

: OP No.3&4 exparte.

Per SURJEET KAUR, Member

Briefly stated the complainant applied for agriculture loan with union bank of India where she was told by OP No.3 that it is mandatory to take Star Union Dai-Chi Life Insurance Policy/SUD life guaranteed money back plan and she can surrender the same any time. On the allurement of the OP No.3 the complainant purchased the said policy on 23.1.2018 by paying Rs.25,000/- but the complainant was not given the policy document within the cooling off period. Thereafter the complainant also paid premium on 24.1.2019 and 13.1.2020. The complainant approached the OPs bank for surrender of the policy but she was shocked to know that she will receive only Rs.17000/- despite paying Rs.73,270/-. Thereafter, the complainant requested the OPs many a time to redress her grievance but to no avail. Alleging the aforesaid act of Opposite Parties deficiency in service and unfair trade practice on their part, this complaint has been filed.

2. The Opposite Parties NO.1&2 in their reply stated that that the Complainant had approached Answering Opposite Parties and submitted a proposal/application form for the purchase of SUD Life Guaranteed Money Back Plan dated 11.01.2018 having annual premium of Rs.24,666/- with policy term for 20 years, premium

payment term of 10 years and having sum assured of Rs3.00.000/-, consequently an insurance policy bearing Policy No.01181071 was issued on 23.01.2018. The policy was duly delivered to the Complainant on 13.02.2018 and the same is governed by the terms and conditions of the Policy. It is averred that the policy provided Free Look Period whereby the LA could return the policy within 15 days from the date of receipt of the policy if the LA disagrees to any of those terms & conditions. However, the complainant concocting a false story to mislead this Commission as it is clearly mentioned in the Policy that the Free Look Period would start from the date of receipt of the policy. As per policy the LA could avail the benefits of Surrender only when she has paid at least three consecutive full year premiums and the same was informed to the complainant. But the complainant still failed to pay the third annual premium which led to the paid-up status of the policy and the same was informed to the complainant. Thus there is no deficiency on the part of the answering OPs. All other allegations made in the complaint has been denied being wrong.

3. OPs No.3&4 did not turn up despite due service, hence vide order dated 22.11.2022 they were proceeded against exparte.
4. No rejoinder filed.
5. Contesting parties led evidence by way of affidavits and documents.
6. We have heard the learned counsel for the contesting parties and gone through the record of the case.
7. It is evident from Annexure C-1 the copy of the policy that the complainant purchased SUD Life Guaranteed Money Back Plan on 11.1.2018 having annual premium of Rs.24,666/- with policy terms for 20 years. The premium payment terms was of 10 years with sum insured of Rs.3 lakh. As per the case of the complainant she expressed her desire to surrender the policy but got disappointed when she came to know that after payment of three timely installments for the last 3 years she will receive only a meager amount.
8. The stand taken by OPs is that as the complainant has not paid according to the policy regularly hence she is not entitled for the refund of the premium as per terms and conditions of the policy.
9. After going through the documents on record and during the pendency of the complaint it is admitted fact by the OPs that the complainant paid 3 premiums and thereafter stopped paying. However the complainant had option to return the policy if she was not satisfied with the terms and conditions but instead of doing so she gave her acceptance to the terms and conditions of the policy. Therefore, she cannot wriggle out of the terms and conditions of the policy. Even the transcription placed on record by the Ops No.1&2 clearly shows that the complainant was explained each and every aspect of the policy in detail which she herself accepted. The relevant terms and conditions of the policy is as under:-

“DISCONTINUANCE OF DUE PREMIUM

If the policyholder has not paid the due premiums within the grace period, the policy lapses. If the policy lapses within the first three policy years, the life cover ceases and no benefits are payable under the lapsed policy

Reduced Paid-Up Policy

If the premiums for at least three full years have been paid and subsequent premiums are not paid, then the policy will acquire Reduced Paid-Up status and the Sum Assured gets reduced to Paid-Up Sum Assured, the amount of which will be equal to,

Total number of premiums paid x sum assured

Total number of premiums payable

No further guaranteed additions will accrue to the reduced paid-up policy However, all Guaranteed Additions accrued till the date of paid up, will continue to remain attached to the policy. x x x x x x ”

10. There is also mention in clause 9 regarding the minimum guaranteed surrender value which as per the calculation given by Ops No.1&2 is 30%. Thus, in our opinion the complainant has paid three premiums and after payment of three premiums the factor of 30% is applicable and as such the complainant is entitled for surrender value of Rs.36,356.01 as is also evident from the calculation sheet filed by the OPs NO.1&2 during the pendency of the case.
11. In view of the above discussion, the present consumer complaint succeeds and the same is accordingly allowed. OPs No.1&2 are directed as under:-
 - i. to pay surrender value of Rs.36,356.01 with interest @9% P.A.from 16.3.2021 till onwards.
 - ii. to pay Rs.10,000/- to the complainant as compensation for causing mental agony and harassment to her;
 - iii. to pay Rs.8000/- to the complainant as costs of litigation.
12. This order be complied with by the OPs No.1&2 within 45 days from the date of receipt of its certified copy, failing which, they shall make the payment of the amounts mentioned at Sr.No.(i) & (ii) above, with interest @ 12% per annum from the date of this order, till realization, apart from compliance of direction at Sr.No.(iii) above.
13. Complaint qua Ops No.3&4 stands dismissed.
14. Pending miscellaneous application(s), if any, also stands disposed off.
15. Certified copies of this order be sent to the parties free of charge. The file be consigned.

sd/-

[Pawanjit Singh]
President
 Sd/-
[Surjeet Kaur]

Member