

**BEFORE THE DISTRICT CONSUMER COMMISSION,
WEST GODAVARI DISTRICT AT ELURU (A.P)**

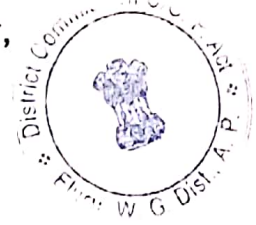
Present:

Sri D.Kodanda Rama Murthy, B.Com., B.L.,
President

Sri S.Suresh Kumar, B.Com., B.L.,
Member

Smt. K.S.N. Lakshmi, M.Sc (Maths) B.Ed, LLB, MSc (Psychology)
Member

Thursday, the 25th day of July, 2024



C.C.No.67/2023

Between:

Alluri Venkata Rama Raju, S/o. Himavanth Maha Raju,
Hindu, Male, Aged 59 years,
R/o. Flat No.301, Sri Seshas Mansion,
13th Road, Santinagar, Eluru.

... Complainant

And

1. Aditya Birla Capital Rep. by its Authorized Signatory,
1st Floor, Siri Square, 40-51, Tikkle Road,
Opp: Hotel DV Maneor, Vijayawada 521010.

2. C.E.O Aditya Birla Capital/Health Insurance Company Limited,
One World Centre, Tower-1, 9th Floor,
Jupiter Mill Compound, 841, Sanapati Bapat marg,
Elphinstone Road, Mumbai 400013.

... Opposite Parties

This complaint coming before us for final hearing on 12.06.2024 and on perusing the complaint and other material papers on record and on hearing the arguments of Sri D.S.V.Manikyala Rao counsel for complainant and Sri Gorrela Sathish Kumar counsel for opposite parties and the matter having stood over for consideration to this day, this Commission made the following:

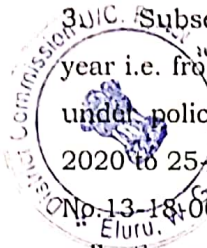
ORDER

(per Sri S.Suresh Kumar, Member)

This is a complaint filed by complainant under Section. 35 of Consumer Protection Act., 2019 against the opposite parties to pay the claim amount of Rs.1,00,888/- with subsequent interest @ 6% from the date of complaint till the date of realization, to pay compensation of Rs.1,00,000/- towards compensation for mental agony and to award such other relief or reliefs.

2. The complainant humbly submitted that 1st opposite party/Aditya Birla Capital is under the control of 2nd opposite party/C.E.O., Aditya Birla Capital/Health Insurance Company Limited. The complainant obtained insurance policy i.e. Active Assure Policy-Diamond bearing No.13-18-0012575-00 from the opposite parties for Rs.10,00,000/- for his and his wife for the period from 26-06-2018 to 25-06-2019. Before obtaining the policy complainant informed to the opposite parties about his diabetes for which they collected premium of Rs.41,229/- with 20% loading.

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Subsequently complainant has been continuing the policy for the 2nd year i.e. from 26-06-2019 to 25-06-2020 by collecting premium of Rs.41,229/- under policy bearing No.13-18-0012575-01-00 and 3rd year i.e. from 26-06-2020 to 25-06-2021 by collecting premium of Rs.41,229/- under policy bearing No.13-18-0012575-02-00 and 4th year i.e. from 26-06-2021 to 25-06-2022 by collecting premium of Rs.45,262/- under policy bearing No.13-18-0012575-04-00 and 5th year i.e. from 26-06-2022 to 25-06-2023 by collecting premium of Rs.48,276/- under policy bearing No.13-18-0012575-05-00 in every time opposite parties noted pre existing decease in the above policy schedules.

4. The complainant further submitted that in the month of February, 2023 the complainant suddenly fell ill and immediately admitted in Ayush Hospital, Eluru and thereafter ANU Hospital, Vijayawada and Varma Hospital at Bhimavaram and Ashok Kidney Centre, Bhimavaram for which he was spent Rs.1,00,888/- towards medical expenses besides other miscellaneous expenses. Subsequently, complainant sent all necessary bills and relevant medical sheets to the opposite parties for reimbursement. But, the opposite party rejected the claim through mail on 20-05-2023 without saying any reason. Then the complainant got issued legal notice dt 23-05-2023 to the 2nd opposite party and also got issued another notice dt. 08-06-2023 to opposite parties and same was received by the opposite parties and 2nd opposite party issued reply dt.07-07-2023 with all false allegations. On several requests made by the complainant, finally the 2nd opposite party repudiated the claim with false allegations through mail. Due to non settlement of claim by the opposite parties complainant suffered lot of mental agony which shows clear deficiency of service on the part of the opposite parties. Hence, the complaint.

The contents of the version of the opposite parties:

5. The opposite parties stated that the present complaint is filed with false allegations and also for extort money from the opposite parties. Hence, opposite parties prays to dismiss the complaint.

6. Opposite parties stated that complainant filed this complaint only to injure the goodwill and reputation of the opposite parties. Only as per the basis of declarations contained in the proposal form, the opposite parties issued policy to the complainant and the insurance is based on the foundation of utmost good faith i.e. Principal of Uberrimae Fides. The complainant was hospitalized in Ayush hospital, ANU Hospital, Varma hospital and Ashok Kidney Centre from 23-02-2023 to 24-02-2023 for CKD. Subsequently health claim intimation was served to the opposite parties for reimbursement of claim. After scrutiny of the documents opposite parties observed that complainant has been suffering with hypertension which was not disclosed at the time of

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inception of the policy by the complainant. If the life assured or proposer failed to disclose the true and correct facts to the insurer then the policy is vitiated under Section 45 of the Insurance Act, 1938. Opposite party sent rejection letter dt.25-02-2023 due to non disclosure of material information.

7. Opposite parties stated that opposite party has not approved the cashless clam of the complainant but the complainant has not exhausted all his rights and he can still submit the cashless claim for reimbursement along with documents therefore the Hon'ble Commission may be pleased to direct the complainant to file for reimbursement of the claim.

8. Opposite parties sent a reply dt.07-07-2023 to the notice of the complainant dt.23-05-2023 stating that no grievance had been raised with the company on the aspect referred in the legal notice sent by the complainant. This complaint is based totally on presumptions and conjectures of complainant and not based on any cogent and valid documents. Opposite parties have acted duly as per the policy terms and conditions and there has been no deficiency of service on the part of the opposite parties and complainant is not entitled to any relief.

9. The complainant filed his affidavit reiterating the material averments of the complaint and got marked Exs.A1 to A12 on his behalf. One Swastik Chandra, Senior Manager of opposite party No.2 filed Evidence Affidavit on behalf of opposite parties and also got marked Exs.B1 to B5.

10. Heard both sides. Written arguments filed by the complainant and opposite parties.

Now the points that stood for consideration are:

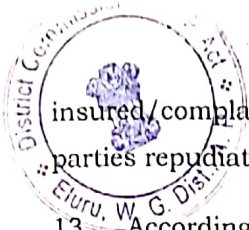
- i. Whether there is any deficiency of service on the part of opposite parties?
- ii. If so, whether the complainant is entitled for any relief?
- iii. To what relief?

POINT NO.i&ii :

11. Here in this case there is no dispute about the policy bearing No.23-18-0012575-05 which was obtained by the complainant for his and his wife from the opposite parties for the period from 25-06-2022 to 25-06-2023 by paying necessary premium of Rs.48,276/- (Ex.A5).

12. According to complainant he obtained Activ Assure Policy Schedule from the opposite parties for his and his wife since 2018 to 2023 by paying necessary yearly premiums including 20% loading in view of diabetes of 1st

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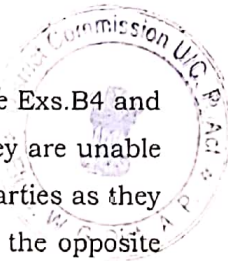
insured/complainant. When he claimed his hospitalization charges opposite parties repudiated the claim without valid and tenable reason.

13. According to opposite parties, complainant had not disclosed the material fact about history of hypertension before obtaining policy. Hence, the claim was rejected through letter 25-02-2023. And also stated that opposite parties have not approved the cashless claim of the complainant but complainant has not exhausted all his rights then complainant has right to submit the cashless claim for reimbursement. Present complaint is filed totally on presumptions and conjectures by the complainant, and not based on any cogent and valid documents. Hence, opposite parties prays to dismiss the complaint.

14. On perusal of above pleadings and documents i.e. Exs.A1 to A12 and Exs.B1 to B5 this Commission observed that the complainant obtained **Active Assure - Diamond plan** for his and his wife from opposite parties since 2018 and continuously he has been paying premiums yearly wise without any interruption as Rs.41,229/- for the period from 26-06-2018 to 25-06-2019 under policy 13-18-0012575-00 (Ex.A1), Rs.41,229/- for the period from 26-06-2019 to 25-06-2020 under policy No. 13-18-0012575-01-00 (Ex.A2), Rs.41,229/- for the period from 26-06-2020 to 25-06-2021 under policy 13-18-0012575-02-00 (Ex.A3), Rs.45,262/- for the period from 26-06-2021 to 25-06-2022 under policy 23-18-0012575-04-00 (Ex.A4), Rs.48,276/- for the period from 26-06-2022 to 25-06-2023 under policy 23-18-0012575-05-00 (Ex.A5) and overall complainant paid Rs.2,17,225/- since 2018 as premiums. At the time of submitting the proposal form (Ex.B2), the complainant (insured "1") answered as **"YES"** to the question i.e. Diabetes, High blood pressure, High Cholesterol, Anaemia/Blood disorder. But, in another column with regard to wife of the complainant (insured "2") answered as **"NO"** for above question.

15. In the month of February, 2023 while the last policy i.e. 23-18-0012575-05 was in existence for the period from 26-06-2022 to 25-06-2023 the complainant was hospitalized and took the treatment in Ayush Hospital, Eluru, ANU Hospital, Vijayawada, Varma Hospital, Bhimavaram, Ashok Kidney Centre, Bhimavaram for which he spent an amount of Rs.1,00,888/- towards treatment. Subsequently, complainant sent claim form through email on 25-02-2023 for reimbursement of claim. But, opposite party sent a letter (pre-authorization request is denied) dt.25-02-2023 (Ex.B4) by stating that unable to approve preauthorization request on the basis of claim has been withdrawn by insured. In Ex.B5 reply letter also opposite parties stated that complainant has not raised any grievance with the company on the aspect.

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16. It is pertinent to note here that opposite parties stated in the Exs.B4 and B5 as the complainant has not raised any grievance for which they are unable to settle the claim. It clearly shows the intention of the opposite parties as they are ready to pay the claim amount to the complainant. And also the opposite parties did not mention anywhere in Exs.B1 to B5 as the claim was repudiated on the ground of pre-existing disease. But astonishingly in the version they stated that the claim of complainant was rejected by them through dt.25-02-2023 **on the ground of non disclosure of pre existing history of hypertension.** Again they mentioned in version as **cashless claim was not approved by them but the complainant has not exhausted all his rights and still he can submit the cashless claim for reimbursement along with the documents therefore the Hon'ble Commission may be pleased to direct the complainant to file for reimbursement of the claim.** It clearly shows the intention of the opposite parties as they are ready to pay the claim amount to the complainant.

17. On the above discussion this commission observed that, with good faith complainant informed about his health condition before obtaining the policy. In view of the health condition of complainant/1st insured, opposite parties collected extra 20%. Eventhough complainant mentioned in proposal form as **Yes for Diabetes, High blood pressure, High Cholesterol, Anaemia/Blood disorder,** opposite parties issued policy schedule with pre existing only for diabetes Mellitus. The contention of opposite parties not supported them by leading any cogent and convincing evidence with regard to life assured suppressed pre-existing disease. The opposite parties took several different types of pleadings in version i.e. one is pre-existing disease and another one is complainant has not raised any grievance with the company on the aspect and it is pertinent to note here that without raising any claim how could possible to the opposite parties sent rejection letter dt. 19-05-2023 through mail by stating that your application is rejected.

18. After due consideration of the entire material on record this Commission came to conclusion that opposite parties failed to reimburse the claim of the complainant when the policy was in existence at the time of hospitalization eventhough submitting necessary claim papers by the complainant, which clearly shows deficiency in service on the part of opposite parties towards the complainant. Accordingly, point Nos 1 and 2 are answered.

Point No.iii:

In the result, the complaint is allowed in part and the opposite parties are hereby directed to pay Rs.1,00,888/- (Rupees One Lakh Eight Hundred

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and Eighty Eight Only) with interest @ 6% from the date of complaint i.e. 13-09-2023 till realization and also pay Rs.10,000/- (Rupees Ten Thousand Only) towards costs. Time for compliance of this order is four weeks from the date of receipt of copy of this Order. Rests of the claims if any shall stands dismissed.

Dictated to the stenographer corrected and pronounced by us in the open Commission on this the 25th, July, 2024.

S. Suresh Kumar
(Sri S.Suresh Kumar)
Member

K.S.N. Lakshmi
(Smt.K.S.N.Lakshmi)
Member

D.K.M.
(Sri D.Kodanda Rama Murthy)
President

APPENDIX OF EVIDENCE WITNESSES EXAMINED

FOR COMPLAINANT: Affidavit

FOR OPPOSITE PARTIES: Evidence Affidavit

FOR COMPLAINANT:

Ex.Nos	Date	Description of documents	Remarks
Ex.A1	28-06-2018	Policy schedule bearing No.13-18-0012575-00 for the period from 26-06-2018 to 25-06-2019.	Photocopy
Ex.A2	26-06-2019	Policy schedule bearing No.13-18-0012575-01-00 for the period from 26-06-2019 to 25-06-2020.	Photocopy
Ex.A3	26-06-2020	Policy schedule bearing No.13-18-0012575-02-00 for the period from 26-06-2020 to 25-06-2021.	Photocopy
Ex.A4	26-06-2021	Policy schedule bearing No.23-18-0012575-04-00 for the period from 26-06-2021 to 25-06-2022.	Photocopy
Ex.A5	26-06-2022	Policy schedule bearing No.23-18-0012575-05-00 for the period from 26-06-2022 to 25-06-2023.	Photocopy
Ex.A6		Claim details	Photocopy
Ex.A7	19-05-2023	Mail from opposite parties	Photocopy
Ex.A8	23-05-2023	Legal notice got issued by the complainant to the 2 nd opposite party.	Photocopy
Ex.A9	08-06-2023	Legal notice got issued by the complainant to the opposite parties.	Photocopy
Ex.A10		Acknowledgement from 1 st opposite party.	Original
Ex.A11		Acknowledgement from 2 nd opposite party.	Original
Ex.A12	07-07-2023	Reply from opposite parties.	Original

FOR OPPOSITE PARTIES:

Ex.Nos	Date	Description of documents	Remarks
Ex.B1		Management Sub-Delegation	Photocopy
Ex.B2	16-07-2018	Proposal form	True copy
Ex.B3	26-06-2022	Policy schedule bearing No.23-18-0012575-05-00 for the period from 26-06-2022 to 25-06-2023.	True copy
Ex.B4	25-02-2023	Pre-authorisation request denied letter	True copy
Ex.B5	07-07-2023	Reply to the notice of complainant	True copy

Dis. No. 477 PRESIDENT

Date: 27/7/24