IN THE
ASSAM STATE CONSUMER DISPUTES REDRESSAL COMMISSION AT GUWAHATI

CONSUMER COMPLAINT NO. 03 OF 2017

Mrs. Jamiran Nessa,
W/o Late Jabed Ali,
Vill. Bhangnamari, P.O. Bartala,
Dist. Nalbari, Pin- 781138, Assam

..... (Complainant)

-VERSUS-

1. HDFC Standard Life Insurance Company Limited
   Represented By Its President- Corporate Services/Senior Manager
   Having Its Head Office At 13th Floor, Apollo Mills Compound,
   NM Joshi Marg, Mahalaxmi, Mumbai- 400011

2. The Branch Office, HDFC Standard Life Insurance Company Limited
   Amaze Shopping Mall, 3rd Floor, A.T.Road, Opp.Panbazar
   Near Over Bridge, Guwahati- 781001, Assam.

..... (Opposite Parties)

For the Complainant	:	Mr. H. Hoque, Mr. D. Deka, Advocates
For the Opposite Party 1 & 2	:	Mr. P.P.Dutta, Advocate
Date of Hearing	:	25-06-2026
Date of Judgment	:	24-08-2026

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BEFORE

The HON'BLE PRESIDENT MRS. JUSTICE (RETD) SMTI. MALASRI NANDI
The HON'BLE MEMBER MR. CHANDAN DAS (JUDICIAL)
THE HON'BLE MEMBER MR. PRATIM KUMAR BORA (JUDICIAL)
The HON'BLE MEMBER MR. TAPAS KUMAR GHOSH

JUDGMENT

BY MR. TAPAS KUMAR GHOSH,

Parties are not represented in spite of mentioning in order dtd 29-04-2026 that as the matter is pending since 2017, advised learned counsel of all the parties to appear and argue the matter on the next date, otherwise the matter will be disposed off on the basis of the Written Argument filed by the respective parties. Accordingly we are disposing this matter on the basis of Written Argument submitted by the respective parties.

1. This complaint petition is filed by Mrs. Jamiran Nessa under Section 17 of the Consumer Protection Act, 1986 for declining the claims of the complainant by the opposite party Vide Impugned letter dtd 02-02-2016.

2. Complainant is a consumer under the provisions of section 2(1) (d) of the Consumer Protection Act, 1986. Complainant's husband, Late Jabed Ali was a self owner stock Businessman and had sufficient source of income around Rs 3 Lakh per annum. The Complainant's husband filed income tax return from year 2013 to 2015. During the life Time, the Complainant's husband took one life insurance policy from HDFC Standard Life Insurance Company with Policy No. 17415410 which commenced from 25-02-2015 with Annual premium of Rs 6067/- inclusive of Service Tax. The value of Sum Assured was

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Rs 25,00,000/-. Unfortunately on 02-06-2015, the Complainant's husband suddenly died due to "Enteric Fever". The complainant being Nominee of this policy communicated the information of her husband's death to the opposite parties. The Insurance Company supplied the requisite papers for death claim to the complainant and assured her to process the death benefit claim as soon as possible. The Insurance Company declined Complainant's claim by letter dtd 02-02-2016 on the ground that, from the investigation by the insurance company, it was established that the income and occupation details in the application dtd 05-02-2015 is found to be false. Also it was established that the life insured had previous insurance policies from other Insurance companies which was not disclosed in the application dtd 05-02-2015.

The complainant being dissatisfied with the declined letter submitted an application before the Review Committee of the Insurance Company with pray for reviewing the decision of decline which is still pending. Accordingly the complainant filed the complaint petition before the learned State commission.

3. The opposite parties submitted written statement on 11-08-2017. In the written statement, the said opposite parties stated that there is no cause of action in the instant compliant enabling the complainant to sue the answering opposite parties under the Consumer Protection Act, 1986. As per the opposite parties, the instant petition is not maintainable in law as well facts because of the fact that the complainant has failed to establish any deficiency in service on the part of the answering opposite parties, no case under the Consumer protection Act,1986 is maintainable. As per the opposite parties, the proposal in respect of the said policy was submitted through online and premium was also paid through online mode. The case of the life Assured was accepted at standard rates on the basis of the information provided in the Proposal Form.

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The Life Insured died on 02-06-2015 i.e. within 4 months from the date of commencement of the policy and the death claim was submitted by the complainant. Since claim was an early claim involving a high risk amount, investigation was carried out and on investigation, it was established that the Income and occupation details disclosed in the Application is found to be false. During investigation, it was revealed that life assured was illiterate and he was a Job Card holder under NREGA having Annual income of the family around Rs 12,000/- only as per ration card of the complainant.

4. From the pleadings of the parties, the Issues to be decided are as follows:-

1. Whether there is any cause of action in the complaint?
2. Whether the complaint is maintainable under the Consumer Protection Act, 1986?
3. Whether there is any suppression of material fact on the part of Life Assured at the time of obtaining the policy?
4. Whether there is any deficiency in service on the part of the opposite party company?
5. Whether the complainant is entitled to any relief(s) as prayed for)?

5. The complainant side adduced 3 evidences along with various exhibits. Evidence on Affidavit of Mrs. Jamiran Nessa (PW1), Complainant, W/o Late Jabed Ali, Evidence of Affidavit of Sri. Ali Akbar (PW2), Neighbour & School Teacher and Evidence of Affidavit of Sri. Shuk Chand Ali (PW3), Neighbour & School Teacher and exhibited various documents including Income Tax Return Verification Forms for Year 2013-14 & 2014-15 , Policy Document, Policy accepted letter dtd 26-02-2015,Copy of Death Certificate dtd 12-06-2015, Decline letter dtd 02-02-2016, Review Application and Copy of order dtd 01-03-2017 passed by the learned ombudsman, Guwahati.

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The complainant filed the petition against HDFC Standard Life Insurance Company Limited and prayed for the reliefs mentioned below. To direct the opposite party to pay Rs 25,00,000/- (Rupees Twenty Five Lakh) only to the deponent being the value of sum insured. To award interest @12% per Annum on the aforesaid amount from the date of death and to direct the opposite parties to pay compensation to the extent of Rs 1,50,000/- (Rupees One Lakh Fifty Thousand) only in the interest of justice and to direct the opposite party to pay an amount of Rs 1,00,000/-(Rupees One Lakh) only towards the cost of the litigation.

6. The opposite parties adduced 1 evidence. Evidence on Affidavit of Sri. Sumit Saha (OPW1), Manager, HDFC Standard Life Insurance Company Limited having office at 3 No. Red Cross Road, Menaka Estate, Kolkata -700001 and exhibited various documents including Authority Letter dtd 04-08-2021, Proposal Form dtd 05-02-2015, Photo copies of Job Card of the life assured and Photocopy of the Ration Card of the complainant.

Issue No.1 to 4

7. As per the complaint petition, complainant's husband, Late Jabed Ali was a self owner stock businessman and filed Income Tax Return Verification Form for year 2013-14 and 2014-15 with Annual Income of Rs. 2,09,827/- and Rs. 3,04,984/- respectively and also submitted Tax Payer Counterfoil for year 2014-15. During his lifetime, her husband, Late Jabed Ali took a Term insurance policy with No. 17415410 under HDFC Standard Life Insurance Co. Ltd for sum Assured Rs 25,00,000/- with yearly premium of Rs 6067/-. The policy was effective from 26-02-2015. On 29-05-2015, Late Jabed Ali suffered from fever and was under

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treatment of Dr. Nurul Islam and unfortunately on 02-06-2015 at 7.30 PM, he died at home due to Enteric Fever. The complainant, being the Nominee of this policy, communicated the information of her husband's death to the Insurance Company and submitted the death claim. The Insurance Company declined her claim by letter dtd 02-02-2016 on the ground that from the investigation of the Insurance Company, it was established that the income and occupation details in the application dtd 05-02-2015 is found to be false. Also it was established that the life Assured had previous insurance from other companies which was not disclosed in the Application dtd 05-02-2015. Accordingly the cover under this policy has been declined. The complainant being dissatisfied with the outcome submitted an application before the Review Committee of the Insurance Company for review but without any positive result. Hence the complainant preferred the complaint petition before this Hon'ble Commission.

As per the opposite parties, HDFC Standard Life Insurance Company Limited, as the claim was an early claim involving a high risk amount, investigation was carried out and on investigation, it was established that the Income and Occupation details disclosed in Application dtd 05-02-2015 is found to be false. Also it was established that the Life Assured had previous insurance from other insurance companies which was not disclosed in the Application dtd 05-02-2015. As per investigation done by the Insurance Team, Late Jabed Ali was illiterate and he was a Job card holder under NREGA having annual income of the family Rs 12,000/- and even complainant was having Ration Card. It was also alleged by the Insurance Company that Late Jabed Ali had in fact died in year 2014 i.e. prior to the issue of the policy. Insurance Company is not able to prove any of these allegations. All the witnesses from complainant side were cross examined. During cross examination, it was revealed that the Ration Card exhibited is without any date, signature and seal of issuing

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authority and there was no written verification of the ration card and job card was carried out by the investigator to prove it be an original document. As far as Income and profession of Late Jabed Ali is concerned, in the cross examination, PW2 and PW3 deposed that they know Late Jabed Ali from Childhood and also mentioned that Late Jabed Ali was a self owner stock businessman and he was running his business well and even donated money for construction of local Masjid. It was also revealed that in this particular policy, Term Insurance Policy, there was no need for any Income Proof. Also Late Jabed Ali already submitted Income Tax Return Verification Forms for Year 2013-14 & 2014-15 which are the documents to prove income of any person.

As far as life Assured had previous insurance from other companies, the complainant has not denied that Late Jabed Ali had other Insurance policies from other Insurance Companies but those are not Term Insurance Policies hence stating that the respondent Insurance company does not have issued policy if they know that the life assured had other insurance policies is not right. We need to verify that whether non disclosure of those pre existing insurance policies is material for rejecting the proposal form submitted by the life assured prior to issuance of the policy. Mere misstatement will not vitiate a policy unless and until, it is material in nature. The term material has been defined as something that will influence the decision of the Insurance Company. The reason for putting the question as regards pre existing policy is to find out, insurability of the assured, capability to make the payment of the premium and to verify income and occupation. It may have been incumbent upon the life assured to bring on record the existing policies before the respondent Insurance Company but his failure is not material as non disclosure is not considered fatal but only a guiding light. As per (2025) SCC 435, Mahaveer Sharma vs Exide Life Insurance Co., the Hon'ble SC is of the considered view that such a failure of not disclosing policy

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would not influence the decision of a prudent insurer to determine the risk assumed. The policies in question are not Term Insurance policies. Accordingly, failure to mention about other policies does not amount to a material fact in relation to the policy availed and consequently, the claim could not have been repudiated by the respondent Insurance Company.

Hence we can say there is cause of action in the complaint and the complaint is maintainable under the Consumer Protection Act, 1986. There is suppression of some insurance policies on the part of Life Assured at the time of obtaining the policy but these are not material facts which can influence the decision of the Insurance Company. Hence there is deficiency in service on the part of the opposite party company by repudiating the claim of the complainant.

Issue No.5:-

8. As there is deficiency in service on the part of the opposite party Insurance Company and Insurance Company has not paid the dues to the complainant, the complainant is entitled to reliefs as prayed for. Accordingly Issue No. 5 decided in favour of the Complainant.

9. The complainant submitted written Argument on 24-02-2025. In addition to the submission already made, complainant mentioned that, there is a difference between misstatement and misrepresentation. Mere misstatement will not vitiate a policy unless and until, it is material in nature. The term material has been defined as something that will influence the decision of the Insurance Company. As per the complainant, the Life Assured had not made any statement which would have affected the Insurance Company to arrive at

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a decision of issuing policy and it is only an afterthought of the Insurance Company not to make payment and as such the present complaint may be allowed.

10. The Opposite party, HDFC Standard Life Insurance Company Limited filed written Argument on 19-11-2024. In addition to the submission already made, opposite party submits that it is well settled law in the field of insurance that contracts of insurance including the contracts of life assurance are contracts Uberrima fides and every fact of materiality must be disclosed otherwise there is good ground for rescission. And this duty to disclose continues up to the conclusion of the contract and covers any material alteration in the character of the risk which may take place between proposal and acceptance.

As per the opposite party, there are plethoras of judicial decision on this point by the Hon'ble Supreme Court as well as NCDRC to the effect that the insured is duty bound to disclose all the material facts at the time of obtaining the policy. Otherwise, it is a good ground for repudiation of the claim. In the present case in hand, the opposite party by bringing reliable and cogent evidence, have been able to prove that the life assured had suppressed his life insurance policies taken from other Insurance companies at the time of obtaining the policy in question which are very much material in issuing the policy. Hence, there is no deficiency on the part of the insurance company while repudiate the claim of the complainant.

As per the opposite party, the claim has been repudiated by the Insurance Company for the policy in question as per terms of policy condition i.e. non disclosure of material facts. As such no deficiency in service can be attributed to the Insurance Company. In absence of deficiency in service, no benefit is entitled to the complainant.

Some of the citations relied by the opposite parties are:-

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1. (2025) SCC 435 Mahaveer Sharma Vs Exide Life Insurance Company Limited & Another. As per this, an insurance is a contract uberrima fides. It is the duty of the applicant to disclose all facts which may weigh with a prudent insurer in assuming the risk proposed. These facts are considered material to the contract of insurance, and its non-disclosure may result in the repudiation of the claim.

2. (2024) 8 SCC 712 Mahakali Sujatha Vs Branch Manager, Future Generali India Life Insurance Company Limited & Another. As per this, the duty of the insured to observe utmost good faith is enforced by requiring him to respond to a proposal form which is so framed to seek all relevant information to be incorporated in the policy and to make it the basis of a contract. The contractual duty so imposed is that any suppression or falsity in the statements in the proposal form would result in a breach of duty of good faith and would render the policy voidable and consequently repudiate it at the instance of the insurer.

3. (2019) 6 SCC 175 Reliance Life Insurance Company Ltd & another Vs Rekhaben Nareshbhai Rathod. As per this, Proposal Forms are a significant part of the disclosure procedure and warrant accuracy of statements. Utmost care must be exercised in filling the proposal form. In a proposal Form, the applicant declares that he warrants truth. The contractual duty so imposed is such that any suppression, untruth or inaccuracy in the statement in the proposal form will be considered as a breach of the duty of good faith and will render the policy voidable by the insurer.

11. The policy against the claim repudiated by the opposite party Insurance Company is HDFC Life Click 2 Protect Term Insurance policy with Premium Payment mode mentioned as Annual where the Sum Insured was Rs 25,00,000/-and policy Term was for 25 years. In the Written Argument, the opposite party mentioned that the instant petition is not

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maintainable in law as well as facts because the deceased life assured , Late Jabed Ali in the Section-C of the Proposal Form, which deals with " Personal and Family History of Life Assured", the life assured had incorrectly answered the relevant question No.6. As per investigation, it is found that the Life Assured had some insurance policies from other insurance companies which were not disclosed in application dtd 05-02-2015. On the basis of such documentary evidence, the Insurance Company has come into conclusion that the policy in question was obtained by the insured, Late Jabed Ali by suppressing the material fact.

12. We have given due consideration to the submission of the learned counsels. In this regard we have perused the records, the pleadings and evidence of the parties along with submission of the learned counsels. As per the complainant, the Opposite parties declined the claim submitted by the complainant on the ground that Late Jabed Ali had not disclosed the correct facts with regard to his income and occupation and that he had previous Insurance Policies. The opposite party appended photocopy of the purported job card and a Ration Card issued in the name of the complainant. During cross examination, it was revealed that the Ration Card exhibited is without any date, signature and seal of issuing authority and there was no written verification of the ration card and job card was carried out by the investigator to prove it be an original document. Mr. D. Deka, Advocate of the complainant submitted that answer in respect of Question No.6 in the proposal form, considering its intend and meaning on plain reading of the questionnaires vis-a-vis, the answers in the negative by the deceased life assured cannot be considered to be material suppression of the fact in order to repudiate the claim. Mr. D. Deka relied on the decision of the Hon'ble Supreme Court reported in (2025) SCC Online SC 435 Mahaveer Sharma Vs Exide

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Life Insurance Company Ltd and Another. Relying the said ratio therein, Mr. Deka submits that such case of suppression of material fact regarding pre-existing policy are required to be considered case wise. Mr. D.Deka further submitted that though insurance Company in its repudiation letter referred to the income and held it to be false on the face of the investigation report that the deceased life assured was the holder of NREGA Card, however, from the language of the said question, the Insurance Company ought not to have considered and raised the same as one of the ground for repudiating the claim in as much as the proof of income tax is required to be shown only when the premium starts from Rs 1,00,000/-.

13. We are of the opinion that the complainant is able to prove the allegation leveled against the opposite party Insurance Company. There was error in declining by the opposite party to entertain the claim of the complainant which opposite Party rejected alleging that income and occupation details in the application is found to be false. The opposite party Insurance Company failed to prove this. The opposite party also claimed that Life insured had previous insurance policies from other Insurance companies which was not disclosed but as per our view, non disclosure of those pre existing insurance policies was not material for rejecting the proposal form submitted by the life assured prior to issuance of the policy. In view of this position, according to our considered opinion, the repudiation of the claim by the Opposite Party cannot be said to be justified.

Accordingly this complaint petition is allowed and directed the opposite Party Insurance Company to pay 100% of the Sum Insured which is Rs 25,00,000/- (Rupees Twenty Five Lakh) only along with interest @6% per annum from date of the death of life assured. The

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opposite Party Insurance Company also need to pay Rs 1,00,000/- (Rupees One Lakh) as compensation and Rs 20,000/- (Rupees Twenty Thousand) as litigation expenses. The opposite party Insurance Company is directed to make the entire amount within 2 months from today before the Registry of the Commission and on receipt of the same, the Registry shall release the deposited amount to the complainant on proper identification. On failure to deposit the awarded amount within the aforesaid period of two months, interest @6% will be charged on the Total amount from the date of judgment.