

Subhadra Devi Vs. Life Insurance Corporation of India and ors.

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Court : Jharkhand

Decided On : Dec-18-2008

Reported in : AIR2009Jhar87; [2009(1)JCR571(Jhr)]

Judge : Amareshwar Sahay, J.

Appeal No. : W.P. (C) No. 29 of 2005

Appellant : Subhadra Devi

Respondent : Life Insurance Corporation of India and ors.

Advocate for Def. : Rajeev Ranjan Prasad, Adv.

Advocate for Pet/Ap. : Jai Prakash, Sr. Adv. and; Yogesh Modi, Adv.

Disposition : Petition allowed

Judgement :

Amareshwar Sahay, J.

1. Heard the parties. This application is being disposed of finally at this stage itself.
2. The case of the writ petitioner is that her late husband namely Late Shashi Bhushan Singh had taken two L.I.C. Policies which were under Double Accident Benefits (D.A.B.) Scheme being Policy Nos. 60342661 dated 25.07.1980 for Rs. 20,000/- and 60383837 dated 28.07.1983 for a sum of Rs. 25,000/-. Under the

Scheme of those Policies, in case of death of the Policy holder in an accident, the L.I.C. would pay the double the amount of sum insured to the dependants of the deceased. In other words, if the Policy is of Rs. 20,000/- then the dependent would get Rs. 40,000/-.

3. It is not in dispute that the husband of the petitioner died in a motor vehicle accident on 16.08.1986. After the death of her husband, the petitioner submitted the aforesaid two Policies to the respondent Corporation for payment of the amount under the said two Policies. It is stated that the respondent No. 3, by issue of the letter dated 06.10.1986 (Annexure-3), asked the petitioner to submit the Post Mortem Report of her husband as well as the F.I.R. for settlement of the dues under Double Accident Scheme. Pursuant thereto, the required documents were submitted by the petitioner.

4. The grievance of the petitioner is that against the Policy No. 60342661 for Rs. 20,000/- the petitioner was paid only Rs. 24,106/- on 04.02.1987 without extending the benefit of the Double Accident Policy Scheme.

5. Similarly, against the Policy No. 60383837 for Rs. 25,000/-, the petitioner was paid only Rs. 28,120/- on 14.02.1987. The benefit of Double Accident Benefit was not given to her.

6. The petitioner alleges that due to sudden death of her husband in the accident, she fell in great financial trouble as she had no earning and she had to maintain two small children. However, after 12 years of the accident, the double benefit amount of Rs. 25,000/- against Policy No. 60383837 was paid to the petitioner on 27.08.1998 but against the Policy No. 60342661 the double benefit has not been paid as yet.

7. The petitioner, thereafter, wrote letter as contained in Annexure-6 to the writ petition, representing the respondent No. 3 by stating that all the required papers have already been submitted but she has not been paid the double benefits against the aforesaid two Policies.

8. According to the petitioner, due to gross negligence on the part of the respondent Corporation in making payment against the aforesaid two Policies, the petitioner had to suffer a lot. She could not give proper education to her children for want of money. Therefore, she has claimed that the respondent Corporation be directed to pay Rs. 5 lac by way of damage/compensation over and above the amount payable to her under the D.A.B. Policies as well as interests thereon.

9. A counter affidavit has been filed on behalf of the Corporation on 11.02.2005. On perusal of the said counter affidavit, it appears that the facts which have been stated by the petitioner in this writ petition, have in fact not been denied.

10. In para-5 of the counter affidavit, it has been stated the benefit amount of Rs. 20,000/- against the Policy No. 060342661 has already been paid to the petitioner vide cheque dated 07.02.2005 in view of the order dated 06.01.2005.

11. In paragraph-6 of the counter affidavit, it has been stated that the documents relating to the present case could not be traced in spite of best efforts of the officers of the Corporation and those documents appears to have been destroyed.

12. A supplementary affidavit has also been filed on behalf of the Corporation, wherein the claim of the petitioner for damage against her sufferings has been refuted on the ground that there is nothing to prove the said loss and further that such claim has been made belatedly.

13. In paragraph-7 of the supplementary counter affidavit, it has been stated that the benefit of the Double Accident Benefit Scheme was paid to the petitioner against Policy No. 60383837 on 27.08.1998. The said payment was released after receiving the discharge voucher from the petitioner. It is also stated therein that from the statements made in the writ petition, it does not appear as to whether the discharge voucher of second Policy was submitted by the petitioner in the office of the Corporation or not.

14. Such plea raised by the Corporation in the supplementary counter affidavit is wholly untenable and it appears to have been made only to create defence. It is a glaring case of gross negligence and laches on the part of the respondent

Corporation in making payment of the amount due under the L.I.C. Policies to the petitioner. There is no dispute of the fact that the aforesaid two L.I.C. Policies were taken in 1980 and 1983 but against the second Policy of Rs. 25,000/- of the year 1983, the benefits of Rs. 25,000/- under Double Accident Benefit Scheme was paid to the petitioner on 27.08.1998 i.e. after 12 years of the accident and against the Policy No. 60342661 of Rs. 20,000/- , petitioner was paid a sum of Rs. 20,000/- under the Double Accident Benefit Scheme only on 07.02.2005 that also after an order was passed by this Court on 06.01.2005.

15. Thus, it is apparent that the amount legally payable to the petitioner was paid to her after a long inordinate delay. Since the legally payable amount of the petitioner was paid to her after inordinate delay by the Corporation without any valid reasons and therefore, I am of the opinion that the petitioner is entitled to the interest for the period falling in between the first payment to the final payment. Accordingly, I direct the respondent L.I.C. to pay interest @ 7% from the date the first payment i.e. against the Policy No. 60342661 from 04.02.1987 to 07.02.2005 i.e. date on which the benefit of Double Accident Benefit of Rs. 20,000/- was paid to the petitioner. Similarly, against the Policy No. 60383837, the Life Insurance Corporation shall pay interest at the same rate from 14.02.1987 to 27.08.1998 to the petitioner.

16. Over and above, for the harassment, mental agony and suffering for this long delay in payment, the petitioner is also entitled to be adequately compensated which is assessed at Rs. 50,000/-.

17. Accordingly, this writ petition is allowed. The respondent Life Insurance Corporation is directed to make payment of the interest to the petitioner as indicated above as well as a sum of Rs. 50,000/- by way of compensation against the mental agony, harassment and sufferings which the petitioner suffered due to negligence and laches on the part of the respondents. The payment as indicated above must be made by the Corporation within a period of four weeks from the date of receipt of a copy of this order.