

regarding the repudiation of the claim. 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 in its reply while admitting the factual matrix of the case stated that the claim of the complainant was rightly repudiated on the ground of suppression of material facts as the deceased husband of the complainant at the time of obtaining the policy concealed the material fact that he was suffering from chronic kidney disease, hypertension and diabetic mellitus type-2. The husband of the complainant remained admitted in PGI from 5.6.2017 to 14.6.2017 with known case of diabetes and hypertension and complains of swelling in both legs and renal biopsy was done on 13.6.2017 and was diagnosed with chronic kidney disease. The aforesaid medical adversities and conditions were not disclosed by the deceased life assured. Thus the claim of the complainant was rightly repudiated by the answering OP. All other allegations made in the complaint have been denied being wrong.
3. OP No.2 in its reply stated that the answering OP is only a banking company lending financial assistance to its customers and it has no control on settlement of the insurance claim. The answering OP has provided its satisfactory service to the complainant while granting the loan and also while appropriating the repayments to the loan account. Thus there is no deficiency on the part of the answering OP and the complaint is liable to be dismissed qua the answering OP being not maintainable.
4. However, as none turned up on behalf of OP No.2 on 21.7.2023 hence it was proceeded against exparte on the said date.
5. Rejoinder was filed and averments made in the consumer complaint were reiterated.
6. Contesting parties led evidence by way of affidavits and documents.
7. We have heard the learned counsel for the contesting parties and gone through the record of the case.
8. Through the present complaint it has been prayed by the complainant to disburse amount of Rs.2,82,573/- as insurance amount under the disputed loan in question and also to repay amount of Rs.15587/- being excess amount with the OPs.
9. The grouse of the complainant is that the OP No.1 have illegally refused to pay the loan amount to be paid by the complainant which the deceased husband of the complainant availed from OP No.2 for the purchase of a tractor. As per case of the complainant under the column **Death Benefit** of the policy if any insured dies when his insurance policy is in force the insurance company will be liable to pay the claim. But instead of paying the same the claim of the complainant has been refused on the ground of suppression of material facts as the deceased husband of the complainant at the time of obtaining the policy concealed the material fact that he was suffering from chronic kidney disease but contrary to the same the reason for death of the complainant's husband is heart attack. Thus the OP No.1 is deficient in rendering service.
10. The stand taken by the OP insurance company is that as per record of the PGI the complainant remained admitted from 5.6.2017 to 14.6.2017 with known case of diabetes and hypertension with chronic kidney disease. Hence, there is no ground to give any death benefit to the complainant as the insured has suppressed material facts before buying policy in question.
11. After going through the documents on record it is evident from Annexure C-3 the insurance certificate at page 17 of the paperbook that coverage of the policy in question is to the tune of Rs.2,82,573/-and the premium amount paid is to the tune of Rs.1760.54 and the policy commencing period is w.e.f. 26.8.2019 to 25.8.2021.
12. Admittedly, the complainant's husband expired on 1.2.2020 as is evident from Annexure C-4 the death certificate. The complainant through her duly sworn affidavit stated that her husband died at home and the reason for the death was heart attack. As the OP No.1 has not given any positive response to the settlement of the claim of the complainant resultantly the OP No.2 terminated the loan contract.
13. From the perusal of terms and conditions of the policy at page 18 of the paperbook of the complaint under the head of benefits under plan A sub clause (a) it is clear that if an insured member dies when his insurance coverage under the policy in force, the coverage in force will be payable to the claimant.
14. In the present case the insured died due to heart attack and not due to the chronic disease of kidney. Even if it is the case of the OP No.1 that the insured was a chronic patient of kidney, the onus on the OP Insurance company to prove that the insured died due to the said disease and not due to heart attack and also that kidney disease is the main cause of heart attack due to which the insured died. The OP insurance company has miserably failed to prove its case that the insured died due to the chronic disease which interlinked to the heart attack which is the cause of death of the husband of the complainant and hence wrongly repudiated the legal claim of the complainant. Our view is duly

supported by the judgment passed by the Hon'ble State Commission in **Pramerica Life Insurance Co. Ltd. and anr. Vs. Rajbala and anr.A/154/2023 decided on 14.7.2023**

15. From the forgoing we are of the view that the OP no.1 has wrongly repudiated the legal claim of the complainant in an arbitrary manner, which caused immense mental agony and physical harassment to the complainant and such the said act of OP No.1 amounts to deficiency in service.
16. Pertinently the counsel for the complainant vide his separate statement dated 18.10.2023 stated that he does not press the claim to the extent of excess amount of Rs.15587/- against the OPs as prayed in clause I of the prayer clause.
17. In view of the above discussion, the present consumer complaint succeeds and the same is accordingly allowed. OP No.1 is directed as under:-
- i. to pay Rs.2,66,986/- with interest @9% P.A.from the date of repudiation of claim i.e. 29.6.2020 till onwards.
 - ii. to pay Rs.20,000/- to the complainant as compensation for causing mental agony and harassment to her;
 - iii. to pay Rs.10,000/- to the complainant as costs of litigation.
18. This order be complied with by the OP No.1 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.
- However, it is made clear that the financier i.e. OP No.2 from whom admittedly the complainant's husband availed loan shall have first charge over the aforesaid awarded amount, to the extent the same is due to be paid by the complainant towards the discharge of loan liability, if any.
19. Complaint qua OP No.2 stands dismissed.
20. Pending miscellaneous application(s), if any, also stands disposed off.
21. 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

22/12/2023

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