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INSURANCE

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Supreme Court Mandates Payment of Insurance Claims Due to Lack of Evidence
of Suppression



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The Hon'ble Supreme Court in the case of Mahakali Sujatha vs. The Branch Manager, Future Generali India Life Insurance Company Limited & Another (Civil Appeal No. 3821 of 2024), dealt with the repudiation of an insurance claim on the grounds of alleged suppression of material facts by the insured-deceased, Sri Siriveri Venkateswarlu. The appellant, Mahakali Sujatha, daughter and nominee of the deceased, challenged the order of the National Consumer Disputes Redressal Commission (NCDRC), which had allowed the insurer's revision petition, thereby upholding the repudiation of the insurance claim.

The Supreme Court critically analyzed the NCDRC's reliance on the insurer's claim that the deceased had withheld information about other insurance policies. The Court highlighted that the NCDRC had not sufficiently considered the absence of concrete evidence supporting the insurer's allegations. The insurance company had failed to produce corroborative documentary proof or oral testimony to establish the existence of other insurance policies taken by the deceased. Additionally, the Court emphasized the principle of "uberrimae fidei" (utmost good faith) and the burden of proof, ruling that the insurer had not adequately discharged its burden to prove material suppression by the insured. Consequently, the Supreme Court set aside the NCDRC's order, directed the insurer to pay the insurance claims to the appellant, and reinforced the necessity of precise and reliable evidence in insurance disputes.

The court emphasized the need for a balanced approach that protects users' fundamental rights while ensuring compliance with digital content regulations. This case underscores the judiciary's role in scrutinizing the application of IT Rules to safeguard users' rights against arbitrary actions by digital platforms.



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