

Insurance Act, Section 64 VB – States, that no risk could be assumed unless premium is received in advance – While no policy of insurance could be concluded without payment of premium, a converse does not necessarily operate – Receipt of premium cannot be taken as concluding the [contract](#) – In this case, what has happened is that the premium has been collected but there was no act signifying consent to any proposal – Insurance company not liable – No proposal had been forthcoming and the amount had been only credited in the Suspense Account and since the policy of insurance had not been under-written, there was no liability for the Insurance Company. *LIC of India v. Raja Vasireddy AIR 1984 SC 1014, relied.*

[read HERE](#)

[2015 PLRonline 0202](#)