

**IN THE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
NEW DELHI**

RESERVED ON : 11.07.2025
PRONOUNCED ON : 11.08.2025

FIRST APPEAL NO. 722 OF 2021

(From the order dated 26.03.2021 in CC No. 63/2018 of the
State Consumer Disputes Redressal Commission, Rajasthan)

Chhoti Devi (Deceased)

Through LRs

- a) Santosh D/o Late Chhoti Devi
- b) Pushpa Devi D/o Late Chhoti Devi
- c) Sunil Soni Grand son of Late Chhoti Devi
- d) Monika Grand daughter of Late Chhoti Devi

Add: Chhoti Devi W/o Late Sh. Kikhmi Chand

R/o Prithvi Raj Thada

Merta City, District Nagaur

(Amended Memo of Parties not filed)

..... Appellants

Versus

1. Bharti AXA Life Insurance Co. Ltd.
Through Managing Director and CEO
Having its registered office at
Unit No. 601 & 602, 6th Floor,
Raheja Titanium,
Off Western Express
Highway, Goregaon (East)
Mumbai-400063

2. In-charge, Customer Care
Bharti AXA Life Insurance Co. Ltd.,
Office at:
Unit No. 601 & 602, 6th Floor,
Raheja Titanium,
Off Western Express
Highway, Goregaon (East)
Mumbai-400063

3. Branch Manager,
Bharti AXA Life Insurance Co. Ltd.,
Having office at:
1st Floor, Yadav Complex
Mkarwadi Road,
Behind Bikaner Misthan Bhandar,
Vaishali Nagar, Ajmer (Raj.)

4. Smt. Kiran, Advisor Code 165045

Bharti AXA Life Insurance Co. Ltd.

1st Floor, Yadav Complex,

Mkarwadi Road,

Behind Bikaner Misthan Bhandar,

Vaishali Nagar, Ajmer (Raj.)

(R-4 deleted vide order dated 11.07.2025)

..... Respondents

BEFORE:

HON'BLE DR. INDER JIT SINGH, PRESIDING MEMBER

HON'BLE JUSTICE DR. SUDHIR KUMAR JAIN, MEMBER

For the Appellant : Mr. Ankit Acharya, Advocate
Ms. Ritu Chaudhary, Advocate

For the Respondents : Mr. Aakash Vashishta, Advocate for R-1 to 3 (VC)
None- R-4

ORDER

DR. INDER JIT SINGH, PRESIDING MEMBER

1. The present First Appeal (FA) has been filed by the Appellants against Respondents as detailed above, under section 19 of Consumer Protection Act 1986, against the order dated 26.03.2021 of the State Consumer Disputes Redressal Commission, Rajasthan (hereinafter referred to as the 'State Commission'), in Consumer Complaint (CC) No. 63/2018 inter alia praying for setting aside the order dated 26.03.2021 passed by the State Commission and allowing the Consumer Complaint No. 63/2018.

2. While the Appellant Chhoti Devi was Complainant before the State Commission, the Respondents herein were Opposite Parties in the said CC/63/2018 before the State Commission. Notice was issued to the Respondents on 19.07.2022. Since Smt. Chhoti Devi has expired, she has been represented through her LRs as detailed above. Counsel for the Appellants has not filed the amended memo of parties despite directions, hence, the address against the LRs is taken from the Memo of Parties filed

along with the Appeal before this Commission. However, the names of LRs have been taken from the application of the Appellant filed for bringing on record the LRs of Late Smt. Chhoti Devi.

3. Brief facts of the case, as emerged from the First Appeal, Order of the State Commission and other case records are that: -

Mr. Padam Soni (deceased)/son of Smt. Chhoti Devi, during his life time, took insurance policy through advisor/Respondent-4 of the OP/Insurance Company for sum insured of Rs.25,00,000/- for the period from 28.12.2015 to 28.12.2035 for a term of 20 years by paying premium of Rs.10,900/-. Mr Padam Soni/insured died on 17.01.2017 by heart attack. Smt. Chhoti Devi mother of deceased Padam Soni filed claim before the Insurance Company. Vide letter dated 08.06.2017, the insurance company repudiated the claim. Hence, Smt. Chhoti Devi mother of the insured Padam Soni filed complaint before the State Commission.

4. Vide Order dated 26.03.2021, the State Commission has dismissed the Complaint filed by the Appellant herein.

5. Appellant(s) have challenged the Order dated 26.03.2021 of the State Commission mainly on following grounds:

(i) The State Commission passed the order without considering the facts in totality and in ignorance of the law laid down by the Hon'ble Supreme Court and this Commission.

(ii) The State Commission failed to appreciate that it is the case of the Appellant(s) that the insured answered all the questions as were asked by the Agent/Respondent-4 while filling the proposal form. The insured did not conceal any material fact. The State Commission erred by

ignoring this fact while passing the impugned order, rather took a lop-sided view and held that there was a concealment of material fact.

(iii) The State Commission failed to appreciate that the proposal form was filled in by the Agent because it was in English and was filled digitally. Since the insured did not have the knowledge of English, he answered all the questions which were asked to him by the Agent in vernaculars. The Agent did not file any reply to these facts as raised in the Complaint by the Complainant. The said fact remains uncontroverted and as per the settled law, the same shall be presumed to be admitted.

(iv) The state Commission committed error by ignoring the fact that the death claim was repudiated on a faulty premise. The Insurance Company, in its repudiation letter dated 08.06.2017 has stated that the insured answered "No" to the question about existing policy/previous policy. But perusal of the proposal form shall make it clear that the insured answered 'No' to the question at 4(ii) – **Details of declined/postponed proposals** –Has any insurance company declined or postponed your proposal or given you're a substandard rating? The insured answered 'No' to this particular question but Insurance Company has wrongly stated in its repudiation letter that the insured answered 'No' for the question about existence of any previous or existing policy. The State Commission ignored this relevant fact while passing the impugned order.

(v) The State Commission committed error of law while passing the impugned order. It is a trite position of law that a fact is believed to be concealed fact, if it is in the exclusive knowledge of the insured. In the instance case, the Insurance Company itself issued three Insurance Policies to the insured, out of which two were proposed on the same day, i.e. on 08.12.2015. The fact of existing policies was very much

known to the Insurance Company and it had issued three policies to the deceased insured. The insurance company repudiated the death claim on the ground of concealment of fact. The insurance company was aware of this material fact. It is a settled proposition of law that the concealment, if any made, must be with a fraudulent intent. Moreover, the burden of proving lies on the Insurance Company to show that there lies a fraudulent intent on the part of a person making disclosures. The Insurance Company failed to discharge its burden of proving to show that the insured fraudulently concealed fact of existing policies.

(vi)The State Commission committed error by taking contradicting views in different cases with similar question of law and fact. The State Commission allowed the claim of the claimant vide its order dated 31.10.2018 in Smt. Rangu Devi vs PNB Metlife India Insurance Co. Ltd. Consumer Complaint No. 131/2017, but dismissed the complaint on the similar question of the present Complainant.

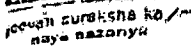
6. Heard counsels of both sides. Contentions/pleas of the parties, on various issues raised in the FA, based on their FA/Reply and Oral Arguments advanced during the hearing, are summed up below.

6.1. Learned Counsel for Appellant contended that they have not given any false answer "No" to the question "details of existing/ proposed insurance" as stated in the repudiation letter. The relevant paragraph seeking details of existing/ proposed insurance has been left blank in the proposal form. Counsel for the Appellant (s) further contended that leaving the columns blank is not the same thing as giving a false reply. Counsel for the Appellant(s) further contended that had this information been material, the Insurance Company, before issuing the policy, ought to have insisted on getting such information filed in the proposal form.

6.2. On the other hand counsel for the Respondents/Insurance Company contended that no cause of action arises to the complainant to sue the OP for deficiency of service. The complainant did not declare the facts correctly and truthfully. The claim has rightly been repudiated since the policy in question was obtained on the basis of mis-statement. The insured intentionally had mis-stated about previous policies obtained from other insurance companies. The policy in question was outcome of fraud. The complainant is guilty of *suppression vari and suggestion false*. The Complainant was having the knowledge ab-initio that the life assured had various insurance policies from various insurance companies. The complainant has not only concealed the material facts but also twisted and distorted the same to suit his convenience and to mislead the Court. In support of their contentions, the Respondents have relied upon the following judgments:

- a) Grasim Industries Ltd. Vs. Agarwal Steel [2009] SC 1656.
- b) Suraj Mal Ram Niwas Oil Mills (P) Ltd. Vs. United India Insurance Co. Ltd. (2010) 10 SCC 567.
- c) Reliance Life Insurance Co. Ltd. Vs. Madhavacharya (RP No. 211 of 2009)
- d) PC Chacko and Anr. Vs. Chairman Life Insurance Corporation of India and Others (2008) 1 SCC 321.
- e) Ravneet Singh Bagga v. KLM Royal Dutch Airlines (2000) 1 SCC 66.

7. We have carefully gone through the orders of the State Commission, other relevant records and rival contentions of the parties. The claim has been repudiated by the Respondent/Insurance Company vide letter dated 08.06.2017, primarily on account of wrong declaration with respect to details of existing/proposed insurance. It is the case of the Respondent/Insurance Company that the life insured had applied for Life Insurance Policies from other Insurance Companies but in the proposal form against the question details of existing/proposed insurance – 'No' reply was given. Extract of the said repudiation letter is reproduced below:



 www.bharthaecallife.com

ANNEX - A-7

Source: Company file, IRDAI Regd. No. 130, Regd. Office Address: Unit 301 A 602, 97 Feet Ring Road, Off Western Express Highway, Conquest (E), Marolli
Date: 2-12-2016



Jeevan suraksha ka
naya nazariya

1800 102 4444

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SMS SERVICE to 56677
We will be in touch within 24
hours to address your query

service@bharti-axalife.com

For locating a branch near you,
please visit

www.bharti-axalife.com

If you are aggrieved by the decision of repudiation of the claim, you may send a written representation to the Company for reconsideration, setting out the grounds for reconsideration of the decision at the following address:

Grievance Redressal Cell
Bharti AXA Life Insurance Co. Ltd
8th Floor, Times Square Building,
Near Sai Service, Western Express Highway
Andheri (East) Mumbai 400069

In case you are dissatisfied with the resolution of your grievance, you may approach the Insurance Ombudsman Office located nearest to you. The details of the Insurance Ombudsman Offices can be obtained from any nearby branch office of the Company or you can visit www.bharti-axalife.com. For your ready reference please find the detail of the Insurance Ombudsman office located nearest to you.

Office of the Insurance Ombudsman,
Jeevan Nidhi - II Bldg., Gr. Floor,
Bhawani Singh Marg,
Jaipur - 302 005.

For Clarifications, please feel free to contact our EASY ACCESS helplines mentioned above. Alternatively, you may e-mail us at service@bharti-axalife.com.

Yours sincerely,

Customer care

Encl: Copy of proposal forms

(Document No. FOL/07/32V1)

TRUE COPY.

8. During the hearing, the complainant contended that they have not given any false answer in the proposal form as claimed by the Insurance Company. The said column in the proposal form is seen left blank. Leaving of blank column does not amount to giving false answer. If it was such a

material information, the Insurance Company ought to have insisted on filling of this information before issuing the Insurance Policy. The extract of relevant portion of proposal form containing the said question is reproduced below:

Life Insurance Common Proposal Form

3 of 6

Proposal No: E401089

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I, the authorized signatory declare that I am a Life Insurance Policyholder (the "Policyholder") to make all Policy related payments (including death claims) through electronic transfer to the Bank Account as specified above. I agree that the Company shall not be held responsible for any loss of funds due to the loss of the Bank Account details (as mentioned above) and undertake and agree that the change will be made to my Bank account or if the transaction is delayed or not effected for reasons of technical nature / incorrect information provided by me. All Policy related payments (including death claims) shall be paid by this only.

Note: Please attach an original bank statement dated within 3 months from the date of proposal for the above account number.

VI. Fund Allocation (showing a sum to be invested in the Fund)

Growth Opportunities Plus	%	Growth Money Plus	%	Built India	%
Safe 'n' Grow Money	%	Steady Money	%	Safe Money	%
					TOTAL - 100%

* Bank statement should not be more than one month prior to date of proposal.

VII. Policy Details (to be filled only if the Policyholder is a new Policyholder or if the Policyholder is a Renewal Policyholder)

(Not to be filled if Life to be Insured and Proposer are different)

I. Name: CHITRA DEVI Date of Birth: 01/01/1963

Relationship to Life to be Insured: Mother % share: 100%

II. Name: Date of Birth:

Relationship to Life to be Insured: % share:

III. Name: Date of Birth:

Relationship to Life to be Insured: % share:

IV. Name: Date of Birth:

Relationship to Life to be Insured: % share:

V. Name of Appointee (if Nominee is Minor): Relationship of Appointee to Nominee:

Signature of Appointee:

VIII. Details of existing / proposed insurance

Has any insurance company declined or postponed your proposal or given you a substandard rating? ☐ No ☐ Yes

If 'Yes', name of the company: Reason: When:

IX. Details of existing / proposed insurance

Policy/Proposal No.	Company Name	Date of Issue/Proposal	Sum Assured	In Force/Lapsed
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>

X. Details of family income and family insurance

a. For unemployed, if single, provide family insurance. If married, then Spouse insurance.

Relationship to Life to be Insured: ☐ Spouse ☐ Father ☐ Mother

Total Sum Assured:

Income:

b. To be filled only if Life to be Insured is Minor

Relationship to Life to be Insured: ☐ Father ☐ Mother ☐ Brother(s) ☐ Sister(s)

Total Sum Assured:

Are all the children insured? ☐ Yes ☐ No If 'No', give details:

Has any insurance company declined or postponed your proposal or given you a substandard rating? ☐ No ☐ Yes

If 'Yes', name of the company: Reason: When:

XI. Details of existing / proposed insurance

Policy/Proposal No.	Company Name	Date of Issue/Proposal	Sum Assured	In Force/Lapsed
				<input type="checkbox"/> <input type="checkbox"/>
				<input type="checkbox"/> <input type="checkbox"/>

XII. Lifestyle and Personal Details (To be filled only if the Policyholder is a new Policyholder or if the Policyholder is a Renewal Policyholder)

1. Do you plan to live or travel outside India for more than 30 days?

If 'Yes' please give details:

2. Have you in the past used or do you use any habit forming drugs or narcotics or received any drug dependence treatment?

If 'Yes', please give details:

3. Do you consume alcohol? If 'Yes' specify per week consumption: Beer (Glasses)

Hard Liquor (mls) Wine (mls)

4. Do you smoke or consume tobacco in any form, e.g., (pan, tobacco, bidi) or have done so in the past twelve months?

For Life Insured: If 'Yes', specify per day consumption: Cigarette Sticks Gher Sticks

Bidi Sticks Gutka Pouch Pan

For Proposer: If 'Yes', specify per day consumption: Cigarette Sticks Gher Sticks

Bidi Sticks Gutka Pouch Pan

5. (a) For Life Insured: Height 165 / 165 in (cm / feet and inches) Weight (in kg) 64

9. On perusal of the relevant portion of the proposal form, reproduced above, we see merit in the contentions of the Appellant(s) herein and agree with their reasoning that leaving a column blank in the proposal form does not amount to giving the false answer and had this information being material, the Insurance Company ought to have insisted on getting these columns filled before issuing the policy. There appears to be no willful intention on the part of the deceased insured to conceal or suppress any material information by leaving this column blank. Moreover, it is seen that entire form is type filled, and in all probability, has been filled either by an official or agent of the Insurance Company, and not by the deceased insured himself. Hence, they ought to have filled all columns, including the questions on existing/proposed insurance rather than leaving these blank.

10. In **Lakhmi Chand Vs. Reliance General Insurance** (2016) 3 SCC 100, Hon'ble Supreme Court held that to avoid its liability, the Insurance Company must not only establish the defense that the policy has been breached, but must also show that the breach of the policy is so fundamental in nature that it brings the contract to an end. In **Canara Bank Vs. United India Insurance Co. Ltd. & Ors.** (2020) 3 SCC 455, Hon'ble Supreme Court held that "*Insurance Policy must be read holistically so as to give effect to reasonable expectations of all the parties including the insured and the beneficiaries- it must be interpreted in a commercially sensible manner- coverage clauses to be read broadly, and ambiguity, if any, to be resolved in favour of insured-exclusions to be read narrowly*".

11. In view of this, we are of the considered view that action of the insurance company in repudiating the claim is not justified. The State Commission committed an error in dismissing the complaint. Hence, the order of the State Commission cannot be sustained, and is hereby set aside. Complaint is allowed. The Respondent/Insurance Company is directed to pay the eligible amount/sum assured as per Policy within a maximum of 45 days

from the date of this order along with interest @9% p.a. from the date of filing the complaint till the date of actual payment.

12. First Appeal No. 722 of 2021 stands disposed of accordingly.

13. The pending IAs in the case, if any, also stand disposed off.

Sd/-

.....
(DR. INDER JIT SINGH)
PRESIDING MEMBER

Sd/-

.....
(DR. SUDHIR KUMAR JAIN, J.)
MEMBER

Jr/Court-3/AB