

Date of Institution : 21.01.2025
Date of Final Hearing : 21.04.2026
Date of Pronouncement : 01.06.2026

**BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL
COMMISSION: KURNOOL**

Present: Sri Karanam Kishore Kumar, B.A., B.L., President

Sri N.Narayana Reddy, B.A., B.L., Member
And

Smt S.Nazima Kausar, PGDBM., M.Com., MBA., B.Ed., Member

Monday the 1st day of June, 2026

CONSUMER COMPLAINT No.29/2025

Between:

Bonthala Sindhuja,
W/o Late Dr G.Sravan Kumar,
Aged about 34 Years,
R/o 77-155C61-A,
Venkatachalapathy Nagar,
Kallur, Kurnool-518003.

...COMPLAINANT

(Through: Sri S.V.Krishna Reddy, and Sri D.Janardhan, Advocates)

-VS-

1. The Manager,
HDFC Life Insurance Company Limited,
11th Floor, Lodha Excelus,
Apollo Mills Compound,
N.M.Joshi Road, Mahalaxmi,
Mumbai- 400011.

2. The Claim Manager,
HDFC Life Insurance Company Limited,
Door No.51/936 G, 1st Floor,
JCS Complex, Siri Enclave,
Bellary Chowrasta Road,
Kurnool-518003.

...OPPOSITE PARTY 1 and 2

(Through: Smt V.Naga Lakshmi Devi, Advocate)

ORDER

(Per Sri Karanam Kishore Kumar, President on behalf of the Bench)

CONSUMER COMPLAINT No.29/2025

1. This complaint is filed under section 35 of the Consumer Protection Act, 2019, praying to direct the opposite parties:-

- a. To pay the assured amount of Rs.50,00,000/- along with interest at 24% per annum from the date of death i.e., 14.11.2023 to till the date.
- b. To pay costs of the complaint.
- c. To pay mental agony.
- d. To grant such other relief or reliefs as the Hon'ble Commission may deem fit and proper in the circumstance of the case.

2. The case of the complainant in brief runs as follows:- The complainant is a resident of Venkatachalapathy Nagar, Kallur, Kurnool. Opposite Party No.1 is HDFC Life Insurance Company Limited, represented by its Manager at Mumbai. Opposite Party No.2 is HDFC Life Insurance Company Limited, represented by its Claim Manager at Kurnool.

The complainant is the wife and nominee of late Dr.G.Sravan Kumar, who was working as a Duty Doctor in the ICU at Aadya Multi Specialty Hospital and was specialized in Anesthesia. During his lifetime, the deceased obtained a life insurance policy from the opposite parties, namely "HDFC Life Click 2 Protect Super Policy," bearing Policy No.25319873, for a sum assured of Rs.50,00,000/-. The policy commenced on 15.10.2022 and was valid up to 15.09.2058. The opposite parties accepted an annual premium of Rs.11,478.28 and issued the policy in favour of the deceased life assured, wherein the complainant was nominated as the beneficiary.

It is submitted that prior to obtaining the said policy, the complainant's husband was hale and healthy. On 16.02.2024 at about 8.30 P.M., he attended his regular night duty at the hospital. During the course of his duty, at about 2.30 A.M., as his presence was not immediately

required, he went to the rest room to take rest. At around 4.00 A.M., the duty staff attempted to wake him, but there was no response. Thereafter, his colleague doctors rushed to the rest room and found him lying unconscious, and upon clinical examination, he was declared dead. Immediately thereafter, the complainant along with her family members rushed to the hospital, and on enquiry, the doctors informed them that the complainant's husband had suffered a severe heart attack and died in his sleep while resting in the duty room.

After the death of her husband, the complainant came to know about the existence of the above said insurance policy. Thereafter, she submitted the claim form along with all relevant documents to the opposite parties under Unique Identification No.101N145V01, seeking settlement of the death claim. However, the opposite parties repudiated the claim vide letter dated 22.05.2024 on the ground that the deceased life assured had allegedly failed to disclose the existence of another insurance policy obtained from a different insurance company. Aggrieved by the said arbitrary repudiation, the complainant preferred a review before the Claims Review Committee constituted by the opposite parties. However, the said Committee also rejected the request vide letter dated 22.06.2024 and mechanically upheld the earlier repudiation decision.

It is submitted that the repudiation of the claim by the opposite parties is illegal, arbitrary, and unsustainable in law. The opposite parties have failed to establish how the alleged non-disclosure had any material bearing either on the issuance of the policy or on the cause of death of the

deceased. The deceased died due to sudden cardiac arrest while on duty, which has no nexus with the alleged non-disclosure of any other insurance policy. Further, there is no proof of fraudulent suppression of material facts on the part of the deceased life assured. Mere existence of another insurance policy, by itself, cannot constitute a valid ground for repudiation unless it materially affects the risk undertaken by the insurer. The repudiation letters are vague, cryptic, and devoid of cogent reasoning.

Therefore, the repudiation of the genuine insurance claim amounts to deficiency in service and unfair trade practice on the part of the opposite parties, causing mental agony, hardship, and financial loss to the complainant. Hence this complaint.

3. Opposite Parties 1 and 2 filed written version stating that the complaint is not maintainable either in law or on facts. The complainant's husband, Dr. G.Sravan Kumar, obtained an HDFC Life Click 2 Protect Super Policy (No.25319873) for Rs.50,00,000/- commencing from 15.10.2022 for 36 years, by paying a single premium of Rs.11,478.28 Ps. The complainant is the nominee under the policy. The opposite parties contend that the insured was not completely healthy at the time of obtaining the policy and was working as an ICU doctor. They further state that the insured had already taken other life insurance policies, including a Bharati AXA policy for Rs.1,00,01,000/-, which were not disclosed in the proposal form dated 30.09.2022.

Company	Policy No.	date	Status	Sum assured
Kotak Life	72479828	23.12.2021	Death Claim intimated and being processed	Rs.1,00,01,000/-
M/s Bharati Axa Life Insurance Company Limited	5033549923	15.12.2021	Death Claim intimated and being processed	Rs.1,00,00,000/-

According to the opposite parties, the policy was issued based on the information provided by the insured, and had the previous policies been disclosed, the policy would not have been issued. The investigation conducted by the opposite parties established that the life assured had other life insurance policies as stated supra which were not disclosed in the proposal form dated 30.09.2022. The opposite parties issued policy dated 15.10.2022 based on the medical, financial and other information provided by the life assured.

It is standard practice for the insurer to set out in the application a series of specific question, regarding the applicant's health history and other matters relevant to insurability. The object of the proposal form is to gather information about a potential client, allowing the insurer to get all information which is material to the insurer to know in order to assess the risk and fix the premium for each potential client, proposal forms are significant part of the disclosure procedure and warrant accuracy of statements.

Utmost care must be exercised in filling the proposal form. In a proposal form the applicant declares that she/he warrants truth. The contractual duty so imposed is such that any suppression, untruth or inaccuracy in the statement in the proposal form will be considered a breach

of the duty of good faith and will render the policy voidable by the insurer. The system of adequate disclosure helps buyers and sellers of insurance policies to meet at a common point and narrow down the gap of information asymmetries. This allows the parties to serve their interest better and understand the true extent of the contractual agreement. After investigation, they concluded that the insured had suppressed material facts regarding existing insurance policies and therefore repudiated the claim by letter dated 22.05.2024. Hence, they deny any deficiency in service and seek dismissal of the complaint.

4. The complainant filed sworn affidavit, and Ex.A1 to Ex.A7 are marked. The opposite parties 1 and 2 filed sworn affidavit and additional sworn affidavit and Ex.B1 to Ex.B4 are marked.

5. We have perused the available records and written arguments filed by the complainant and opposite parties and heard oral arguments of both sides.

The complainant cited decision reported in:-

A. **2025 Live Law (SC) Page 253, SLP (Civil) No.2136/2021**, the Hon'ble Supreme Court of India, New Delhi, Mahaveer Sharma -Vs- Exide Life Insurance Company Limited and another, decided on 25.02.2025.

6. Now, the points that arise for consideration are:

- i. Whether there is any deficiency of service on the part of the opposite parties or not?

- ii. Whether the complainant is entitled to the reliefs as prayed for or not?
- iii. If any relief, then to what extent?

7. Points i to iii:- The complainant's husband obtained a life insurance policy for Rs.50,00,000/- and the complainant was the nominee. He died on 16.02.2024 due to sudden cardiac arrest while working as an ICU doctor. The complainant submitted the claim, but it was repudiated on 22.05.2024 alleging non-disclosure of other insurance policies, which was upheld on review.

The complainant filed the following documents in support of her case: Ex.A1 is the copy of the "HDFC Life Click 2 Protect Super Policy" Schedule bearing No.25319873 dated 15.10.2022, evidencing that the deceased had obtained a life insurance policy for the assured sum, and the complainant was nominated as the beneficiary under the said policy. Ex.A2 is the Death Claim Decision Letter dated 22.05.2024 issued by the opposite parties, which reflects the final decision taken on the claim submitted by the complainant. Ex.A3 is the Claim Repudiation Letter dated 02.11.2022 issued by the opposite parties, wherein the claim of the complainant was rejected, stating the grounds for repudiation. Ex.A4 is the Legal Notice dated 07.01.2025 issued by the complainant to the opposite parties, calling upon them to reconsider the repudiation and settle the insurance claim. Ex.A5 consists of the postal receipts (2 numbers), evidencing dispatch of the legal notice to the opposite parties. Ex.A6 consists of the track consignment reports (2 numbers), confirming the delivery status of the legal notice sent to

the opposite parties. Ex.A7 is the Death Certificate dated 26.01.2024 issued by the Registrar of Births and Deaths, Municipal Corporation, Kurnool, which establishes the factum and date of death of the insured.

The opposite party filed Ex.B1 is the Proposal Form/Electronic Proposal Form for Single/Joint Life. Ex.B2 is the Death Claim Decision Letter, dated 22.05.2024. Ex.B3 is the Kotak E-Term Plan Individual Non-Linked Non-Par Pure Protection Life Insurance Plan Policy bearing No.72479828. Ex.B4 is the Bharati AXA Life Common Proposal Form along with terms and conditions, dated 28.12.2021.

On perusal of the record, particularly Ex.B1 is the Proposal Form, it is evident that in response to Point No.9, "Do you have an existing HDFC Life Policy", the proposer answered "No". Further, at Page No.3 of the proposal form, under "Previous Policy Details", the proposer answered "No" to the questions: (1) whether he had submitted any simultaneous applications for life insurance which were pending or likely to revive lapsed policies, and (2) whether he had any existing insurance cover of premium paying or paid-up policies accepted at standard rates or otherwise. Thus, it is clear that the life assured did not disclose the existence of other insurance policies.

However, a careful reading of the proposal form reveals that the questions are not framed with sufficient clarity and precision so as to elicit a definite and unambiguous disclosure from the proposer. In particular, Point No.9 is confined only to existing policies with HDFC Life Insurance Company and does not extend to policies obtained from other insurers. Likewise, the questions under "Previous Policy Details" are couched in a composite and

technical manner, lacking a clear and direct query such as whether the proposer holds any existing life insurance policies with other companies. In the absence of a specific, simple, and unequivocal question calling for disclosure of all existing policies irrespective of the insurer, the answers furnished by the proposer cannot be readily construed as deliberate or fraudulent suppression of material facts. Any ambiguity in the questionnaire must necessarily be construed against the insurer, who is the author of the document, applying the well-settled principle of *contra proferentem*.

Further, Section 45 of the Insurance Act, 1938, as amended, places a stringent burden on the insurer to establish that any suppression of facts was material, fraudulent, and made with the knowledge of its falsity, in order to repudiate a policy after the stipulated period. Mere non-disclosure or inaccurate answers, in the absence of clear, specific, and unambiguous questions, cannot be elevated to the level of fraudulent suppression.

We relied on decision reported in:-

SLP (Civil) No. 2136 OF 2021, decided on 25-02-2025; The Hon'ble Supreme Court of India in New Delhi, Mahaveer Sharma -Vs- Exide Life Insurance Company Limited and another, held that Non-Disclosure of Material Facts - Duty of Insured - Uberrima Fides - Whether non-disclosure of existing life insurance policies by the insured justifies repudiation of a claim under a life insurance policy. Held, insurance contracts are founded on the principle of *uberrima fides* (utmost good faith), obligating the insured to disclose all material facts that could influence a prudent insurer's decision to accept the risk. Non-disclosure of material facts may justify claim repudiation, but materiality is assessed on a case-by-case basis. In this case, the insured disclosed a life insurance policy of Rs.40 Lakhs but omitted other policies totalling Rs.2.3 Lakhs. The repudiation was unjustified. The Court directed the insurer to release all policy benefits with 9% per annum interest to the appellant. The appeal was allowed, and the orders of the State and National Consumer Commissions were set aside.

8. It is also significant to note that the death of the life assured occurred while he was on duty in a hospital, and there is no allegation or material on record suggesting any suspicious or unnatural circumstances surrounding the death. The claim, therefore, clearly falls within the category of a natural death claim. In such circumstances, and in the absence of any cogent evidence establishing fraud or deliberate suppression of material facts on the part of the life assured, the repudiation of the claim by the opposite parties appears to be wholly arbitrary and unjustified.

Further, as discussed supra, the ambiguity in the questions contained in the proposal form, coupled with the absence of any clear, specific, and direct query requiring disclosure of existing insurance policies with other insurers, disentitles the opposite parties from attributing fraudulent suppression to the life assured. It is a settled principle that any ambiguity in the terms or questions framed by the insurer must be construed against it, particularly when such ambiguity forms the very basis of repudiation.

The review conducted by the Claims Review Committee appears to be mechanical in nature, as it has merely affirmed the earlier repudiation without addressing the specific contentions raised by the complainant. Moreover, the opposite parties have failed to establish that the alleged non-disclosure had any material bearing on the assessment of risk or had any nexus with the cause of death. In the absence of proof of materiality and intentional suppression, the repudiation cannot be sustained in law. Accordingly, this Commission is of the considered opinion that the

repudiation of the claim by the opposite parties is legally unsustainable and amounts to clear deficiency in service as well as unfair trade practice.

9. In the result, the complaint is partly allowed, directing the opposite parties jointly and severally to pay an assured sum of Rs.50,00,000/- (Rupees Fifty Lakhs only) to the complainant. The opposite parties shall further pay a sum of Rs.50,000/- (Rupees fifty thousand only) towards compensation for mental agony and Rs.10,000/- (Rupees ten thousand only) towards costs of litigation. The said amounts shall be paid within 45 days from the date of receipt of this order, failing which the awarded amount shall carry interest at 12% per annum from the date of complaint i.e., 24.01.2025 to till the date of realization.

Typed to my dictation by the stenographer, corrected and pronounced by us in the open Bench on this the 1st day of June, 2026.

**Sd/-
WOMEN MEMBER**

**Sd/-
MALE MEMBER**

**Sd/-
PRESIDENT**

APPENDIX OF EVIDENCE

Witnesses Examined

For the complainant:-Nil

For the opposite parties:-Nil

List of exhibits marked for the complainant:-

Ex.No.	Date/Year	Description	Remarks
A1	15.10.2022	HDFC Life Click 2 Protect Super Policy Schedule bearing No.25319873.	Attested photo copy
A2	22.05.2024	Death Claim Decision Letter.	Attested photo copy
A3	02.11.2022	Claim Repudiation Letter.	Attested photo copy

A4	07.01.2025	Legal Notice.	Office copy
A5	10.01.2025	Postal Receipts (2 Nos.).	Original
A6		Track Consignment (2 Nos.)	Online copy
A7	26.01.2024	Death Certificate issued by Registrar of Births and Death, Municipal Corporation, Kurnool.	Original

List of exhibits marked for the opposite parties 1 and 2:-

Ex.No.	Date/Year	Description	Remarks
B1		Proposal Form/Electronic Proposal Form for Single/Joint Life.	Self attested photo copy
B2	22.05.2024	Death Claim Decision Letter.	Self attested photo copy
B3		Kotak E-Term Plan Individual Non-Linked Non-Par Pure Protection Life Insurance Plan Policy bearing No.72479828.	Photo copy
B4	28.12.2021	Bharati AXA Life Common Proposal Form along with terms and conditions.	Photo copy

**Sd/-
WOMEN MEMBER**

**Sd/-
MALE MEMBER**

**Sd/-
PRESIDENT**

Pronounced on:- **01.06.2026**

Copy to:-

Copy made ready on _____ :

Copy dispatched to Complainant
and Opposite parties on _____ :