

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION  
NEW DELHI**

**REVISION PETITION NO. 19 OF 2023**

(Against the Order dated 29/09/2022 in Appeal No. 140/2017 of the State Commission  
Rajasthan)

1. SUBHASH CHANDRA SHARMA & ANR.

S/O SHRI MOHAN LAL SUTHAR R/O BHATO KA  
MOHALLA BEGUN  
CHITTORGRAH  
RAJASTHAN

2. MRS. JYOTIBALA SHARMA

W/O SHRI SUBHASH CHAND SHARMA, R/O BHATON KA  
MOHALLA BEGUN TEHSIL BEGUN  
CHHITTORGARH  
RAJASTHAN

.....Petitioner(s)

Versus

1. LIFE INSURANCE CORPORATION OF INDIA & 2 ORS.  
THROUGH BRANACH MANAGER, BRANCH OFFICE 18,  
PATEL CIRCLE UDAIPUR  
RAJASTHAN

2. BRANCH MANAGER, LIC  
BRANCH KILA ROAD,  
CHITTORGRAH  
RAJASTHAN

3. BRANCH MANAGER LIC  
BRANCH BENGU  
CHITTORGRAH  
RAJASTHAN

.....Respondent(s)

**BEFORE:**

**HON'BLE AVM J. RAJENDRA, AVSM VSM (Retd.),PRESIDING  
MEMBER**

FOR THE PETITIONER :

FOR THE PETITIONERS : MR.ACHAL SINGH BULE,  
ADVOCATE

FOR THE RESPONDENT :

FOR THE RESPONDENTS : MR.ANOOP K. KAUSHAL,  
ADVOCATE

**Dated : 23 September 2024**

**ORDER**

1. This Revision Petition No.19 of 2023 challenges the order of the Rajasthan State Consumer Disputes Redressal Commission, Circuit Bench at Udaipur ('the State Commission') dated 29.09.2022. Vide this order, the State Commission dismissed Appeal No. 140/2017 and affirmed the order of the District Consumer Disputes Redressal Forum, Chittorgarh ('the District Forum') dated 20.06.2017.

2. For convenience, the parties are referred to as placed in the original Complaint filed before the District Forum.

3. Brief facts of the case, as per the Petitioners/Complainants, are that the petitioners, residents of Begun, purchased two insurance policies, "Jeevan Aarogya-903", for their son Tushar Jangid from the OPs. The first policy No. 10583072 was issued on 06.08.2011 and the second policy No. 108116681 was issued on 28.11.2011. They fully disclosed their son's health condition to OP agents, including a Medical Imaging Report (MIR) dated 01.05.2007, which indicated that their son had a condition related to his left testis. The agents informed them that the policy would cover any medical expenses related to this condition, including an operation called "unilateral-orchietomy," listed in the policy benefits at S.No. 113. In 2014, the petitioners had their son's testis operation performed at Pacific Medical College & Hospitals, Udaipur. Thereafter, they filed a claim for ₹2,00,000 under both insurance policies on 24.01.2015. Despite submitting necessary documents multiple times, the respondent/OP failed to either approve the claim or formally communicate a rejection. After several unsuccessful attempts to receive a response from the respondent, including registered letters sent in August and September 2015, the petitioners filed a complaint before the District Forum.

4. The OPs, in their Written Version filed before the District Forum contended that the petitioners concealed important information at the time of filling out the proposal form, particularly regarding their son's congenital disorder. The respondents pointed out that the petitioners had incorrectly answered "NO" to Question No. 10(7)(xii) concerning congenital disorders. Based on this alleged misrepresentation, the respondents contended that the claim should be rejected, as the terms of the insurance contract bind both parties.

5. The District Forum, vide Order dated 20.06.2017, dismissed the complaint with the following reasons:

***“05.): We have heard the arguments of the learned counsel for the parties and have very seriously thought over & considered their arguments, and have also respectfully studied & thoroughly perceived to the pleadings, affidavits, documents etc., available on the record of the file as also the rulings so cited hereinabove. From perusal of the complaint-case of the applicants/complainants such a conclusion is arrived at that the proposal form for insurance was filled in for obtaining the insurance policy for their son Tushar Jangid and at that time he was already seized with the illness for which treatment was carried out. In the paragraph no. 6 of the complaint, the applicants have mentioned that at the time of filling of the proposal form, MRI report dated 1st of May, 2007 of their son Tushar was shown to them, but both the proposal forms through which both of the abovementioned insurance policies have been obtained by the complainants, therein it has been got indicated that Tushar Jangid, son of the complainants/ applicants is 'not' seized of any kind of ailment. The applicants had***

*handed over the M. I. R. report dated 1<sup>st</sup> of May, 2007 of their son Tushar Jangid to the agent of the non-applicants and it was in his knowledge that Tushar Jangid is seized of such-a-such illness, thence its entry ought to have been made by them at the time of filling in the proposal for the insurance, but the applicants had filled in such a proposal form only for taking the insurance policy and therein had not shown the fact about any kind of congenial disorder or illness of their son Tushar Jangid, rather had indicated therein that Tushar Jagid is not suffering from any kind of disease. Insurance Contract is based upon the belief in between the parties of the contract and any other party cannot go beyond & contrary to the conditions of the contract of the insurance and it is essential for both the parties to comply with its conditions. In this connection the ruling of "Revision Petition No. 167/2017 - N.C. Life Insurance Corporation v/s Madan Gopal, order dated 18th of March, 2016", which has been filed, therein it has explicitly been decided that "the consumer forum cannot make any kind of payment beyond the conditions of the insurance contract entered into in between the parties". At the time of taking the insurance policy by the applicants/complainants, if they have obtained such a policy by suppressing important & substantial facts in accordance with the conditions of the insurance policy, then in such a situation, any kind of liability for payment is not made of the Life Insurance Corporation. Therefore, in such a situation, we arrive at such a conclusion that at the time of taking the insurance policies, the applicants/ complainants had concealed the fact about their son Tushar Jangid duly seized of the serious congenial illness and had not mentioned about this fact in their proposal form. Therefore, in such a situation, the Insurance Corporation has not at all committed any kind of error in not granting any kind of benefit payable against the insurance policy against the expenses incurred against the treatment of their son. Therefore, this complaint-case of the applicants/ complainants is liable to be dismissed.*

### **ORDER**

*06.): Therefore, we hereby deny & resultantly reject to the complaint-case duly filed by the complainants. Rival parties shall bear their own expenses.” (Extracted from translated copy)*

6. On Appeal, the learned State Commission, vide the order dated 29.09.2022 affirmed the District Forum order dated 20.06.2017 with reasons as below:

*“13.): As has already been disclosed earlier that in the conditions of the insurance policy - the benefit received by way of Day Care, were available for the operation of the sr. nos. 111 upto 114 in the list of Day Care Procedure, but in this matter, this important condition of the insurance policy has been violated by the appellants/complainants that the congenial illness of their son Master Tushar has been concealed by them and the fact about his congenial illness was not filled in the proposal form and according to the condition of the insurance policy, any facility of the treatment of congenial illness was not available in this insurance policy. Therefore, due to this reason, under this*

***insurance policy, the appellants/complainants were not entitled to receive any benefit, inclusive of the operation.***

***14.): Therefore, resultantly, we find that any kind of factual and legal error has not been committed by the subordinate District Consumer Commission in rejecting the claim of the operation of the ailment of congenial disorder of testis of their son Master Tushar Jangid on the ground of concealing the facts of the claim of the appellants/complainants, and only after our having considering to these arguments of the appellants/ complainants, same conclusion has been arrived at by US as well. Therefore, this appeal filed against the respondents/non-applicants by the appellants/complainants Subhash Chandra Sharma and Smt. Jyoti balala Sharma is found liable of being dismissed.***

### **ORDER**

***15.): This appeal filed by the appellants/complainants against the respondents/nonapplicants is hereby dismissed, and the judgment dated 20<sup>th</sup> of June, 2017 passed by the learned District Consumer Disputes Redressal Commission, Chhittorgarh (Rajasthan) in the Complaint Case No. 101/2016 "Subhash Chandra Sharma & Others v/s Life Insurance Corporation of India & Others" is affirmed."***

7. Being dissatisfied by the Impugned Order dated 29.09.2022 passed by the State Commission, the Petitioners / Complainants have filed the instant Revision Petition bearing no.19 of 2023.

8. I have examined the pleadings and other associated documents placed on record and rendered thoughtful consideration to the arguments advanced by the learned Counsels for both the parties.

9. The case of the Petitioners revolves around the rejection of claim under a LIC's Jeevan Arogya (Table 903) policy. As policyholders they contended that the claim was wrongfully repudiated by the insurer and asserted that the insured never concealed any material fact. Thus, the repudiation is unjustified. The State Commission and the District Forum failed to consider the basic premise of the life insurance policy and should not be arbitrary. He sought to allow the Revision Petition and set aside the impugned orders passed by the Fora below.

10. On the other hand, the contentions and arguments of the OPs revolve around the assertion that his claim was rightly repudiated due to non-disclosure of material facts at the time of taking the insurance policy. The OPs relied on certain legal precedents to assert that the proposer has a duty to disclose pre-existing ailments health condition to the insurer. He

argued in favour of the concurrent orders passed by the Fora below and sought to dismiss the Revision Petition.

11. It is a matter of record that the the petitioners obtained two insurance policies, "Jeevan Aarogya-903", for their son Tushar Jangid from the respondent's branch. The first policy No. 10583072 was issued on 06.08.2011, and second policy No. 108116681, was issued on 28.11.2011. However, the OPs repudiated the claim for failing to disclose the medical condition as required. Hence, they filed complaint seeking directions to the OPs to pay medical claim under the policy along with compensation and litigation expenses. It is an admitted position that the petitioners had incorrectly answered as "NO" to Question No.10(7) (xii) concerning congenital disorders of the insured. The insured did not disclose the medical conditions while filling the proposal and obtained the policies. The Respondents/OPs asserted that the contract for life insurance is based on utmost good faith and the insured was bound to clearly bring out all prescribed details, including her medical condition. However, they failed to do so.

12. In view of the foregoing, I am of the considered view that the Petitioners/Complainants failed to disclose his medical condition while obtaining the said Insurance Policies. In this regard Hon'ble Supreme Court in ***Bajaj Allianz Life Insurance Company Ltd. v. Dalbir Kaur, 2020 SCC OnLine SC 848*** decided on 09.10.2020 lays down that:

***“A contract of insurance is one of utmost good faith. A proposer who seeks to obtain a policy of life insurance is duty bound to disclose all material facts bearing upon the issue as to whether the insurer would consider it appropriate to assume the risk which is proposed. It is with this principle in view that the proposal form requires a specific disclosure of pre-existing ailments, so as to enable the insurer to arrive at a considered decision based on the actuarial risk.”***

13. Similar view was taken by the Hon'ble Supreme Court in ***Reliance Life Insurance Co. Ltd. v. Rekhaben Nareshbhai Rathod, (2019) 6 SCC 175*** decided on 24.11.2019 wherein it was held that suppression of the facts made in proposal form will render an Insurance Policy voidable by the Insurer.

14. Hon'ble Supreme Court in ***Rubi Chandra Dutta Vs. United India Insurance Co. Ltd.*** ((2011) 11 SCC 269) held that the scope in a Revision Petition is limited. Such powers can be exercised only if there is some prima facie jurisdictional error in the impugned order. Moreover, in ***Sunil Kumar Maity Vs. State Bank of India & Ors.*** (AIR (2022) SC 577) the Hon'ble Supreme Court held that:

***"The revisional jurisdiction of the National Commission under Section 21(b) of the said Act is extremely limited. It should be exercised only in case as contemplated within the parameters specified in the said provision, namely when it appears to the National Commission that the 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 illegally or with material irregularity."***

15. In **Rajiv Shukla V. Gold Rush Sales & Services Ltd.**, (CA No. 5928 of 2022), decided on 08.09.2022, the Hon'ble Supreme Court held that:

"In exercising of revisional jurisdiction the National Commission has no jurisdiction to interfere with the concurrent findings recorded by the District Forum and the State Commission which are on appreciation of evidence on record. Therefore, while passing the impugned judgment and order (**Gold Rush Sales and Services Ltd. Vs. Rajiv Shukla**, 2016 SCC Online NCDRC 702) the National Commission has acted beyond the scope and ambit of the revisional jurisdiction conferred under section 21 (b) of the Consumer Protection Act."

16. In view of the above deliberations and the principles laid down by the Hon'ble Supreme Court supra, I do not find any illegality or infirmity in Order passed by the learned State Commission dated 29.09.2022 in Appeal No.140/2017. Therefore, the present Revision Petition No.19 of 2023 is dismissed.

17. There shall be no order as to costs.

18. All pending applications, if any, also stand disposed of accordingly.

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**AVM J. RAJENDRA, AVSM VSM (Retd.)**  
**PRESIDING MEMBER**