

Advantage Consumer

Monthly News Letter of Consumer Protection Council, Rourkela

"An aware consumer is an asset to the nation"

Website : www.advantageconsumer.com

VOLUME – XXXVIII

FEBRUARY 2026

ADVANTAGE - II

Queries & Answers through the Web

(www.advantageconsumer.com is the website of Consumer Protection Council, Rourkela. One of the major attractions of the website is that a visitor can ask queries on issues relating to consumer protection. Answers to these queries are made free of cost, by the Chief Mentor of the Council, Sri B. Vaidyanathan.)

Continued from January, 2026 issue...

Since the death of the insured is totally unrelated to any treatment undertaken by him years before he was insured by LIC, the Claim cannot be denied.

**IN THE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION, NEW DELHI
CONSUMER COMPLAINT NO. 2015 OF 2019**

Smt. Kanta

W/o Late Sh. Yogesh Kumar

R/o Block -A, Flat No.904, Manglam,
the Grand Residence, Vaishali Nagar,
Jaipur, Rajasthan - 3020120

... Complainant

Versus

Life Insurance Corporation of India & Anr.

Through its Manager (Claims)

Jaipur Division II

Plot No. A-20, Nangi Plaza,

Opp: Gandhi Nagar Railway Station,

Anita Colony, Jaipur, Rajasthan - 302015.

...Opposite Parties

BEFORE:

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

HONBLE MR. JUSTICE ANOOP KUMAR MENDIRATTA, MEMBER

08.09.2025

JUDGMENT

Air Vice Marshal J. RAJENDRA, AVSM VSM (Retd.)

17. As per medical literature in the open domain, acute bronchitis is usually caused by viral infection and goes away on its own in a few weeks' time, for which at times no treatment may be required. The same may be evaluated through chest X-ray, sputum test and pulmonary function test. It may be emphasized that most of the

cases of bronchitis get better even without treatment, usually within couple of weeks, though some medicines for cough or antibiotics may be prescribed. The fact that the DLA had a clear X-ray of chest at the time of issuance of policy rules out the possibility that he was suffering from any chronic condition. In any case, the burden was on the Insurance Company to prove in case the treatment for bronchitis in any manner adversely impacted or led to development of COPD. The treatment slips appear to be issued by homeopathy centre run by Dr. Chandan Moolchandani and Dr. Suveera Moolchandani but affidavits of the treating doctors have not been filed on record.

18. In the aforesaid background, it needs to be assessed if there has been any suppression or incorrect disclosure of material facts which would have bearing upon the issue, as to the insurer would have considered it appropriate to not to assume the risk proposed. The questionnaire in the proposal form requiring specific disclosure of pre-existing ailments is only to enable the insurer to arrive at a considered decision based on the actuarial risk. We are the considered view that the temporary treatment undertaken by the DLA for bronchitis from a Homeo Physician, in the facts and circumstances does not constitute suppression of any 'material fact' since nothing adverse was noticed regarding the health condition of DLA and he was found to be healthy on examination through registered empanelled doctors of LIC. It may be emphasized that the cause of death of DLA due to cardiac arrest is totally unrelated to any treatment undertaken by him for bronchitis.

19. In view of the foregoing, it does not appear that the answers to respective question no. 30, 41, 42, 43 and 47 can be adversely taken against the DLA. Merely because the DLA may have sought some medical reimbursements or leave, during his tenure with the respective employers, does not lead to an inference that he was suffering from any serious disease or infirmity. The onus lay on the Insurance Company to prove the relevant documents for which the treatment was undertaken along with the reimbursement during his employment by the DLA and the onus has not been discharged except for merely filing the copies of documents. It is unfortunate that the Insurance Company has made all possible efforts to repudiate a genuine claim by even seeking information as to any FIR or complaint registered against the DLA under Domestic Violence Act. The said practice needs to be deprecated.

20. In the facts and circumstances of the case, repudiation of the claim by the OP insurer is untenable and constitutes deficiency in service. We, therefore, are of the considered view that the Complainant is entitled for the benefit of the policy in question.

21. The Insurance Company/OP is directed to pay the policy amount of Rs.1,00,00,000/- to the Complainant along with simple interest @ 6% per annum from the date of repudiation of the claim till actual realization. This payment shall be made within two months from the date of this order. In the event of delay, the simple interest liability for the entire period shall be @ 8% per annum. Also, a sum of Rs.50,000/- is awarded as costs of litigation.

22. The Consumer Complaint No. 2015 of 2019 is disposed of with above directions.

23. All pending Applications, if any, are also disposed of accordingly. ■

The deceased had a long-standing and serious medical history predating the proposal, which was not disclosed and hence the repudiation of the death claim by the Insurer is not in violation of the policy terms.

**IN THE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION AT NEW DELHI
CONSUMER COMPLAINT NO. 1798 OF 2018**

Arati Dhananjay Deshmukh
W/o Dhananjay Bhanudas Deshmukh
Age: Adult years, Occ.: Nil,
R/O - 46/1:2, Anandvan Co-operative
Housing Society Ltd, Sector-4,
Nerul(W), Navi Mumbai

... Complainant

Versus

ICICI Prudential Life Insurance Company Ltd. & Anr.,
Unit No. 1A and 2A, Raheja Tipco Plaza,
Rani Sati Marg, Malad (E),
Mumbai - 400 097.

Through its Branch Manager

... Opp. Parties

BEFORE:

HON'BLE AVM J RAJENDRA, AVSM, VSM (Retd), PRESIDING MEMBER
HON'BLE MR. JUSTICE ANOOP KUMAR MENDIRATTA, MEMBER

PRONOUNCED ON: 16.01.2026

JUDGMENT

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

1. The present Consumer Complaint has been filed under Section 21 of the Consumer Protection Act, 1986 (for short "the Act") against the Opposite Parties with the following prayer:
"a) To hold and declare the opposite parties to be guilty of deficiency in service and unfair trade practice as per the provisions of the Consumer Protection Act, 1986.

b) To direct the opposite parties to pay Rs. 78,47,595 lakhs out of 90 lakhs sum assured (Rs. 11,52,405/- being already paid) of the policy namely ICICI Pru Elite Wealth-II, Unit Link Insurance Plan through its Policy No. 19620019 IPRU to the complainant along with interest @ 18% p.a. till its realization.

c) To direct the opposite parties to the complainant a sum of Rs. 15,00,000/- towards compensation for the inconvenience and harassment experienced by the family members of the complainant due to the deficiency in service.

d) To direct the Opposite Parties to pay the complainant sum of Rs. 10,00,000/- towards the legal and incidental expenses incurred by the complainants.

e) For such other and further reliefs as this Hon'ble Commission may deem fit and proper in the nature and circumstances of the above numbered complaint."

2. Brief facts, as per the complaint, are that Complainant's husband, Late Dhananjay Bhanudas Deshmukh, had purchased an ICICI PRU Elite Wealth-II (Unit Linked) Policy No. 19620019 IPRU, on 02.12.2015 for a term of 10 years, with a sum assured of Rs. 90,00,000. The first premium of Rs. 9,00,000 was paid and acknowledged vide Receipt No. F1707374 dated 02.12.2015. The policy was positioned as a wealth-cum-life cover plan, intended to provide long-term wealth creation along with full risk coverage.

3. The life assured unfortunately passed away on 15.08.2016 at Lilavati Hospital, and the death certificate was issued on 19.08.2016. The Complainant thereafter collected all requisite documents, including hospital papers, medical records, employer certificate, and policy documents, and submitted the claim in March 2018. To her shock, a letter dated 30.03.2018 was issued by OP-2 repudiating the death claim on the alleged ground of non-disclosure of past medical history by the Deceased Life Assured (DLA). It is the case of the complainant that the repudiation was unjustified, as the OP insurer attempted to apply to its case, the standards meant for Health Insurance policies, whereas the present product was a Wealth policy, for which entirely different insurance underwriting norms are to be applied. It is further her case that her husband was medically stable at the time of taking the policy and he was actively employed and, in any case, her husband had no intention to suppress any information with respect to his health. Even if any omission occurred, it was entirely inadvertent and not material to the claim in any manner. Despite receiving a detailed legal notice dated 23.04.2018, the OP insurer failed to reconsider its decision and, instead unilaterally deposited Rs.11,52,405.05 on 06.04.2018 in the account of the Complainant, describing it as surrender value, which the Complainant submits is entirely without legal foundation and violative of the terms of contract entered into between the parties. The Complainant contended that the policy in question carried risk coverage of her husband right from inception, the death was natural, and no exclusion clause was attracted. The insurer failed to conduct any fair inquiry or provide the Complainant an opportunity to be heard, thereby violating principles of natural justice. Aggrieved by the act of the OPs, the Complainant filed the present consumer complaint.

4. Upon notice, the OPs filed their written statement and stated that the DLA had purchased a life insurance policy under the Elite Wealth-II Plan, after submitting a proposal form dated 02.12.2015. In the said proposal form, the DLA had answered all the health-related questions in negative and declared that he had no past or present illness; had not undergone any surgery; and was not undergoing any medical treatment. Relying upon these declarations, the OPs issued the policy at standard rates on 11.12.2015. The OPs contended that the claim made was an early claim, since the DLA had expired within 8 months 4days from the date of commencement of the policy. OPs contended that, in terms of Section 45 of the Insurance Act,

In cases of early claims, the insurer was entitled to conduct a detailed investigation and to repudiate the claim if any suppression or misrepresentation of material facts is discovered. It was further stated that, during the course of investigation, OPs obtained medical records from hospitals in India and abroad, which revealed that the DLA had a long-standing and serious medical conditions history dating back to around 2004. Records disclosed that he was diagnosed with a *neuroendocrine* tumour with liver *metastasis* and underwent multiple major surgical procedures. He also received extensive treatment such as chemotherapy, radio-frequency ablation, interventional radiology procedures, and PRRT cycles. In addition, the DLA was suffering from chronic kidney disease, hypertension since 2006, and had suffered a transient *ischemic* attack (TIA) in 2010. It is the specific contention of OPs that all these ailments and treatments existed much prior to the date of submission of the proposal form and these medical conditions were clearly very material for the purpose of underwriting. Had the same been disclosed as required, the OPs would have declined the proposal at the inception itself. Whereas, by falsely answering “No” to the specific material questions relating to past illnesses, hospitalisations, surgeries and medical treatments, the DLA deliberately suppressed material facts, which he was duty-bound to disclose. It was asserted that, in view of the doctrine of utmost good faith and Section 45 of the Insurance Act, the suppression of material facts rendered the contract voidable at the insurer’s option, and the repudiation of claim was lawful and in accordance with the policy terms and statutory provisions. OPs contended that due investigation had been conducted, all relevant records including those furnished by the Complainant were considered, and a reasoned repudiation letter was issued. The surrender value of Rs. 11,35,566 had already been paid to the Complainant in terms of the policy and that no further amount was payable. OPs further claimed that the complainant was a ‘nominee’ and not the ‘beneficiary’ under the said policy and hence was not a ‘consumer’ in the present case. OPs denied any deficiency in service or unfair trade practice and maintained that the policy terms were duly disclosed to the DLA during the free-look period. OPs sought the complaint to be dismissed.

5. The Complainant filed rejoinder and reiterated the facts stated in the complaint.

6. The Complainant filed evidence on Affidavit and relied on the Insurance Policy dated 02/12/2015 (Annexure C-1), letter dated 02/12/2015 issued by OP-1 to DLA (Annexure C-2), Death Certificate dated 19/08/2016 (Annexure C-3), the acknowledgement slip of death claim of the Complainant letter (Annexure C-4), letter dated 30/03/2018 from OP-2 to the Complainant (Annexure C-5), the summary of accounts dated 09/04/2018 (Annexure C-6), legal notice dated 23/04/2018 (Annexure C-7) and reply dated 24/05/2018 from OP-2 to Complainant (Annexure C-8)

7. The OPs filed their evidence on Affidavit and relied on the online proposal form and CDF (Exhibit-1), policy terms and conditions (Exhibit-2), death claim form along with medical documents submitted by claimant (Exhibit-3), Screenshots of the WhatsApp showing that the complainant herself submitted the medical documents at claim stages (Exhibit-4), letter issued by Dr P Jagannath, Chairman, Dept of Surgical Oncology, Lilavati Hospital and Research Centre, Mumbai Submitted by claimant (Exhibit-5), medical document (Exhibit-6), repudiation letter to Complainant dated 30/03/2018 (Exhibit-7), letter to Complainant confirming the subject policy (Exhibit-8), legal notice (Exhibit-9), letter dated 24/05/2018 (Exhibit-10), medical opinions by Dr. Sachin Almel and Dr. CH Asrani (Exhibit-11).

8. The learned counsel for the Complainant reiterated the facts and background of the complaint and argued that the DLA had purchased the aforementioned Wealth Policy after completing all formalities and paying a high annual premium with the intention of securing financial protection for his family. He argued that the death of the DLA did not fall under any of the exclusion clauses mentioned in the policy and that the OPs had incorrectly rejected the death claim on the ground that he failed to disclose his past medical history.

To be concluded in the next issue

Support Your Cause

Consumer Protection Council, Rourkela is a registered voluntary organization, espousing the cause of the consumer. To a great extent, for its sustenance it depends on the good will of its donors like you. We solicit your support for sustaining the multifarious activities of the council. Donation to the council is eligible for tax exemption under Section : 80-G(5) (iv) of the IT Act. Donation may please be contributed through cash or crossed cheque / DD, drawn in favour of “ **Consumer Protection Council, Rourkela**”.

Editor : **Sri B Pradhan**

Editorial Committee : Sri P.Ravi Krishnan

Sri Rajib Ku. Nayak

Sri A. Samantray

Sri Sanjay Kumar Pradhan

Circulation Manager : Sri Amitava Thakur

Remittance for subscription may be sent to the Secretary, Consumer Protection Council, B/90, Sector-7, Rourkela-769003, through crossed D.D/M.O or Cheque (local only), payable in favour of

‘CONSUMER PROTECTION COUNCIL, ROURKELA’.

For tariff and other details regarding advertisement, contact Editor.

ADVANTAGE CONSUMER

ENGLISH MONTHLY



FEBRUARY 2026

To

Printed & Published by Sri B Pradhan, Consumer Protection Council, Rourkela at B/90, Sector-7, Rourkela – 769003

E.mail : bpradhan.cpcrkl@gmail.com

(or) vaidya@advantageconsumer.com

If undelivered, please return to :

Consumer Protection Council, Rourkela
B/90, Sector-7, Rourkela -769003. Odisha