

**NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION  
NEW DELHI**

**CONSUMER CASE NO. 28 OF 2014**

1. NEERAJ KUMAR

S/o Shri Bibhuti Narayan Sinha, 3, Engineers Enclave, Road No.  
44, Pitampura,  
DELHI - 110034.

.....Complainant(s)

Versus

1. M/S. PNB METLIFE INDIA INSURANCE COMPANY  
LIMITED,

Regd. Office: 'Brigade Seshamal' 5, Vani Vilas Road,  
Basavanagudi,

BANGALORE - 560084.

.....Opp.Party(s)

**BEFORE:**

**HON'BLE MR. JUSTICE A. P. SAHJ,PRESIDENT**

FOR THE COMPLAINANT : MR. ANIMESH SINHA, ADVOCATE  
MR. SHUBHAM BHUDIRAJA, ADVOCATE

FOR THE OPP. PARTY : MR. D.VARDARAJAN, ADVOCATE

**Dated : 27 May 2024**

**ORDER**

1. Heard Mr. Sinha, learned Counsel for the Complainant, and Mr. Varadarajan, learned Counsel for the Opposite Party Insurance Company. The Complainant acquired a whole Life Unit Linked Insurance Policy titled as Met Smart Plus Policy for the life insurance coverage of his son, the term whereof is 93 years and the sum insured is Rs.1,75,00,000/-. The Complainant is the policy holder and the life insured is that of his son. The policy was effective from 27.09.2007 and the premium on the said policy was Rs.5,00,000/- p.a. subject to certain terms and conditions which the Complainant states to be flexible options. The policy has the option of investment returns as well. The Complainant paid the premium for the policy on the date due which was 27<sup>th</sup> of September every year. The Complainant paid it on 27.09.2007, 27.09.2008 & 27.09.2009, in total, a sum of Rs.15 Lakhs.
2. Admittedly, the Complainant who has described himself as a Group Chief Executive Officer of M/s Jindal Saw Ltd., stopped making any payments of premium after 2009.
3. He alleges that he had a legitimate expectation that the policy would subsist for 93 years unless it matures on the happening of any event, but he was taken by surprise to receive a letter on 30.10.2013 informing him that the policy stood terminated as no renewal premiums have been tendered by the Complainant after 27.09.2010. Pursuant to the foreclosure an amount of Rs.13,91,553.54 was paid to the Complainant which was the surrender value payable to the Complainant.
4. The allegation of the Complainant is that the said foreclosure was not preceded by any notice or communication giving the option of reinstatement of the policy to the Complainant as provided for under the terms and conditions.
5. It is therefore alleged that given the terms and conditions of the policy, the Complainant was entitled for reinstatement and continuance of the policy, and therefore the foreclosure is

invalid.

6. It is in this background that the present complaint has been filed seeking a declaration that the termination of the policy is invalid and a further direction to continue the policy without any break and without any further mandatory payment of premium. A compensation of Rs.1 lakh has also been claimed.
7. From a perusal of the documents on record and the pleadings exchanged by the parties, the Complainant is aggrieved on account of the automatic termination letter dated 30.10.2013 foreclosing the said policy of the Complainant. The letter is extracted hereinunder:

*“Subject: Automatic Termination of your Policy Number 00386669*

*Dear Mr. Neeraj Kumar,*

*We would like to inform that **we have not received the renewal premiums for your policy bearing number 00386669 since 27-Sep-10. Also, as the period available for reinstatement of your policy has expired, we are, in accordance with the terms and conditions of your policy, constrained to foreclose the same. Pursuant to the foreclosure of your policy. The following amount is payable to you:***

Particulars	Amount in INR
Fund Value in your policy as on date of foreclosure	1616273.54
Less Applicable Charges	
Surrender Charge	224720
Outstanding Policy Loan if any	NA
Interest on Policy Loan if any	NA
Add	
Premium Balane in Suspense Account not applied to your policy	
Net Amount	1391553.54

*Please fund enclosed the cheque for an amount of Rs.1391553.54 drawn on payment account-HDFC Bank; Cheque number 71493, dated 11-Oct-13. As mentioned above, your policy stands foreclosed and there are no benefits payables under the same.*

*You can reach our customer service help line number 1-800-425-6969 or email us at [indiaservice@pnbmetlife.co.in](mailto:indiaservice@pnbmetlife.co.in) for any queries.*

*Yours sincerely,*

*PNB MetLife India Insurance Co. Ltd.”*

8. The policy schedule that contains the details also contains service guidelines and useful information to an investor. The facility of withdrawal from the policy is available after 3 years from the date of the policy which can be availed by submitting the withdrawal request form. The useful information catalogue also indicates the procedure for payment of premiums and any delay in payment is also accompanied by a grace period of 30 days from the due date. Payments received beyond the grace period may invite the lapse of a policy or be subject to any non-forfeiture options if applicable.
9. The acceptance of the policy by the Company was made subject to definite terms and conditions. The schedule of payment is as follows:

IN THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICY HOLDER

**MetLife**<sup>TM</sup>

MetLife India Insurance Company Private Limited  
(Insurance Regulatory and Development Authority Life Insurance Registration No. 117) Registered Office: "Brigade Seshamahal",  
S, Vani Vilas Road, Basavanagudi, Bangalore - 560004 www.metlife.co.in Phone: +91-80-2643 8635 FAX: +91-80-2242 1979

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**The Schedule - MetSmartPlus (A Whole Life Unit Linked Insurance Policy)**

Policy Number	1200700386669	Date Of Issue	27/09/2007	Issuing Office	Bangalore		
<b>1. Details of the Policy Owner and Insured</b>							
Name of the Owner	Mr. Neeraj Kumar						
Proof of Identification	Passport						
Name of the Insured	Master Shreejan Sinha						
Proof of Identification	Passport						
Date of Birth of Insured	02/10/1999						
Whether age admitted	Yes	Age last birthday at entry	7				
<b>2. Policy Features</b>							
Plan of Insurance	Met Smart Plus						
Sum Assured	Rs. 17,500,000.00	Date of Maturity	02/10/2099				
Effective Date of Policy (Date of Commencement)	27/09/2007						
Policy Term	93 Years	Premium Paying Period	93 Years				
<b>3. Premium Summary</b>							
Details of Coverage		Duration of Coverage		Amount of Coverage	Instalment Premium	Frequency of Payment	
		From	To	Rs.	Rs.		
Base Policy Met Smart Plus		27/09/2007	02/10/2099	17,500,000.00	500,000.00	Annual	
<b>RIDERS</b>							
Accidental Death Benefit		-	-	-	-	-	
Term Rider		-	-	-	-	-	
Waiver of Premium		-	-	-	-	-	
Critical Illness		-	-	-	-	-	
Extra Premium				-			
Total Installment Premium					Rs. 500,000.00		
Due date(s) of Premium					27th Sep of every year		
Premium Direction	Preserver	Protector	Moderator	Balancer	Accelerator	Multiplier	Total
	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	100%

Bangalore: +91-80-66921799 Chennai: +91-44-2431593192 Delhi: +91-11-66563000/2321443248/53 Hyderabad: +91-40-2398400/81 Jammu: +91-191-2475610/7515653/7361  
Kolkata: +91-664-250554/2342877 Kolkata: +91-33-2217802/324925 Mumbai: +91-22-2490313/33-6255 Srinagar: +91-194-2481957/3060000/3024793/21  
Toll Free: 1800-425-6969 Write to us at [indiaservice@metlife.com](mailto:indiaservice@metlife.com)

ON THIS POLICY, THE INVESTMENT RISK IN INVESTMENT PORTFOLIO IS BORNE BY THE POLICY HOLDER.

**MetLife**<sup>TM</sup>

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MetLife India Insurance Company Private Limited  
 (Insurance Regulatory and Development Authority Life Insurance Registration No. 117) Registered Office: "Brigade Seshamangal",  
 S. Vani Vilas Road, Basavanagudi, Bangalore - 560084 www.metlife.co.in Phone: +91-80-2543 8638 FAX: +91-80-2242 1979

**The Schedule - Met Smart Plus (A Whole Life Unit Linked Insurance Policy)**

Insured Event upon which Benefits Payable (Please refer to the attached Terms & Conditions for full details)	<u>On Death of the Life Insured prior to Date of Maturity</u>	
	If age at death less than 7 years 100% of the Fund Value in the Unit Account If age at death equal to or more than 7 years Higher of Sum Assured and 100% of the Fund Value in the Unit Account.	
	<u>Upon Survival of the Insured to age 100</u>	
	Fund Value in the Unit Account	
Special Provisions / Options	Automatic vesting of ownership option:	No

**4. Beneficiary Details**

Name(s) of the Beneficiary	Relationship	Share(s) %
1)		
2)		
3)		
4)		
Appointee		

10. The entire description indicating the monthly cost of insurance charges upon attaining the age from 8 years onwards up to 93 years (and up to 100 years) was also provided along with the schedule which is extracted hereinunder:

# MetLife

MetLife India Insurance Company Private Limited  
Insurance Regulatory and Development Authority Life Insurance Registration No. 1173 Registered Office: Brigade Seshumahal,  
5, Vani Vihar Road, Basavanaguda, Bangalore - 560 004, www.metlife.co.in, Ph: +91-80-2643 6530, Fax: +91-80-2242 1970

## Table of Monthly Cost of Insurance Charges - Male

Plan		Met Smart Plus			
Attained Age	COI Rate Per 1,000 of Sum at Risk	Attained Age	COI Rate Per 1,000 of Sum at Risk	Attained Age	COI Rate Per 1,000 of Sum at Risk
1	-	41	0.150988	81	8.707866
2	-	42	0.161465	82	9.449081
3	-	43	0.172627	83	10.230458
4	-	44	0.186727	84	10.934760
5	-	45	0.203960	85	11.651333
6	-	46	0.225013	86	13.050500
7	-	47	0.249100	87	14.235250
8	0.045727	48	0.276419	88	15.479750
9	0.046804	49	0.306969	89	16.794417
10	0.048665	50	0.340848	90	18.211000
11	0.050917	51	0.377958	91	19.723833
12	0.053854	52	0.418790	92	21.335500
13	0.056498	53	0.462558	93	23.001583
14	0.059338	54	0.510048	94	24.770250
15	0.063940	55	0.561454	95	26.643667
16	0.066877	56	0.616679	96	28.578417
17	0.069227	57	0.675135	97	30.626000
18	0.070990	58	0.725465	98	32.790000
19	0.072458	59	0.790775	99	35.073833
20	0.073340	60	0.869696	100	37.516736
21	0.075396	61	0.962031		
22	0.077452	62	1.068467		
23	0.079410	63	1.189394		
24	0.080977	64	1.325400		
25	0.082348	65	1.476877		
26	0.083523	66	1.661967		
27	0.084208	67	1.773565		
28	0.084698	68	2.011502		
29	0.084600	69	2.278031		
30	0.084013	70	2.576677		
31	0.083719	71	2.927904		
32	0.085481	72	3.284810		
33	0.086223	73	3.702621		
34	0.092140	74	4.170075		
35	0.097329	75	4.681885		
36	0.103204	76	5.251858		
37	0.110254	77	5.896848		
38	0.118185	78	6.593415		
39	0.127292	79	7.379490		
40	0.138944	80	8.007455		

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Toll Free: 1-800-425-6969 Write to us at [metlifecustomer@metlife.com](mailto:metlifecustomer@metlife.com)

11. The terms and condition which are important in order to assess the arguments of the learned Counsel for the parties are extracted hereinunder for ready reference.

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**Regular Premium** is the Base Premium payable by you in regular installments in amounts specified in the Schedule Top-up Premium is the premium paid by you in the form of a single payment separately from and in addition to the required Regular Premium.

**Annualized Premium** refers to the Regular Premiums payable by the insured in a policy year as in the Schedule.

**Unit Linked Fund** refers to an investment Programme established for the express purpose of this Insurance Cover and run according to terms stated under the investment Unit Linked Fund Provision.

**Fund Value** is the total number of Units held in the Unit Account multiplied by the Net Asset Value.”

12. Apart from the aforesaid definitions clause 15,17,18,19,20 & 21 are extracted hereinunder:

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### ***"15. Surrender Benefit***

*No Surrender Value is payable during the first three years of the policy. After the first three policy years, the surrender value payable on Surrender is equal to the Fund Value in the Unit Account less the surrender charge as mentioned in clause 11(D)*

*For the purpose of surrender benefit, the Fund Value in the Unit Account will be determined using the Net Asset Value on the corresponding Valuation Date falling on immediately after the Date of Receipt of written request at our designated office. The rules in this regard are as follows:*

### ***17. Premiums***

*You are required to pay the regular premium as mentioned in the schedule on or before the due dates as shown in the schedule. They also have the flexibility of paying any additional amount by indicating the same as Top-up premium in writing. If they don't indicate the amount as Top-up Premium, and:*

- 1. If the amount is equal to the total premium, it will be appropriated towards the total premium on the next premium due date.*
- 2. If the amount is not sufficient for the next total premium, the amount would be refunded to the policyholder.*

*After paying the premiums for the first three policy years, you can stop paying the premiums and restart paying the premiums according to your convenience subject to lapse and reinstatement provisions.*

### ***18. Grace Period***

*During the first three policy years if Regular Premiums paid are not according to the attached schedule there will be a grace period of 30 days (from the date on which the premiums fall due for payment) to pay an amount equal to the unpaid minimum premium.*

*During the grace period all the charges described earlier will continue to be deducted.*

*After the first three policy years, if Regular Premiums paid are not according to the attached schedule, the insurance cover would be extended subject to clause 21.*

## **19. Lapse**

*During the first three Policy years, if the Regular Premium is not paid within the grace period, the Policy shall lapse.*

*Once the policy lapses, the coverage under the policy ceases and deduction of mortality charges and rider premium charges, if any will be stopped. However, the policy would be still linked to the units until either reinstated as in clause 20 or surrendered as in clause 15. The policy administration charges would continue to be deducted*

*After the first three policy years, if Regular Premiums paid are not according to the attached schedule, the insurance cover would be extended subject to clause 21.*

## **20. Reinstatement**

*If the policy is lapsed during the first three policy years: The owner may reinstate the policy while the insured is alive if the owner.*

- *Requests in writing for reinstatement within two years from the date the policy lapsed.*
- *Provides satisfactory evidence of insurability.*
- *Pays all due premiums to the date of reinstatement.*

*The money received will be used to buy units in the chosen Unit Linked Fund using the Net Asset Value on the Valuation Date as mentioned in clause 17.*

*If the premium is not paid after the first three policy years: The owner may pay the unpaid premiums while the insured is alive if the owner:*

- *Requests in writing for doing so within two years from the date of the first unpaid premium due.*
- *Pays all due premiums to the date of reinstatement.*
- *However if the contract is not reinstated by paying the all due premiums within two years from the date of first unpaid premium due, the owner will be given an option to continue the contract without payment of any further premium subject to the contract termination provision as below.*

## ***21. Contract Termination***

*If the policy is lapsed during the first three policy years and not reinstated within two years from the date of such lapse as mentioned in clause 19, the policy would be terminated by paying the surrender value as on the date of expiry of two years to you. The policy would also be terminated if the fund value runs out of money for charges deduction during the first three years.*

*After the first three policy years, if the surrender value falls below the Annualized premium at any point of time, the policy would be terminated by paying the surrender value as on that date to you.”*

13. Learned Counsel for the Complainant contends that the foreclosure is invalid in view of the fact that the surrender value which has been paid to the Complainant of Rs.13,91,553.54 is not less than or below the annual premium of Rs.5 lakhs which is the regular premium and is the annualized premium that was payable by the Complainant in a policy year as per the definition clauses extracted hereinabove. It is not disputed that the said amount on foreclosure has been received by the Complainant. It is, however, submitted that in view of the option given in the Premiums clause 17, the Complainant had the option to stop making payments and he was also entitled for an option as provided for in the reinstatement clause 20 which was never offered by the Respondent Company. Mr. Sinha, however, maintains that clause 21 could not be invoked inasmuch as the said clause does not require the calculation of the annualized premium for all three years so as to calculate the surrender value in a manner and defeat the very purpose of the policy.
14. He further submits that it would be incorrect to assume that an investor has to compulsorily deposit all the premiums for 93 years which is almost going beyond the life expectancy of the policy holder. The contention appears to be that it is not expected of the policy holder to be making payments for all the 93 years which according to the learned Counsel is an impossibility.
15. Mr. Sinha contends that the policy clearly envisages an option to the investor to be made available by the Insurance Company as per the clause referred to hereinabove and in the absence of any such notice having been afforded, the exercise of foreclosure of the policy by the Insurance Company is contrary to the terms and conditions of the contract. He therefore submits that these deficiencies are writ large, as expecting the Complainant to continue to make premium payments for 93 years, would lead to a situation where the total payments made would be more than four and a half crores that shall exceed the total sum insured which in the present case is only 1.75 crores. Thus, to construe that a permanent demand of Rs.5 lakhs p.a. has to be made as annualized premium for continuance of the policy would lead to immensely disproportionate results.
16. He also submits that there is an inbuilt flexibility in the payment of premiums by providing options as referred to above and therefore the termination of the policy exhibits the high handedness on the part of the Opposite Party causing loss and harassment to the Complainant. Mr. Sinha has relied on an order passed by this Commission in the case reported in ***ICICI***



***Prudential Life Insurance Co. Ltd. v. Col. Abhay Rishi (Retd.), 2015 SCC OnLine NCDRC 3371*** to urge that similar withdrawal benefits as are available in this policy were interpreted and it was held that the right of withdrawal was justified after payment of 3 full years of premium.

17. The aforesaid arguments have been vehemently opposed by Mr. Varadarajan contending that what the Complainant proposes to claim is virtually based on his own understanding of the policy which is incorrect and if the arguments are accepted as urged, the same would amount to rewriting the policy. He contends that there is no ambiguity in any of the terms and conditions and since the policy condition has been breached by the Complainant, the foreclosure and termination is valid and there is no deficiency in service. He has further submitted that the contention is that the Insurance Company was under an obligation to serve him with a notice before termination, is misconceived and is contrary to the provisions of Section 50 of the Insurance Act 1938. He further submits that the argument advanced is virtually redefining the entire policy inasmuch as the Complainant cannot claim any immunity from payment of the premium and the option for payment of premium given in clause 17 after 3 years is subject to the lapse and reinstatement provisions. The window claimed by the Complainant for his right to stop making payments after three years and then to restart making payments at his convenience is subject to the lapse and reinstatement provisions which are in turn to be governed by clause 21 of the contract. He therefore submits that all these provisions have to be construed and read as a whole so as to advance the meaning assigned to the various terminologies contained in the definition clause and the Complainant cannot be permitted to cherry-pick the words and phrases used selectively to maintain his claim.
18. Mr. Varadarajan contends that the phrase annualized premium at any point of time as used in clause 21 are the regular premiums payable by the insured which means the collective value of the premiums paid in three years. He submits that it is for this reason that the policy in clause 17,18,19,20 &21 has used the phrase "after the first three policy years". He submits that the policy therefore contemplates the calculation of the annualized premium paid, not only in one year but for all the three years cumulatively which in the present case is Rs.15 lakhs. His submission is that the argument of Mr. Sinha proceeds on an incorrect assumption of payment of premium only in one policy year.
19. He then submits that all these arguments are bereft of the terms of the policy and the Complainant who is himself a well-informed individual being the Chief Executive Officer of a company of repute was well aware of the terms and conditions of the policy who also had the benefit of the lookout period, the free look provision under clause 36 of the policy. The Complainant never either complained of or objected to the terms and condition of the policy.
20. He has orally submitted that as a matter of fact the policy is an insurance cum investment scheme and the investments made by the Insurance Company are subject to market fluctuations. Whenever the stock market fluctuates and the investors find it risky these withdrawals come by or they even stop making payment of premiums in such investments. He submits that this might have also worked in the mind of the Complainant as well but he submits that bereft of any such speculation, the Complainant himself voluntarily defied the terms of the policy by stopping premium payments and is now attempting to take an unavailable benefit through this Complaint which is untenable for all the submissions made hereinabove. He submits that the argument of the learned Counsel for the Complainant, that the surrender value cannot be lower than the annualized premium, is based on an incorrect calculation that the annualized value of the premium in the present case would be the premium paid for one year that is Rs.5 lakhs. He therefore submits that none of the contentions raised carry any weight and the Complaint deserves to be rejected.

21. The basic contention of the Complainant is that he had the option to discontinue the payment after three years and it was obligatory on the part of the Insurance Company to have given the option as provided under clause 17 which indicates as follows:-  
  

*“After paying the premiums for the first three policy years, you can stop paying the premiums and restart paying the premiums according to your convenience subject to lapse and reinstatement provisions.”*
22. The contention of the Complainant is that no notice was given by the Insurance Company to exercise this option.
23. It is also evident that after the first three years, if the payment is stopped then this can be restarted which is subject to the termination clause 21. However to restart the policy a request in writing has to be made and old due premiums are to be paid upto the date of reinstatement.
24. A perusal of the provisions indicate that the owner will have an option again to continue the contract if he has stopped paying premium but subject to the contract termination provision under clause 21.
25. The termination clause provides that if the surrender value falls below the annualized premium the policy would be terminated after the first three policy years by paying the surrender value as on that date.
26. Learned Counsel for the Complainant on this issue advanced his submissions contending that the surrender value which has been paid to the Complainant after terminating the policy is Rs.13,91,553.54 paise which has already been received by him. He submits that this value is not below the annual premium of Rs.5 lakhs and therefore the surrender value is not below the annualized premium. Hence, the policy could not be terminated under clause 21. This has been contested by the Learned counsel for the Insurance Company contending that the annualized premium as defined, and quoted hereinabove, refers to the regular premiums payable by the insured in a policy year as in the schedule. He submits that the premium for one year is Rs. 5 lakhs but the regular premiums in this case is Rs.15 lakhs which has been paid by the Complainant in three policy years. His contention is that it is the cumulative amount of Rs. 15 lakhs which is the annualized premium value paid by the Complainant and the sum of Rs. 15 lakhs has to be taken into account for applying the termination clause. The surrender value therefore in the present case being Rs. 13 lakhs and odd is below the total paid annualized premium of Rs.15 lakhs by the Complainant.
27. Looking to the terminology used in the policy, it is correct that the definition of the word annualized premium refers to the regular premiums “in a policy year” as in the schedule but the word “premiums” used in the same clause is plural. This particular case is a case arising out of a contingency where three regular premiums have been paid for the first three years but no premium has been paid thereafter. This is not a case where the policy or the premium has been defaulted in the first three years.
28. Consequently, the surrender value obviously will have to be calculated as against the total amount of premium paid by the Complainant which in the present case is Rs. 15 lakhs and therefore the surrender value has been proportionately calculated and paid to the Complainant. Thus, clause 21 as applied on the facts of the present case entitles the Insurance Company to terminate the policy which was done after making payment of the surrender value of Rs.15 lakhs and hence the contention raised on behalf of the Complainant cannot be accepted or else it will give an endless option to the Complainant to stop payment of premium after three years and also continue to enjoy the terms of the policy. It has to be kept in mind that the policy is a Life Insurance coverage coupled with investment benefits on the units of the policy.

29. The definition of surrender benefit under clause 15 opens with a declaration that no surrender value is payable during the first three years of the policy. The surrender value has been indicated to be equal to the fund value which is the total number of units held in the unit account multiplied by the net assets value. It is this surrender value on the premiums of 3 years, i.e. Rs.15 lakhs, which has been paid to the Complainant.
30. It may be again reiterated that under clause 17, one can stop paying the premium and restart paying premium admissible but subject to the lapse and reinstatement provisions. The extension according to the lapse provision under clause 19 is subject to the termination clause 21 and so is the reinstatement clause which is also subject to clause 21.
31. In the instant case, the Complainant admittedly did not choose to renew or restart the policy nor any such option was exercised or request given in writing. The whole complaint is based on a legitimate expectation of the subsistence of the policy which does not in any way satisfy the terms and conditions of the policy and the argument that he cannot be expected to continue the policy for 93 years by making regular payments of the premium is an argument which amounts to re-writing the contract to the disadvantage of the Insurance Company that does not seem to be contemplated under the terms of the policy.
32. It is doubtful if the investment part of the Unit Account is a service or a pure commercial venture, but it is linked with a life insurance of an individual. It assures payment on death as well as upon survival upto 100% of the fund value in the unit account. The flexibility and the options under the policy are subject to payments of premium as also revival of policies and reinstatement. The lapse of a policy, its reinstatement or termination are all tuned with the manner in which premiums are to be paid to ensure subsistence of the policy or to avoid permanent termination. The arrangement of options and legitimate expectation cannot travel beyond the parameters so as to construe the policy to be open ended with free access without complying with the terms for, as long as one wishes, with no obligations of paying premium. The terms are not a contract of performance at will and whenever. In the present case, the Complainant did not express any desire from 2009 to 2013 for reviving or continuing the policy and remained silent. No option was exercised to avail any flexibility, as claimed now, to demonstrate a manifestation of any legitimate expectation that is being canvassed through this complaint filed in 2014. The complainant had enough time to exercise his options but he stopped paying premiums in 2009 that he was liable to pay to keep the policy running. The policy does not give absolute immunity from payment of premium and that cannot be a legitimate expectation by any standards. The complainant is not absolved from making payments. The disruption or stoppage of payment also simultaneously obliges to exercise the option of reinstatement with payment and not with no payment of premium at all. The Complainant voluntarily stopped making payments from 2009 onwards with no request in writing for reviving or continuing the policy. In effect the argument boils down to the continuance of the policy with zero payments at the absolute option of the Complainant. This interpretation would dissolve and deprive the policy of its real contractual content with an opposite result. The argument therefore by all means is untenable.
33. Learned Counsel cited the order passed by this Commission in the case of ICICI Prudential Life Insurance Co. Ltd. v. Col. Abhay Rishi (Retd.), 2015 SCC OnLine NCDRC 3371 to urge that no prior notice was given for termination of the policy and therefore the termination is in violation of principles of natural justice. The question of giving any prior notice does not seem to arise at all inasmuch as the termination would be invited in the event of default unless any request is made in writing. There is no provision nor any need of notice as the terms of the policy are well known to the insured. The consequences of any default are categorically provided for and therefore the judgment cited at the bar would not come to the aid of the Complainant. The exercise of option also is dependent upon any request in writing. There is nothing on record to indicate that the Complainant made a request for the policy for

reinstatement of his policy in writing. The Complainant was very well aware of the terms and conditions of the policy.

34. The complaint has no merits and is accordingly rejected.

.....J  
**A. P. SAHI**  
**PRESIDENT**