

BEFORE THE DISTRICT CONSUMER DISPUTES
REDRESSAL COMMISSION, MYSORE-570023

CONSUMER COMPLAINT No.164/2024

DATED ON THIS THE 19th February, 2025

- Present:** 1) Smt.A.K. Naveen Kumari.,
B.Sc., LL.M., - PRESIDENT
2) Smt.M.K. Lalitha.,
M.A., BAL, LL.B., -MEMBER
3) Sri. Maruthi Vaddar
BA., LLB., (Spl) – MEMBER

COMPLAINANT/S

Smt. Uma Maheshwari,
D/o Late Mahadevappa
alias Nagaraju,
Aged about 29 Years,
Resident of Varakodu
Village and Post, Varuna
Hobli, Mysuru Taluk and
District.

(Rep.by.Adv. Naveen
Kumar.M.H.,)

V/S

OPPOSITE PARTY/S

1. Zonal Manager, LIC of
India, South Central Zonal
Office Jeevan Bhagya
Saifabad, Hyderabad-
500063.

2. The Divisional Manager, LIC
of India Divisional Office
Jeevan Prakash, Mysuru-
Bengaluru Road,
Bannimantappa, Mysuru-
570015.

3. The Branch Manager, LIC of

India, Hunsur Branch,
Hunsuru-571105.

(OPs Rep.by.Adv.

S.Vageesh,)

Nature of complaint	:	Deficiency in service
Date of filing of complaint	:	07.05.2024
Date of Issue notice	:	14.05.2024
Date of order	:	19.02.2025
Duration of Proceeding	:	09 MONTHS 12 DAYS

SMT.A.K. NAVEEN KUMARI.
PRESIDENT

The complainant has filed complaint against the opposite parties for issue of direction the opposite parties to pay the sum assured amounting to Rs.2,00,000/- in respect of the life insurance policy No.727047324 and Rs.1,50,000/- in respect of the policy No.727047711. To pay compensation of Rs.50,000/- towards mental agony and deficiency in service and to pay cost and such other relief as the Commission deems fit to grant in the interest of justice and equity.

2. The complaint in brief avers as follows:-

That the father of the complainant namely Mahadevappa has taken a policy on 23.05.2019 for the sum assured of Rs.2,00,000/- by paying premium of Rs.6,687/-. Again the agent of the 3rd opposite party requested Mahadevappa to take the policy and as taken his signature on several papers by showing the complainant as a nominee. As such, the father of the complainant has taken another policy on the

same day for the sum assured of Rs.1,50,000/- by paying premium of Rs.4,905/-. The father of the complainant has paid three installments each. That on 27.03.2020 the father of the complainant died naturally. After the death of the father of the complainant, the complainant has filed the claim form on 16.01.2021, but the 2nd opposite party repudiated the claim stating that the father of the complainant has not disclosed his pre-existing disease and has cheated the insurance company.

3. It is contended that the father of the complainant was not suffering from any preexisting disease in spite of it the opposite parties failed to pay the sum assured amounting to Rs.3,50,000/- towards the two policies. So, the complainant has filed the Writ Petition before the Hon'ble High Court of Karnataka, on 19.10.2022. The said petition was disposed on 01.03.2024 directing the complainant to file the complaint before the Consumer Commission. Hence, the complaint.
4. After filing of the complaint notice was issued to the opposite parties. After service of the notice all the opposite parties appeared through counsel and filed version which avers as follows:-

It is admitted that Sri. Mahadevappa @ Nagaraju insured his life with LIC of India, Hunsur Branch Office vide policy No. 727047711 under Jeevan Anand Plan (Table No 815) on 23.05.2019 for Rs.1,50,000/- and policy No.727047324 for Rs.2,00,000/- and nominated his daughter, Smt. Uma Maheshwari to receive policy moneys in the event of his premature death during the term of the policy as per

section 39 of insurance Act 1938. The policy resulted into death claim due to the death of Sri. Mahadevappa alias Nagaraju on 27.30.2020 and the registered nominee Uma Maheshwari has submitted the relevant claim forms to LIC branch office.

5. It is contended that the above said policies have not completed three years from the date of issuance/date of commencement of risk i.e., 23-05-2019 and on 12-04-2019 till the date of death of the life assured on 27.03.2020. As such the LIC have examined the claim keeping in view the provisions of section 45 of the Insurance Act 1938. It is submitted that a contract of insurance is one of utmost good faith. A proposer who seeks to obtain a policy of life insurance, is duty bound to disclose all material facts bearing upon the issue whether the insurer would consider it appropriate to assume the risk which is proposed. It is with this principle in view that the proposal form requires a specific disclosure of preexisting ailments, to enable the insurer to arrive at a considered decision based on the actuarial risk.
6. That in the present case the deceased life assured was admitted to the hospital and was diagnosed with and treated for Chronic Liver Disease with Portal Hypertension with Acute GE with record of CLD with Anemia with Ascitis. The deceased life assured Sri. Mahadevappa alias Nagaraju failed to disclose his previous illness he was suffering before the proposal to the life insurance i.e., the proposal date 12.04.2019. The investigation by the insurer indicated that the assured was suffering from preexisting ailment and

which were in the knowledge of the life assured had not been disclosed and obtained the present policy with a malafide intention.

7. The opposite parties contended that the deceased was an educated person and while submitting the proposal itself on 12.04.2019 answered 'NO' to the question No.11 of the proposal form, as mentioned below:- (d) are you suffering from or have you ever suffered from ailments pertaining to Liver, Stomach, Heart, Lungs, Kidney, Brain or Nervous system. Though the deceased was suffering from Chronic Liver Disease with Portal Hypertension with Acute GE with record of CLD with Anemia with Ascitis before taking the insurance, the deceased has answered 'NO' to the above questions only to defraud the LIC. Hence, the claim on the policy was rightly repudiated by the insurer on the grounds of suppression of material facts and the action of repudiation was communicated to the claimant on 16.01.2021. As such there is no delay or deficiency of service on part of the insurer.
8. As there is clear suppression of material information with regard to health of the Life Assured and which is material to disclose for proper assessment of risk, the claim was rightly repudiated by this opposite party and the action of repudiation was informed to the claimant and as such there is no deficiency of service on part of the insurer. Hence prays to dismiss the complaint in the ends of justice and equity.
9. The complainant has filed affidavit in lieu of evidence and got marked the documents as Ex-P1 to P8.

The Administrative Officer, Legal of the opposite parties has affidavit in lieu of evidence and got marked the documents as Ex-R1 to R7.

10. Heard arguments of the complainant and the learned counsel for the opposite parties. The complainant and the learned counsel for the opposite parties have filed written arguments as well.
11. Now the points that arise for the consideration of this commission are:-
 1. Whether the complainant has proved the deficiency in service by the opposite parties?
 2. Whether the complainant is entitle for the relief sought?
 3. To what order?
12. Our findings on the aforesaid points are as follows:-
 - Point No.1:- In the Negative.
 - Point No.2:- In the Negative.
 - Point No.3:- As per the final order for the following:-

:: R E A S O N S ::

13. **Point No.1:-** As per the evidence of the complainant her father Mahadevappa has taken life insurance policy on 23-05-2019 for the sum assured amounting to Rs.2,00,000/- by paying premium of Rs.6,687/- as per the copy of the policy marked as Ex-P3. In this the commencement of the policy is shown as 12-04-2019 and not 23-05-2019. Then on the say of the agent of the 3rd opposite party her father has taken another policy on 23-05-2019 for the sum

assured amounting to Rs.1,50,000/- by paying premium of Rs.4,905/- as per the copy of the Ex-P4. The evidence of the complainant discloses that on 27.03.2020 her father died i.e., 1 year 1 month after the taking of the policies. Ex.P5 is the copy of the death certificate which discloses the date of death as 27-03-2020. When the complainant has submitted the claim form to the opposite parties, the opposite parties repudiated the claim on 16.01.2021 as per the copy of the letter of repudiation Ex-P6 and P7 stating that the insured has suppressed the material facts of the insured suffering from Chronic Liver Disease with Portal Hypertension with Massive Ascitis with recorded history of treatments availed earlier.

14. That after the repudiation of the claim the complainant has challenged the order of repudiation before the Hon'ble High Court, but the said Writ Petition was disposed on 01.03.2024 as per the copy of the order marked as Ex-P8 with a direction to avail remedies available to them under law including the remedy under the Consumer Protection Act, 1986. In fact, the complaint filed by the complainant is barred by limitation. No doubt the complainant has filed the application to condone the delay in filing the complaint. But the reasons assigned for condoning the delay is not acceptable. However what is to be considered here is Ex-R1 is the copy of the proposal for insurance on own life. In this the name of the insured is shown as Nagaraju @ Mahadevappa. The name of the nominee is shown as Uma Maheshwari daughter. The sum assured is shown as

Rs.1,50,000/- and the amount deposited is shown as Rs.5,126/-.

15. The health condition is shown as good and he has answered to the question No.11 about his personal history about taking treatment towards specific ailments the insured has shown as 'NO'. And about suffering from disease the insured has shown as 'NO'. In this the insured has affixed his signature as Nagaraju on 15-04-2019. The name of the agent is shown as A.T.Manjunatha. The evidence of the complainant discloses that her father Mahadevappa has obtained life insurance policy on 23-05-2019 for the sum assured of Rs.2,00,000/-. The opposite party has produced the copy of the proposal form and in this affixed the photo same as that of the photo affixed in Ex.R1. In this the name of the insured is shown as Mahadevappa and the insured has affixed his signature as Mahadevappa on 12-04-2019. In this the name of the agent is shown as Suresh Kumar. The insured cleverly mentioned his name as Mahadevappa and affixed his signature as Mahadevappa only. No document produced by the complainant to show that her father is called as Mahadevappa also. Because the name of the grandfather of the complainant is Mahadevappa.
16. The copy of the policy marked as Ex. R2 discloses that the date of commencement of the policy of Rs.2,00,000/- is on 12-04-2019 and the date of commencement of the policy of Rs.1,50,000/- is on 23-05-2019. The insured i.e. the father of the complainant has obtained 2 policies within the difference of 1 month 10 days, but affixed his signature on the proposal form within the difference of 3 days by

showing the name as Nagaraju @ Mahadevappa and Mahadevappa by showing the height as 167 cms and weight as 65 k.gs and 170 cms and 58 k.gs respectively. On going through this one can easily make out the fraud committed by the insured Nagaraju on the opposite parties. Ex-P1 is the copy of the Aadhaar card of the complainant. Since the complainant is married the name the husband of the complainant is mentioned as Harish. Ex-P2 is the copy of the PAN card of the complainant and in this the name of her father of the complainant is mentioned as Nagaraju only and not as Mahadevappa or Nagaraju @ Mahadevappa.

17. Now coming to the medical records produced by the opposite parties i.e. the copies of the in patient records and the discharge summary marked as Ex-R3 to R5 respectively issued by Vivekananda Memorial Hospital Nagaraju was admitted to the hospital on 04.02.2019 and was discharged on 14.02.2019 and final diagnosis is shown as Chronic Liver Disease with Portal Hypertension with Massive Ascitis. In the in-patient record Ex-R4 the date of admission is shown as 11.04.2019 and final diagnosis is shown as Chronic Liver Disease with Portal Hypertension with Massive Ascitis and date of discharge is shown as 15.04.2019 with a date of follow up on 22.04.2019. As per the copy of the discharge summary marked as Ex-R5 the father of the complainant namely Nagaraju was admitted to the hospital 03.11.2019 and final diagnosis is shown as right leg cellulites with septic shock AKI? Hepatorenal syndrome chronic liver disease with portal hypertension and he was discharged on 07.11.2019. In this the name of the wife of the patient Nagaraju is shown as Shubha who

also has affixed her signature and the relationship is shown as wife.

18. Ex-R6 is the discharge summary issued by Vivekananda Memorial Hospital as per this document Nagaraju was admitted on 08.11.2019 and discharged on 09.11.2019 and final diagnosis is shown as CLD with Portal Hypertension AKI right leg cellulitis. To this document one Harish has affixed his signature and the relationship is shown as Harish. There is no reason to suspect this document because in the copy of the Aadhar card marked as Ex.P1 the name of the husband of the complainant is shown as Harish. The Mother of the complainant has filed complaint in C.C.No.165/2024 claiming Rs.2,00,000/-and Rs.1,20,000/-against the opposite parties towards the death of her husband Mahadevappa @ Nagaraju. The policies are dated 05-02-2019 and 06-02-2019 respectively.
19. The copies of the policies are marked as Ex-P3 and Ex-P4 respectively in C.C.No.165/2024. In Ex-P3 the name of the insured is shown as only Nagaraju and in Ex-P4 the name of the insured is shown as Nagaraju @ Mahadevappa. The name of the agents is Suresh Kumar and A.T.Manjunatha respectively. As such within a short period of 3 months the father of the complainant has obtained 4 policies by showing his wife Shubha as a nominee in 2 policies and showing the daughter Uma Maheshwari as a nominee in 2 policies. The very act of the father of the complainant discloses that he after coming to know about the seriousness of his disease has taken policies for Rs.2,00,000/- and Rs.1,50,000/- on 12-04-2019 and 23-

05-2019 by showing his name as Mahadevappa in the policy marked as ExP3 and showing the name as Nagaraju @ Mahadevappa in the second policy marked as Ex.P4. Prior to that the father of the complainant has taken the life insurance policies on 05-02-2019 for Rs.2,00,000/- by paying premium of Rs.8,701/- and taken another policy on 06.02.2019 for the sum assured amounting to Rs.1,20,000/- by paying premium of Rs.3,924/- by showing his wife Shobha as a nominee by showing his name as Mahadevappa in one policy and showing the name as Nagaraju @ Mahadevappa in another policy from 3 different agents. Now it is useful for the commission to rely up on the decision reported in:

The SC in [Reliance Life Insurance Co. Ltd. and Ors. v. Rekhaven Nareshbhai Rathod](#) says that there is a clear presumption that any information sought for in the Proposal Form is material for the purpose of entering into a contract of insurance.

Suppression of facts is a violation of Insurance contract

Insurance Contract falls under the category of a special contract wherein some conditions can be included.

The contract of life insurance is a contract based on utmost good faith. Therefore, all material facts need to be disclosed at the time of taking insurance policy. The concealment of any material information or providing any false or incorrect information at the time of taking the policy is a violation of the insurance contract.

Any suppression, untruth, or inaccuracy in the statement in the proposal form will be considered as a breach of the duty of good faith on the part of the proposer and it will render the policy voidable by the insurer.

Material suppression will lead to repudiation of claim

The proposer of an insurance is under obligation to make full, complete, true and correct disclosure of the *material facts* which may be relevant for the insurer to take into account while deciding whether the proposal should be accepted.

The term *material facts* refer to the relevant and important facts that can form the basis of taking a decision. In life insurance, material facts influence the insurer's decision of insuring a risk and issuing a policy. Non-disclosure of *material facts* can lead to cancellation of the policy.

Concealment of any material fact such as pre-existing disease, correct age, income, and occupation will entitle the insurer to deprive the insured the benefits of claims under the contract. In such cases, the insurer is well within his rights to repudiate the claim, arising after the death of the insured, if the insured did not disclose material facts when entering the contract.

If the proposer *suppresses material facts* to the insurer, then the policy obtained by the proposer stands vitiated and the person claiming under the policy is not entitled for any benefits under the policy.

20. The principles laid down in the decision **Life Insurance Corporation of India & Anr Vs MS Rekha Jain and Life Insurance Corporation of India Vs. Manish Gupta on 15th April, 2019** relied by the complainant is not applicable to the facts of this case. The very act of Nagaraju taking four policies towards his life by showing his name as Nagaraju in one policy and showing Mahadevappa in another policy and showing Nagaraju alias Mahadevappa in two policies discloses that after coming to know about the critical illness he is suffering from has taken the policies by showing his wife as nominee to two policies and showing his daughter Uma Maheshawari as a nominee in another two policies by suppressing the material facts of his critical illness. So, the opposite parties have rightly repudiated the claim. So, it can be said that there is no any deficiency in service by the opposite parties. Hence, we answer this point in the Negative.
21. **Point No.2:-** The complainant has claimed the sum assured amounting to Rs.3,50,000/- towards two policies and for cost. When there is no deficiency in service by the opposite

parties the question of paying the sum assured and compensation will not arise. Hence, we answer this point in the Negative.

22. **Point No.3:-** In view of the answering points No.1 and 2 as above we proceed to pass the following order:-

:: ORDER ::

The complaint is dismissed.

No order as to cost.

Furnish free copy of the order to all the parties.

(Dictated to the Stenographer transcribed, typed by her, corrected by us and then pronounced in open Commission on this the 19th February, 2025)

**(A.K. NAVEEN KUMARI)
PRESIDENT**

**(MARUTHI VADDAR)
MEMBER**

**(M.K.LALITHA)
MEMBER**