STATE CONSUMER DISPUTES REDRESSAL COMMISSION

WEST BENGAL

FIRST APPEAL NO. SC/19/A/93/2021

The Br.Manager, HDFC Life Ins. Co. Ltd. .....Appellant(s)
PRESENT ADDRESS - 1st Floor, Akas Ganga Commercial Complex, Durgachak, Basudevpur, P.S.- Durgachak, Pin- 721 602, Purba Medinipur, West Bengal. ,WEST BENGAL.

Versus

Begum Sakila Akhtar .....Respondent(s)
PRESENT ADDRESS - W/o, Lt Shah Nagib Akhtar. Vill- Jagannathpur, P.O. & P.S.- Mahisadal, Pin- 721 628, Purba Medinipur, West Bengal.,WEST BENGAL.

BEFORE:

HON'BLE MR. RAJES GUHA RAY , JUDICIAL MEMBER

HON'BLE MR. SANTANU SAHA , MEMBER

FOR THE APPELLANT: Ms. Soni Ojha, Ms. Punam Choudhury (Advocate)

FOR THE RESPONDENT: Mr. Amar Nath Sanyal. (Advocate)

DATED: 30/09/2026

ORDER

Hon'ble Mr. Santanu Saha, Member

1. This appeal under Section 41 of the Consumer Protection Act, 2019 has been preferred by the appellant-insurance company against the judgment and final order dated 07.04.2021 passed by the Learned District Consumer Disputes Redressal Commission, Purba Medinipur, in Consumer Complaint No. CC/246/2019.

2. By the order impugned, the Learned District Commission allowed the complaint and directed the appellant to pay to the respondent a sum of Rs.5,99,993/- towards the insurance claim, together with compensation of Rs.5,000/- and litigation cost of Rs.2,000/-. Interest at the rate of 7% per annum from the date of filing of the complaint until realization was also awarded.

Proceedings before this Commission

3. The appeal was presented with a delay of 154 days. By order dated 16.02.2023, the delay was condoned and the appeal was admitted for consideration on merits.

4. The appeal thereafter proceeded in accordance with law. The parties exchanged their respective pleadings and written notes of argument. At the final hearing on 07.09.2026, learned advocates appearing for both sides were heard at length. We have also examined the impugned order, the materials forming part of the record and the authorities cited by the parties.

Genesis and material facts

5. The respondent is the widow and nominee of the deceased insured. On 22.11.2017, her husband obtained an insurance policy styled "HDFC SL ProGrowth Flexi", bearing Policy No.19791792, from the appellant-insurance company. The annual premium was Rs.99,999/- and the stated insurance benefit was Rs.6,99,993/-.

6. The insured died on 06.12.2018, a little over one year after commencement of the policy. The respondent, being the nominee, lodged a claim with the appellant. The appellant, however, did not pay the death benefit. It paid only Rs.75,807.46 on 01.02.2019, stated to be the amount otherwise payable under the policy, and repudiated the principal insurance claim.

7. The repudiation was founded substantially upon the allegation that, at the time of submitting the proposal, the insured had failed to disclose that he had been suffering from diabetes mellitus and hypertension since 2014 and had been receiving treatment for those ailments. The appellant also referred to non-payment of the second annual premium.

8. Aggrieved by the repudiation, the respondent approached the Learned District Commission. The respondent contended that there had been no fraudulent concealment by the insured; that the alleged medical records had not been proved; and that no reliable evidence had been produced to connect diabetes or hypertension with the death of the insured.

9. The Learned District Commission found that the appellant had failed to establish its allegation by cogent evidence. It further observed that diabetes and hypertension, being common lifestyle ailments, could not by themselves justify repudiation in the absence of proof of material suppression and accordingly granted the reliefs noticed above.

Submissions of the appellant

10. Learned counsel for the appellant submits that a contract of insurance is one of utmost good faith. The proposer is under an obligation to disclose every material fact which may influence the insurer in deciding whether to accept the risk and, if so, upon what terms.

11. It is argued that the insured answered the relevant questions in the proposal form in the negative, although he had allegedly been suffering from diabetes and hypertension and had been under medication since 2014. According to the appellant, had those facts been disclosed, its underwriting decision might have been materially different.

12. The appellant further submits that the policy was questioned within the period permissible under Section 45 of the Insurance Act, 1938. It relies upon photocopies of certain prescriptions and medical documents allegedly collected during investigation and contends that these documents demonstrate deliberate concealment.

13. Reliance has been placed upon, inter alia, Reliance Life Insurance Co. Ltd. v. Rekhaben Nareshbhai Rathod; United India Insurance Co. Ltd. v. M.K.J. Corporation; Satwant Kaur Sandhu v. New India Assurance Co. Ltd.; Life Insurance Corporation of India v. Sunita; K.D. Maddappa v. MetLife India Insurance Co. Ltd.; Tata AIA Life Insurance Co. Ltd. v. Ramesh Kumar; Tarun Beriwal v. Oriental Insurance Co. Ltd.; Bajaj Allianz Life Insurance Co. Ltd. v. Nanda; and Bajaj Allianz Life Insurance Co. Ltd. v. Ramlal Agarwal.

Submissions of the respondent

14. Learned counsel for the respondent supports the decision of the Learned District Commission. It is submitted that the appellant did not file any proper affidavit of evidence before the District Commission. The written version was sought to be treated as evidence even though, according to the respondent, it was neither supported by an appropriate affidavit nor proved by a competent authorized officer.

15. The alleged prescriptions are stated to be mere photocopies. Neither the doctors who purportedly issued them nor the custodian of the alleged medical records was examined. No investigator or other competent witness was produced to establish where and how those papers had been obtained or that they related to the insured.

16. The respondent further disputes the proposal form relied upon by the appellant. It is contended that the document produced in appeal was not properly proved before the District Commission and, in any event, does not bear the signature of the deceased insured. The appellant cannot, according to the respondent, fill gaps in its evidence at the appellate stage without satisfying the requirements governing reception of additional evidence.

17. It is also argued that the appellant did not prove that the insured knew of the alleged ailments when the proposal was submitted, that he personally gave false answers, or that the alleged ailments had any causal connection with his death.

18. The respondent has relied upon Nirmalaben J. Sheth v. New India Assurance Co. Ltd.; Harjeet Kaur v. National Insurance Co. Ltd.; J.J. Merchant v. Shrinath Chaturvedi; and Mahakali Sujatha v. Future Generali India Life Insurance Co. Ltd.

Points for determination

19. The following points arise for determination:

    (i) Whether the appellant has proved that the insured knowingly suppressed a material fact or made a fraudulent misstatement in the proposal for insurance,

(ii) Whether the proposal form and alleged medical prescriptions relied upon by the appellant constitute legally reliable evidence,

(iii) Whether repudiation of the insurance claim was justified under the policy and Section 45 of the Insurance Act, 1938 and

(iv) Whether the impugned order calls for interference in appeal.

Point Nos. (i) and (ii): Suppression and evidentiary foundation

20. There can be no dispute regarding the general proposition that contracts of insurance are founded upon utmost good faith. A proposer must truthfully answer questions relating to facts material to the risk. Diabetes and hypertension cannot be declared immaterial in every case merely because they are common ailments. Depending upon their nature, duration, severity and the questions contained in the proposal form, they may constitute material facts.

21. The observation of the Learned District Commission that such ailments are ordinarily common must, therefore, be understood in the context of the evidence in this particular case and not as laying down an absolute proposition that diabetes or hypertension can never be material to life insurance.

22. Nevertheless, the insurer seeking to avoid a policy must first prove the essential factual foundation of its defence. It must establish that the relevant question was put to the proposer, that the answer attributed to the proposer was false, that the proposer knew the true facts and that the fact withheld was material to assessment of the risk. Mere allegation of suppression is not proof of suppression.

23. In the present case, the proposal form is seriously disputed. The appellant has not satisfactorily demonstrated that the document relied upon was executed by the insured or that the answers recorded therein were furnished or adopted by him. An unsigned or unauthenticated proposal form cannot, by itself, establish that the deceased personally supplied the answers appearing therein.

24. If the proposal form was not produced before the District Commission, it could not automatically become substantive evidence merely by being annexed to the memorandum of appeal. Its reception at the appellate stage required a formal application for additional evidence, a satisfactory explanation for its earlier non-production, and an opportunity to the respondent to contest its authenticity. Conversely, even if a copy had been filed before the District Commission, mere filing did not dispense with proof of its execution and contents.

25. The medical prescriptions suffer from the same fundamental deficiency. They are photocopies unsupported by the evidence of the doctors who purportedly issued them, the medical establishment or custodian maintaining the original records or the investigator who allegedly collected them. Consequently, neither their source and

authenticity nor their connection with the insured has been satisfactorily established.

26. To place lawful reliance upon these documents, the appellant ought to have produced the original or a duly authenticated copy of the proposal form bearing the insured's signature or other verifiable acknowledgment and proved it through a competent officer conversant with the proposal and underwriting process. In the case of the prescriptions, certified copies of the medical records should have been produced and their authorship, custody and relation to the insured established through an affidavit or testimony of the treating doctor, authorized record-keeper or investigator. Such evidence would also have enabled the respondent to seek cross-examination, if necessary. The omission is not a mere technical defect: the disputed documents constitute the very foundation of the allegation of fraudulent suppression and reliance upon them without basic authentication would amount to deciding that allegation upon unverified material.

27. Consumer proceedings are summary in nature and are not fettered by every technical rule contained in the Indian Evidence Act. Nevertheless, summary procedure does not eliminate the requirement of proof. Although the disputed papers may be received on record, they cannot be assigned substantive evidentiary value unless their genuineness and relevance are established by reasonably reliable means, particularly when repudiation of a substantial insurance claim rests entirely upon them.

28. The decision in J.J. Merchant facilitates expeditious adjudication through affidavits and regulated cross-examination. It does not mean that an unsupported pleading becomes evidence or that every disputed photocopy must be accepted without proof.

29. Mahakali Sujatha v. Future Generali India Life Insurance Co. Ltd. emphasizes that the burden lies upon the insurer to establish suppression of a material fact. The insurer cannot discharge that burden merely by producing an unauthenticated summary, tabulation or unproved medical paper. That principle applies directly to the evidentiary deficiency in the present case.

30. We accordingly hold that the appellant has failed to prove that the insured knowingly supplied any false answer or deliberately concealed a material medical fact. Point Nos. (i) and (ii) are answered against the appellant.

Point No. (iii): Validity of repudiation

31. The policy commenced on 22.11.2017 and was questioned after the death of the insured on 06.12.2018. The repudiation was, therefore, within the three-year period contemplated by the amended Section 45 of the Insurance Act, 1938. The reference made by the appellant to a two-year period is not an accurate statement of the provision applicable to a policy issued in 2017.

32. The fact that the policy was questioned within three years only enabled the insurer to investigate and question it upon the grounds recognized by Section 45. It did not relieve the insurer of its obligation to prove those grounds. The statutory period is not a licence to repudiate a policy on suspicion or upon unproved material.

33. In Reliance Life Insurance Co. Ltd. v. Rekhaben Nareshbhai Rathod, the Supreme Court upheld repudiation where the specific question and the false answer in the proposal form were duly established. Satwant Kaur Sandhu similarly reiterates the obligation to disclose material facts when specific information is sought. Life Insurance Corporation of India v. Sunita concerned concealment established through dependable evidence relating to the insured's medical condition and declaration.

34. We respectfully adopt the principles stated in those decisions. They do not, however, assist the appellant on the facts of the present case because the proposal form, the answers allegedly furnished by the insured and the underlying medical records have not been proved. A precedent affirming repudiation upon proved suppression cannot justify repudiation where suppression itself remains unproved.

35. United India Insurance Co. Ltd. v. M.K.J. Corporation reiterates the obligation of good faith in an insurance relationship. That obligation is reciprocal. The insurer must also act fairly and base its decision upon material capable of verification.

36. The decisions of the National Commission in K.D. Maddappa, Tata AIA Life Insurance Co. Ltd. v. Ramesh Kumar, Tarun Beriwal, Bajaj Allianz Life Insurance Co. Ltd. v. Nanda and Bajaj Allianz Life Insurance Co. Ltd. v. Ramlal Agarwal turn upon their respective facts and upon proof of inaccurate answers or material non-disclosure. None of them lays down that an insurer may repudiate a claim solely upon disputed photocopies without proving either the proposal or the alleged medical history. They are, therefore, distinguishable.

37. Equally, the decisions in Nirmalaben J. Sheth and Harjeet Kaur cannot be read as laying down an inflexible rule that hypertension or diabetes is invariably immaterial. Their limited relevance lies in the proposition that the nature and materiality of an ailment must be established from the facts and evidence of each case.

38. The appellant's reference to non-payment of the second premium does not improve its case. The repudiation was founded principally upon alleged medical non-disclosure. No policy provision, statement of account or other evidence has been proved to establish that, on the date of death, the policy had ceased to provide the claimed death benefit by reason of non-payment. An unproved alternative ground cannot be employed to sustain the repudiation.

39. The respondent's contention that payment of Rs.75,807.46 estops the appellant from disputing the death claim cannot, however, be accepted as an abstract proposition. Payment of fund value or another admitted policy benefit does not necessarily amount to admission of liability for the entire death benefit. The respondent

nevertheless succeeds because the repudiation has not been proved to be lawful, and not because of any estoppel arising from the part-payment.

40. Point No. (iii) is, therefore, answered against the appellant. The repudiation of the death claim cannot be sustained.

Point No. (iv): Interference with the impugned order

41. An appeal is a continuation of the original proceeding, but appellate jurisdiction does not permit an unsuccessful party to repair fundamental omissions in its evidence merely by annexing disputed papers to the appeal. The appellant had sufficient opportunity before the District Commission to prove the proposal form, medical records, investigation and repudiation through a competent witness. It failed to do so.

42. Although we have qualified the broad observation made by the Learned District Commission concerning diabetes and hypertension, its ultimate conclusion is correct. The appellant failed to prove material suppression and consequently failed to establish a lawful basis for repudiation.

43. No perversity, jurisdictional error or material irregularity warranting appellate interference has been demonstrated. The appeal is devoid of merit.

ORDER

44. The appeal is dismissed on contest.

45. The judgment and final order dated 07.04.2021 passed by the Learned District Consumer Disputes Redressal Commission, Purba Medinipur, in CC/246/2019 are affirmed.

46. The appellant shall comply with the directions contained in the impugned order, including payment of interest as directed therein, within 45 days from the date of this order, if not already complied with.

47. There shall be no separate order as to costs in this appeal.

48. All pending interlocutory applications, if any, stand disposed of.

49. Let a copy of this order be transmitted forthwith to the Learned District Commission for information and necessary action. The parties shall also be supplied copies of this order free of cost in accordance with law.

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RAJES GUHA RAY

JUDICIAL MEMBER

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SANTANU SAHA

MEMBER