NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
NEW DELHI

REVISION PETITION NO. 114 OF 2021

(Against the Order dated 12/10/2020 in Appeal No. 357/2020 of the State Commission Karnataka)

1. UNITED INDIA INSURANCE COMPANY LTD. ....Petitioner(s)

Versus

1. MANJULA & 2 ORS. ....Respondent(s)

BEFORE:

HON'BLE DR. INDER JIT SINGH,PRESIDING MEMBER

FOR THE PETITIONER : MR. RAJESH K GUPTA, ADVOCATE

FOR THE RESPONDENT : MR. N B N SWAMY, ADVOCATE

Dated : 30 April 2024

ORDER

1. The present Revision Petition (RP) has been filed by the Petitioner against Respondents as detailed above, under section 58 (1) (b) of Consumer Protection Act 2019, against the order dated 12.10.2020 of the State Consumer Disputes Redressal Commission Karnataka (hereinafter referred to as the 'State Commission'), in First Appeal (FA) No. 357 of 2020 in which order dated 30.01.2020 of Mysore District Consumer Disputes Redressal Forum (hereinafter referred to as District Forum) in Consumer Complaint (CC) no. 351 of 2019 was challenged.

2. While the Revision Petitioner (hereinafter also referred to as OP) was Appellant before the State Commission and OP before the District Forum, the Respondents (hereinafter also referred to as Complainants) were Respondents before the State Commission and Complainants before the District Forum in CC No. 351 of 2019.

3. Notice was issued to the Respondents on 23.07.2021. Parties filed Written Arguments/Synopsis on 20.07.2021(Petitioner) and 29.01.2024 respectively (respondent).

4. Brief facts of the case, as emerged from the RP, Order of the State Commission, Order of the District Forum and other case records are that husband of complainant no.1, namely, Mr. Manchaiah and father of complainant no.2 and 3 applied for loan of Rs.10.00 lacs from Syndicate Bank, Vijaynagar Branch, Mysuru, wherein he was an employee, for construction of house in the month of July 2015. The bank sanctioned loan with condition of repayment of the same in monthly instalments by deducting from his salary. The employer (Bank) of Mr. Manchaiah had purchased insurance policy from the OP on asking of the employer,

known as ‘Unihome Care Insurance Policy’ for the period w.e.f. 24.07.2015 to 23.07.2032 for Rs.10.00 lacs, vide which the life of Mr. Manchaiah was insured for an amount of Rs.10.00 lacs and in case of any mishap to him or to the insured property, the entire loan was to be repaid by the OP to the Bank and heir of deceased had no liability to repay the said loan amount. Further, Mr. Manchaiah had paid monthly instalments from July 2015 till January 2019. He passed away on 01.2.2009 due to heart attack. The Complainants submitted application to the OP through the Syndicate Bank on 27.02.2019 for settlement of insured amount but OP repudiated the claim on the ground that death of deceased was not accidental. Being aggrieved, the Complainant filed CC before the District Forum and District Forum vide order dated 30.01.2020 partly allowed the complaint of the Complainant. Being aggrieved, the OPs preferred an appeal before the State Commission and State Commission vide order dated 12.10.2020 dismissed the Appeal of the Complainant. Hence, the OP is before this Commission now in the present RP.

5. Petitioner(s) have challenged the said Order dated 12.10.2020 of the State Commission mainly on following grounds:

a. As per Section II of the policy, the Petitioner was to indemnify the legal representatives of the deceased member / employee of the bank by paying the Capital sum insured if :

> “Subject to the terms, exclusions, definitions and conditions contained therein or endorsed or otherwise expressed hereon the Company will pay the insured as herein after mentioned.
>
> If at any time during the pendency of this policy the insured’s borrower shall sustain bodily injury resulting solely and directly from accident caused by external violent and visible means, then the Company shall pay to the insured or the borrower’s legal personal representative(s) as the case may be, the sum herein after set forth, that is to say : If such injury shall within Twelve (12) calender months of its occurrence be the sole and direct cause of the death of the insured’s borrower, the Capital sum insured stated in the schedule hereto.”

b. As per death summary issued by M/s Sri Jayadeva Institute of Cardiovascular Sciences and Research, Mysore, Mr. Manchaiah had been admitted with care of Chest pain and Dysponea and previous history diagnosis of IHD-AWMI, CAT-TVD, L.V. dysfunction and ADHF and after treatment with antiphateles, diuretics and inotropes, the patient had been sudden arrest and died, therefore, death of insured had taken place due to severe heart attack with previous history of heart related ailment under category of natural death and is not covered under the subject policy.

c. The death was natural death and was not caused because of any kind of accident caused by external, violent and visible means to be covered under the subject policy.

d. Petitioner placed reliance on the following judgments of National Commission / Hon'ble Supreme Court :

(i) United India Insurance Co. Ltd. Vs. I.P. Sreenivasulu & Anr.- RP No. 1742 of 2007.

(ii) LIC of India Vs. Mamta Rani, RP No. 4468 of 2012.
(iii) Alka Shukla Vs. LIC, Civil Appeal No. 3413 of 2019

6. Heard counsels of both sides. Contentions/pleas of the parties, on various issues raised in the RP, Written Arguments, and Oral Arguments advanced during the hearing, are summed up below.

6.1. Learned counsel for the Petitioner apart from repeating the points which have been stated in para 5, argued that as per section 1 of the policy, the insurer will indemnify the value of the property at the time of the happening of its destruction or the amount of such damage or at its opinion reinstate or replace such property or any party thereof under and / or sum insured in respect of the loss or damage to the building by Fire and other Allied perils.

6.2. Learned counsel for the Respondents argued that State Commission did not admit the Appeal but disposed off the same without notice to the respondents.

6.3. It is further argued that no terms and conditions of the policy was ever supplied by the Petitioner to the deceased except to the employer i.e. the bank as is evident from the insurance policy. There is no evidence on record that deceased approached the Petitioner for a policy of insurance or that he filled in the declaration form to be covered under Personal Accident. All the paperwork was done by the Bank. The petitioner had issued the policy to the Bank who has granted the housing loan to the deceased. The repudiation of the claim is based on the basis of conditions mentioned in Section II of the policy that death of the deceased was not be personal accident. The doctor has not been examined by the Petitioner to prove otherwise though section II of the policy does not apply to the insured. The policy was not of the deceased employee but was imposed upon him as a condition of the house building loan sanctioned by the Bank. Further, it is argued that home loan insurance is an insurance plan under which the insured covers the outstanding home amount with the financer. It is mostly a term insurance policy that pays off the balance loan amount as on date of death or any eventuality of the insured. It is obtained to provide peace of mind for borrowers. It is further argued that there are concurrent findings of fact. Learned counsel relied on the following judgment of the Hon'ble Supreme Court / National Commission

a. Mrs. Rubi (Chandra) Dutta Vs. United India Insurance Co. Ltd. (2011) 11 SCC 269.

b. Lourdes Society Snehanjali Girls Hostel and Ors. Vs. H & R Johnson (India) Ltd. and Ors. (2016) 8 SCC 286.

c. Rajiv Shukla Vs. Gold Rush Sales and Services Ltd. (2022) 9 SCC 31.

d. Sarabjith Singh Vs. SBI –RP No. 642 of 2017.

7. The contention of the Petitioner Insurance Company is that the husband of Respondent No.1 died due to Heart Attack, which is a natural death, hence, not covered under the policy, only if the death was accidental it was covered under the policy. The Petitioner has relied on various Judgments of this Commission and Hon'ble Supreme Court which have looked into the aspect whether the Heart Attack can be classified as a natural death or an accidental death. Counsel for the Respondent on the other hand states that the policy issued by the Petitioner Insurance Company per se is a defective policy. As per this policy there were two components relating to sum insured.

i. Section I on building - Rs. 10 lakhs.
ii. Section II on person - zero.

If we go by this observation of the Counsel, the policy does not cover any claim with respect to any item for under section II i.e. personal accident and it covers claim only with respect to the House, and this section details various types of perils listed under section I. However, the Counsel for the Petitioner Insurance Company does not deny their liability under section II personal accident as long as it is an accidental death covered under section II, notwithstanding that in the policy under section II on person, sum insured is stated as zero. He admits that had it is being an accidental death, the insurance company could have paid of Rs. 10 lakhs sum insured although it is mentioned under section I on building only, and not under section II on person. The Counsel for the Respondent further contends that it was a individual insurance policy taken by the bank on account of his having taken a loan and the whole rationale behind this policy was to secure the loan in the event of either damage to the house or death of the loanee.

8. It was held by Hon'ble Supreme Court in **Canara Bank Vs. United India Insurance Co. Ltd. & Ors.** (2020) 3 SCC 455 that *'.....Insurance Policy must be read holistically so as to give effect to reasonable expectations of all the parties including the insured and the beneficiaries- it must be interpreted in a commercially sensible manner- coverage clauses to be read broadly, and ambiguity, if any, to be resolved in favour of insured-exclusions to be read narrowly...... "*

9. It has been held by Hon'ble Supreme Court in catena of judgments[1], revisional jurisdiction of the National Commission is extremely limited, it should be exercised only in case as contemplated within the parameters specified in the provision i.e. when State Commission had exercised a jurisdiction not vested in it by law or had failed to exercise

jurisdiction so vested or had acted in the exercise of its jurisdiction so vested or had acted in the exercise of its jurisdiction illegally or with material irregularity. It is only when such findings are found to be against any provisions of law or against the pleadings or evidence or are found to be wholly perverse, a case for interference may call for at the second appellate (revisional) jurisdiction. In exercising of revisonal jurisdiction, the National Commission has no jurisdiction to interfere with concurrent findings recorded by the District Forum and the State Commission, which are on appreciation of evidence on record.

10. In view of the foregoing, we are of the considered view that State Commission has given a well reasoned order and we find to reason to interfere with its findings. We find no illegality or material irregularity or jurisdictional error in the order of the State Commission, hence the same is upheld. Accordingly, Revision Petition is dismissed.

11. The pending IAs in the case, if any, also stand disposed off.

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[1] Ruby (Chandra) Dutta Vs. United India Insurance Co.Ltd. [(2011) 11 SCC 269, Sunil Kumar Maity Vs. State Bank of India and Ors. (2022) SCC OnLine SC 77, Lourdes Society Snehanjali Girls Hostel and Another Vs. H & R Johnson (India) Limited and Ors. (2016) 8 SCC 286, T.Ramalingeswara Rao (Dead) Through Legal Representatives and Anr. Vs. N. Madhava Rao and Ors. (2019) 4 SCC 608, Rajiv Shukla Vs. Gold Rush Sales and Services Limited and Anr. (2022) 9 SCC 31.

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DR. INDER JIT SINGH
PRESIDING MEMBER