, where the policy has lapsed and is not revived and the policyholder is to be paid the value of units, which had already stood allotted to him or her.

9. In this case, the policy stood revived. Revival was, without any limits or conditions. Revival, in our considered view, means that the policy as it existed before it lapsed, comes into force with all consequences, placing the policyholder, on par with those policyholders, whose policies did not lapse. Clause-19 of the policy, pertaining to revival reads as under:-

œ19. Revival of the Policy

Revival of the Policy is subject to the Policyholder paying all unpaid Regular Premiums due and such other information and documentation as may be requested by the Company. The Company reserves the right to disallow the revival of the Policy on original Terms and Conditions.?

10. Undoubtedly, the Company reserves its right to disallow the revival of the policy on original terms and conditions. But in the present case, it is not the case of the respondents that while allowing the revival of the policy of the appellant, they had changed the original terms and conditions, or they conveyed to the appellant that revival was subject to their right to change the terms and conditions of the original policy.

11. In view of the above stated position, we accept the appeal, set aside the impugned order and direct the respondents to credit to the account of the appellant, money value of the units as on the date of revival of the policy, i.e. Rs.15.9887 per unit, and not on the basis of price, prevailing at the time of lapse of the policy. Respondents are also directed to pay Rs.10,000/-, on account of compensation and a sum of Rs.5,000/-, on account of litigation expenses.

12. A copy of this order be sent to each of the parties, free of cost, as per Rules.