

ORIENTAL INSURANCE CO. LTD.
v.
SAMAYANALLUR PRIMARY AGRICULTURAL COOP. BANK

NOVEMBER 2, 1999

[S. SAGHIR AHMAD AND R.P. SETHI, JJ.]

Insurance.

Burglary Policy—Scope of—Cash and jewellery stolen from cash box—Policy covering loss of only cash or jewellery in safe—‘Safe’—Meaning of—Held, insurance policy to be construed having reference only to the stipulation contained in it—Cash box could not be equated with safe within the meaning of the policy—Hence, said burglary not covered by the policy.

Respondent-bank took a burglary insurance policy from the appellant and during the subsistence of the policy, burglary took place in the premises of the respondent and cash box containing money and pledged jewellery was found missing. Claim filed by the respondent was allowed by the District Forum. In appeal, the State Consumer Disputes Redressal Commission set aside the order of the District Forum holding that “cashier’s cash box” was not a “safe” within the meaning of the policy which covered “loss of only cash or jewellery in safe”. Revision preferred by the respondent was partially allowed by National Consumer Disputed Redressal Commission by setting aside the finding of the State Commission relating to the meaning of word “safe” and remanded the case to it for determining the actual loss caused to the respondent. Aggrieved by the order of the National Commission, the Insurance Company has filed the present appeal.

The appellant contended that the expression ‘safe’ was required to be interpreted by only referring to the insurance policies and other connected documents and not the dictionaries.

Allowing the appeal, the Court.

HELD: 1. A combined reading of the proposal of insurance and the insurance policy clearly indicate that the gold jewellery and the cash were insured in safe and locked safe which was specified by the insured in the proposal itself. Admittedly, the aforesaid safe was actually not in existence

A and burglary not committed from the “safe” for which the insurance policy was issued. [331-G]

B 2. There was no necessity of referring to the dictionaries for understanding the meaning of the word “safe” which the parties in the instant case are proved to have understood while submitting the proposal and accepting the insurance policy. The cashier’s box could not be equated with the safe within the meaning of the insurance policy. The alleged burglary and the removal of the cash box containing the jewellery and cash was not covered by the insurance policy between the parties. The insurance policy has to be construed having reference only to the stipulations contained in it and no artificial far-fetched meaning could be given to the words appearing in it. [332-D-E]

CIVIL APPELLATE JURISDICTION: Civil Appeal No. 8716 of 1997.

D From the Judgment and Order dated 1.5.97 of the National Consumer Disputes Redressal Commission, New Delhi in R.P. No. 343 of 1996.

Nazmi Waziri and Irshad Ahmad for the Appellant.

K.B. Sounder Rajan for the Respondent.

E The Judgment of the Court was delivered by

F **SETHI, J.** The Respondent-Bank had taken two insurance policies with the appellant-company out of which one was a cash insurance policy for Rs. 1 lakh and the second was a burglary insurance policy for Rs. 25 lakhs. The period covered by the latter Insurance Policy was from 6.11.1992 to 5.11.1993. On the night of 27 January, 1993 an incident of burglary took place in the premises of the insured bank and the cash chest was found missing for which a complaint was lodged with the police and claim made with the appellant company for the value of pledge jewellery which was alleged to have been lost together with a cash of Rs. 9,279.25. The District Consumer Redressal Forum, Madurai (hereinafter referred to as the “District Forum”) where the complaint was filed allowed the claim of the respondent-bank and awarded compensation to it as prayed for in the claim-petition. In appeal, the State Consumer Disputes Redressal Commission, Madras (hereinafter referred to as the “State Commission”) set aside the award of the District Forum holding that “cashier’s cash box” in which the jewellery and cash was alleged to be kept was not a “safe” within the meaning of policy which

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covered "loss of only cash or jewellery in safe". The revision preferred by the respondent-bank was partially accepted by the National Consumer Disputes Redressal Commission, New Delhi (hereinafter referred to as the "National Commission") by setting aside the finding in so far as it related to the meaning of word "safe" as interpreted by the State Commission and the case remanded to the State Commission for the purposes of investigating into the matter for determining the question of quantum of loss actually caused to the respondent-bank. Not satisfied with the order of the National Commission, the Appellant Company has preferred this appeal.

Learned counsel appearing for the appellant-company has contended that the National Commission was not justified in seeking the aid of dictionaries to interpret the meaning of the expression "safe". It is contended by him that the expression "safe" in the instant case was required to be interpreted by having reference to the insurance policies and the other connected documents. We find substance in his submission.

The insurance policy relating to house breaking or burglary shows that the gold and jewels were pledged in "safe". Cash and notes secured which were insured were such cash and notes which were locked in "safe". The proposal for insurance of the contents of business premises against house breaking and burglary, as submitted by the respondent-bank, contained various information required and actually submitted by the insured. Columns 3(a) and (b) of the said proposal read as :

"3(a) Are all valuables secured in Burglary resisting safes when Premises are locked	Yes
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(b) If so, state name or maker of safe and cost	Tansi
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Against the entry 3(a) the insured had stated "yes" and against entry 3(b) the make of safe was specified. A combined reading of the proposal of insurance and the insurance policy clearly indicate that the gold jewellery and the cash were insured in safe and locked safe which was specified by the insured in the proposal itself. Admittedly, the aforesaid safe was actually not in existence and burglary not committed from the "safe" for which the insurance policy was issued. According to the complainant the burglary had been committed from the "cashier's cash box". The surveyor, namely, Shri Sreedharas in his survey report dated 27 January, 1993 submitted that the stolen jewels had not been kept in safe locker and the theft was not covered under burglary insurance policy. The District Forum without properly appreciating the

A insurance policy and the accompanying proposal directed the appellant-company to pay a total sum of Rs. 43,729.25. The State Commission referred to the burglary policy produced before it as Exhibit A-3 and cash insurance policy Exhibit A-4. After referring to the relevant documents the State Commission concluded that Exhibit A-3 covered “pledged gold jewellery in safe” and the insurance proposal Exhibit B-7 had clearly mentioned that all the valuables were secured in burglary resistance safe made by Tansi. The cash box was held to be a smaller container kept by the cashier near the cash counter which was easily removable. The State Commission further held :

C “What is insured is not the contents of the cash box but the jewels kept in the safe which means safety locker made by Tansi as agreed to in the proposal form in Exb. B-7. It is clear therefore that the jewels kept in the cashier’s cash box is not covered by Exh. A-3 policy.”

D The State Commission appreciated the real controversy between the parties and decided the dispute on interpretation of the insurance policies and the proposal produced before the District Forum. There was no necessity of referring to the dictionaries for understanding the meaning of the word “safe” which the parties in the instant case are proved to have understood while submitting the proposal and accepting the insurance policy. The cashier’s box could not be equated with the safe within the meaning of the insurance policy. The alleged burglary and the removal of the case box containing the jewellery and cash was not covered by the insurance policy between the parties. The insurance policy has to be construed having reference only to the stipulations contained in it and no artificial farfetched meaning could be given to the words appearing in it. The National Commission was, therefore, not justified in setting aside the order of the State Commission and remanding the case back to it for the purposes of ascertaining the extent of actual loss caused to the respondent. The order of the State Commission did not suffer from any illegality or error of jurisdiction requiring interference by the National Commission.

G Under the circumstances this appeal is allowed by setting aside the order of the National Commission and restoring the order of the State Commission. The complaint filed by the respondent bank shall be deemed to have been dismissed. No costs.

A.K.T.

Appeal allowed.