J&K STATE CONSUMER DISPUTES REDRESSAL COMMISSION, JAMMU

F.A.: 45 OF 2025
DT OF INSTITUTION: 23/05/2025
DATE OF DISPOSAL: 17/07/2026
Case Title:

MANSA RAM S/O LATE SH. DHANI RAM R.O. H.NO. 1192, RAJPURA MANGOTRIAN, JAMMU

--- APPELLANT

Versus

1. **LIFE INSURANCE CORPORATION OF INDIA, NORTHERN ZONE OFFICE, JEEVAN BHARTI, CANNAUGHT PLACE, NEW DELHI – 110001**
2. **CHIEF MANAGER, LIFE INSURANCE CORPORATION OF INDIA, DO CELL, PARVATI BHAWAN, PANJTIRTHI, JAMMU.**
3. **SDM, LIFE INSURANCE CORPORATION OF INDIA, BAHU PLAZA, JAMMU**

--- RESPONDENTS

Coram:
Smt. Nighat Sultana, President (O)
Sh. Maheep Gupta, Member

PARTIES REPRESENTED BY:
Adv. RANDEEP SINGH, Ld. Counsel for the appellant.
Adv. Inderjeet Abrol, Ld. Counsel for the non-applicant.

17/07/2026 PER: MR. MAHEEP GUPTA, MEMBER.

1. The applicant is before us to assail the order dated 09/04/2025 passed by the Ld. District Commission Jammu whereby the consumer complaint number 321/DCJ as filed by him was dismissed.
2. The case of the appellant, in brief is that he had obtained an Insurance Policy No. 143263571 from the respondents for the period of 7 years, however, he was issued a policy for 10 years by the respondents.

The other leg of the argument is that he had paid a total of Rs.2,82,340/- as the total premium during the policy period but was paid only an amount of Rs.2,67,400/- as the maturity proceeds under the policy.

3. Heard the counsels, perused the records.
4. From the perusal of the documents annexed with the Complaint by the Complainant, we find that the Complainant had annexed two renewal premium receipts No. 0021028 and 0268631 and both the receipts clearly show the Policy term as 10 years as against 7 years as claimed by the Complainant.

   We also find that this aspect of alleged difference in policy term has been dealt conclusively by the Ld. District Commission as well. The relevant extract of the impugned judgment is reproduced as below:

   > ***"Therefore, the only issue needs to be considered and determined is as to whether, the policy was for seven years or ten years as alleged by the parties respectively? The complainant however, did not file any record in support of his plea and rather he filed only copy of premium receipt and legal notice, whereas Ops have filed copy of policy, proposal form and statement (status report). From bare perusal of policy, it is revealed that the policy was for ten years commencing from 20-09-2011 to 20-09-2021 and last premium was to be paid on 20-08-2021. The complainant has not been able to rebut this document and rather it is settled law that parties are bound by the terms and conditions of policy and therefore, the plea of complainant that the policy was for seven years is not tenable and rather it stands proved conclusively that the policy was for ten years as alleged by Ops."***

   It is also important to note here that the period of a Life Insurance Policy/ Contract is fixed at the inception of the policy itself at the proposal stage and there is no concept of extension of policy period midway during the currency of the policy.

   After a careful perusal of the records and the impugned judgment, we do not find any reasons to interfere with the well-reasoned conclusion drawn by the Ld. District Commission and hold that the policy was for ten years instead of seven years as claimed by the appellant/complainant.

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5. Now coming to the other limb of argument of having received an amount of Rs.2,67,400/- as maturity proceeds as against a total premium payment of Rs.2,82,340/-.

   One needs to appreciate that the Insurance Policy is not a pure investment instrument like bank recurring account but is a unique instrument where some part of the premium is allocated towards the risk carried by the Insurance Company and rest goes in the larger pool (savings).

   It can also be not disputed that the risk premium part is governed/ determined on many underwriting factors of which age of the proposer is one of the major factors. The higher the age of the proposer is, the higher will be the risk premium. In other words, for the same amount of premium under a particular policy, a younger person shall be entitled for a higher Sum Assured as compared to a relatively older person.

   From the perusal of the proposal form submitted by the respondents, we find that the appellant's date of birth has been recorded as 27/06/1946 meaning thereby that he had already attained the age of 65 years at the time of commencement of policy, i.e., 13/09/2011.

6. It is not under dispute that the Policy was issued with a Sum Assured of Rs.2,00,000/- and the following benefits were payable under the policy:

Scenario	**Benefit**
Death before the date of Maturity ->	Sum Assured + Vested Bonus
Surviving on the date of Maturity ->	Sum Assured + Vested Bonus

   It is a settled legal preposition that the Courts are not empowered to rewrite the terms of a contract and are strictly bound by the terms of the policy contract/ terms and conditions.

   Even otherwise, given the age of the appellant at the time of entering into the contract, we do not find any reasons to question/challenge the fixation of Sum Assured to Rs. 2.00 Lakhs.

   As far as vested bonus is concerned, the same is directly linked with the fortunes of the Corporation & a specified percentage of the profits earned by the Corporation is declared as policy holder's bonus on an annual basis which is accumulated to the policyholder's account and is paid along with the policy Sum Assured to the policy holder on the happening of the contingent event (death or survival in the instant case).

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7. **Unlike a banking instrument like recurring deposit, where the depositor is guaranteed of a repayment in excess of the actual amount deposited by him due to the interest component, there is no such guarantee available in the specialized hybrid instruments like insurance policy.**
   The Insurance Policy under consideration is a "participating endowment policy" where the maturity proceeds are a sum total of the Policy Sum Assured and the accumulated bonus(es) which may or may not be comparable with the actual premium payments.
8. Counsel for the respondent insurance company contended that they had fully discharged their liability under the policy by paying Rs.2,67,400/- as maturity proceeds to the appellant that includes the basic Sum Assured of Rs.2.00 Lakhs, vested bonus of Rs.61,400/- and an interim bonus of Rs.6,000/-.
9. We are of the considered opinion that the Ld. District Commission is fully justified in dismissing the complaint & do not find any reasons to interfere with the impugned order.

Judgment:

A. **The appeal is devoid of merits and is hereby dismissed.**
B. **Impugned order passed by the Ld. District Commission is upheld.**
C. **Parties to bear their own costs.**
D. **Office is directed to return the records pertaining to the District Commission & consign the appeal file to records after due compilation.**

Announced: 17/07/2026

(Maheep Gupta)
Member, JKSCDRC

(Nighat Sultana)
President (O), JKSCDRC

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