

**BEFORE THE CONSUMER DISPUTES REDRESSAL FORUM
ERNAKULAM**

**Complaint Case No. CC/20/153
(Date of Filing : 18 Jun 2020)**

1. SANEESH M.S
MADANAPARAMBIL HOUSE KOTHAD P.O
KORAMPADAM , KOCHIComplainant(s)

Versus

1. STAR HEALTH & ALLIED INSURANCE COMPANY LTD
NO 15 SRI BALAJI COMPLEX 1ST FLOOR, WHITE LANE
ROYA PETTA , CHENNAI 6000014Opp.Party(s)

BEFORE:

**HON'BLE MR. D.B BINU PRESIDENT
HON'BLE MR. RAMACHANDRAN .V MEMBER
HON'BLE MRS. SREEVIDHIA T.N MEMBER**

PRESENT:

Dated : 24 Jun 2024

Final Order / Judgement

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, ERNAKULAM

Dated this 24th day of June 2024

Filed on: 18-06-2020

PRESENT

Shri. D.B. Binu - President
Shri. V. Ramachandran - Member
Smt. Sreevidhia T.N - Member

CC No. 153/2020

Complainant:

**Mr. Saneesh M. S., S/o Mr. Sivan, residing at Madanaparambil House, Kothad P.O.,
Korampadam, Cochin-682 027.**

**(By Adv.Animon A.John, M/s.Ani & Law Associates, 3rd Floor, Thuruthummel Building,
Market Road (Towards North), Kochi-682 018)**

V/s

The Opposite Parties

1. **Star Health and Allied Insurance Co. Ltd., No. 15, Sri Balaji Complex, 1st Floor, Whites Lane, Royapet, Chennai-600 014, represented by its Regional Manager.**
2. **Star Health and Allied Insurance Co. Ltd., Branch Office, Edappally, 4th Floor, VAM Arcade, No. XXXIII/195 C2, Edappally, Cochin-682024, represented by its Branch Manager.**

(ops rep. by Adv.R S Kalkura, Harish Gopinath, Najumal Hussain)

FINAL ORDER

D.B. Binu, President.

1. **A brief statement of facts of this complaint is as stated below:**

The complaint is filed under Section 12 of the Consumer Protection Act 1986. The complainant, a consumer as defined by the Consumer Protection Act, has approached the commission against the opposite parties for gross deficiency in service and unfair trade practice. The 1st opposite party is an insurance company offering various policies, including Mediclaim, and the 2nd opposite party is its branch office in Cochin.

The complainant had availed a health insurance policy (Policy No. P/181227/01/2019/000568) from the opposite parties, covering the period from 30/06/2018 to 29/06/2019, insuring a sum of ₹2,00,000. On 05/06/2019, the complainant met with an accident and was admitted to St. James Hospital, Palakkad, a network hospital under the policy. The complainant expected cashless treatment but was directed to submit additional documents, including an initial consultation report, MRI, and X-ray, which were not taken as they were deemed unnecessary by the treating doctor.

Despite submitting all required medical bills and records, the opposite parties repudiated the claim on 03/09/2019, citing non-submission of the initial consultation report, MRI, and X-ray. This action was seen as unfair trade practice and a clear deficiency in service, causing the complainant mental and physical distress.

In response, the complainant sent a lawyer's notice on 04/03/2020 demanding ₹2,20,000, including ₹1,20,000 for hospitalization expenses, ₹50,000 for mental agony, and ₹50,000 for

physical inconvenience due to the harassment by the opposite parties.

The complainant seeks the following reliefs:

- i. ₹1,20,000 with 12% interest from 05/06/2019 until payment.
- ii. ₹1,00,000 as compensation for mental agony, physical inconvenience, and harassment.
- iii. Costs of the proceedings.

2) NOTICE

The commission issued a notice to the opposite parties. The opposite parties appeared and submitted their versions.

3) THE VERSION OF THE OPPOSITE PARTIES

The opposite parties deny the correctness of the averments in paragraphs 1 to 12 of the complaint. They confirm that the complainant had taken a Medi Classic Health Insurance policy for ₹2,00,000 from 30/06/2018 to 29/06/2019 (Policy No: P/181227/01/2019/000568). The terms and conditions of the policy, including the need to furnish all necessary documents for claims, were explained and provided to the complainant.

Upon receiving a pre-authorization request for cashless treatment for the complainant's ACL-deficient knee and subsequent surgery at St. James Hospital, Chalakkudy, the opposite parties requested detailed documentation, including the initial consultation paper and MRI report. The hospital provided a self-declaration form and consultation details, but the complainant did not provide the required initial consultation details, MRI, and X-ray reports. As a result, the opposite parties denied the cashless facility and informed the hospital and the complainant.

Post-discharge, the complainant submitted a claim form and related bills. The opposite parties requested the missing documents multiple times but received only a doctor's certificate stating a history of knee injury. Due to the lack of required documents, the claim was repudiated on 03/09/2019 for violation of Condition No. 4 of the policy, which mandates the submission of all necessary documents.

The complainant sent a grievance letter, after which the claim was reprocessed and a detailed reply was sent on 22/11/2019. The opposite parties also responded to an advocate notice on 13/06/2020.

The opposite parties deny allegations of deficiency in service, unfair trade practice, and mental agony, asserting they acted per policy terms. They dispute the claim of hospitalization expenses of ₹1,20,000 and argue that even if liability is found, it should be limited to ₹95,286, excluding non-medical expenses. They assert that the complaint is frivolous and vexatious, aimed at unlawful enrichment.

The opposite parties request the dismissal of the complaint and the awarding of costs and compensation to them.

4) Evidence

The complainant submitted a proof affidavit along with 12 documents, marked as **Exhibits-A-1 to A-12**. The complainant was examined as PW1.

- **Exhibit A1:** Copy of the Policy issued by the 1st opposite party.
- **Exhibit A2:** Letter dated 02/08/2019 issued by the 1st opposite party.
- **Exhibit A3:** Letter dated 22/11/2019 issued by the 1st opposite party.
- **Exhibit A4:** IP Final Bill of St. James Hospital, Chalakkudy.
- **Exhibit A5:** IP bill breakup details issued by St. James Hospital, Chalakkudy.
- **Exhibit A6:** Discharge Summary.
- **Exhibit A7:** Medical Certificate dated 18/06/2019.
- **Exhibit A8:** Letter dated 03/09/2019 repudiating the claim by the 1st opposite party.
- **Exhibit A9:** Letter dated 27/11/2019 repudiating the claim by the 1st opposite party.
- **Exhibit A10:** Legal notice dated 04/03/2020 sent to the opposite parties.
- **Exhibit A11:** Postal Receipt dated 04/03/2020 evidencing the registered notice sent to the opposite parties.
- **Exhibit A12 Series:** Acknowledgment card dated 05/03/2020 by the 2nd opposite party and 06/03/2020 by the 1st opposite party, acknowledging the receipt of the legal notice.

The opposite parties submitted 15 documents, which is marked as Exhibit B-1 to B-15.

- **Exhibit B1:** Copy of the doctor's certificate dated 29/07/2019.
- **Exhibit B2:** Copy of the self-declaration letter dated 06/06/2019.
- **Exhibit B3:** Copy of policy schedule and original policy condition.
- **Exhibit B4:** Copy of the proposal form.
- **Exhibit B5:** Copy of the pre-authorization request form.
- **Exhibit B6:** Copy of the query letter dated 08/06/2019.
- **Exhibit B7:** Copy of the cashless denied letter dated 08/06/2019.
- **Exhibit B8:** Copy of the discharge summary.
- **Exhibit B9:** Copy of the query letter dated 18/07/2019.
- **Exhibit B10:** Copy of the query letter dated 02/08/2019.
- **Exhibit B11:** Copy of the query letter dated 17/08/2019.
- **Exhibit B12:** Copy of the rejection letter.
- **Exhibit B13:** Copy of the review rejection letter dated 22/11/2019.
- **Exhibit B14:** Copy of the reply notice dated 13/06/2020.
- **Exhibit B15:** Letter from the complainant to the opposite party.

5) The main points to be analyzed in this case are as follows:

- i) Whether the complaint is maintainable or not?
- ii) Whether there is any deficiency in service or unfair trade practice from the side of the opposite party to the complainant.
- iii) If so, whether the complainant is entitled to get any relief from the side of the opposite party?
- iv) Costs of the proceedings if any?

6) The issues mentioned above are considered together and are answered as follows:

- In the present case in hand, as per Section 2 (1) (d) of the Consumer Protection Act, 1986, a consumer is a person who buys any goods or hires or avails of any services for

a consideration that has been paid or promised or partly paid and partly promised, or under any system of deferred payment. Copy of the Policy issued by the 1st opposite party, produced by the complainant as **Exhibit A1**, establishes that the complainant is a consumer as defined under the Consumer Protection Act, 1986. Therefore, **Point No. i)** goes against the opposite parties.

The complainant initiated legal action to seek redress for the deficiencies in service and the engagement in unfair trade practices by the opposite parties.

Summary of Argument Notes Submitted by Sri. Animon A. John, Counsel for the Complainant

The complainant availed a health insurance policy from the opposite parties (Policy No. P/181227/01/2019/000568) for ₹2,00,000 covering medical treatment from 30/06/2018 to 29/06/2019. The 1st opposite party is an insurance company providing various policies, including Mediclaim, and the 2nd opposite party is its branch office in Cochin.

The complainant met with an accident on 05/06/2019 and was admitted to St. James Hospital, Chalakkudy, a network hospital under the policy. Expecting cashless treatment, the complainant requested reimbursement of ₹1,20,000 for hospitalization expenses. However, the opposite parties denied cashless treatment and demanded additional documents, including an initial consultation report, MRI, and X-ray, which were not taken as they were unnecessary for the complainant's treatment.

Despite submitting all medical bills and records, the opposite parties repudiated the claim on 03/09/2019 due to non-submission of the initial consultation report, MRI, and X-ray. This act was deemed an unfair trade practice and a clear deficiency in service, causing the complainant significant mental and physical distress.

The complainant sent a lawyer's notice on 04/03/2020 demanding ₹2,20,000, including ₹1,20,000 for hospitalization expenses, ₹50,000 for mental agony, and ₹50,000 for physical inconvenience. The opposite parties' actions were seen as unjust, compelling the complainant to file this complaint.

The opposite parties' contention that the accident occurred on 10/03/2019 is incorrect and irrelevant, as the date is within the policy period. The opposite parties' denial of the claim, despite knowing the complainant was admitted for a serious injury, showcases their unfair practices. The complainant's choice of a network hospital and valid insurance policy were ignored.

The opposite parties' arguments are unsustainable and lack merit, relying on unprecedented terms and conditions to deny and delay the complainant's rightful claim. The complainant has produced various documents to substantiate the claim, including the policy, query letters, repudiation letters, hospital bills, discharge summary, and legal notice.

Summary of Hearing Note Submitted by the Counsel for the Opposite Party

- 1. Complainant's Allegations:** a. The complainant availed a health insurance policy (Policy No. P/181227/01/2019/000568) for ₹2,00,000 from the opposite parties for one year, effective from 30.06.2018 to 29.06.2019. b. On 05.06.2019, the complainant met with an accident, sustained a severe injury, and was admitted to St. James Hospital, Chalakkudy,

incurring hospital expenses of ₹1,20,000. The complainant stated in the complaint that no X-ray or MRI scan was taken, and the doctor certified this. c. The opposite party denied the claim due to the non-submission of the initial consultation report, MRI, and X-ray as requested. The complainant sought ₹1,20,000 for hospital expenses, ₹1,00,000 for mental agony, and the cost of litigation.

2. **Opposite Party's Defense:** a. The opposite party received a pre-authorization request for cashless treatment from St. James Hospital for the complainant, diagnosed with ACL deficient knee and scheduled for Arthroscopic ACL Reconstruction. They requested detailed documentation, including the initial consultation report and MRI. However, they only received the complainant's self-declaration and current consultation details, revealing the accident date as 10.03.2019. Due to the lack of prior medical records, the cashless facility was denied. b. After discharge, the complainant submitted a claim form, discharge summary, and bills totalling ₹1,09,350. c. The opposite party sent query letters on 18.07.2019, 02.08.2019, and 17.08.2019, requesting the initial consultation report, MRI, and X-ray. d. The complainant provided a doctor's certificate dated 29.07.2019, indicating a history of knee injury from 10.03.2019, but did not submit the initial consultation details or MRI/X-ray. Thus, the claim was repudiated for violating Condition No. 4 of the policy. e. Condition No. 4 requires the insured to furnish all original bills, receipts, and other documents upon which a claim is based, and provide additional information if required by the company. The claim was closed due to the complainant's refusal to submit the necessary documents despite repeated requests. f. After repudiation, the complainant sent a grievance letter and advocate notice, to which the opposite party responded in detail. g. The opposite party denies the complainant's allegation of an accident on 05.06.2019, citing contradictory hospital records. The complainant is accused of misleading the commission by suppressing real facts. h. The certificate from Dr. Rosamma Jacob contradicts the complainant's claim of an accident on 05.06.2019, indicating an injury on 10.03.2019. i. The allegations of no X-ray or MRI scan are false, as the complainant was treated for ACL surgery, though the discharge summary lacks diagnostic findings. j. The complainant's letter post-repudiation mentioned an accident in March 2019 and initial treatment with local medicines, contradicting earlier claims. k. The opposite party emphasizes Exhibit B1 and B2, which contradict the complainant's accident date of 05.06.2019 and show false and misleading claims. l. The opposite party asserts that the complainant's allegations do not match Exhibits B1 and B2, and the complaint was filed with malicious intent for undue gain. m. The opposite party claims there has been no deficiency of service, unfair trade practice, damages, or mental agony on their part. They acted per policy terms, and the complainant has no cause of action or entitlement to damages, costs, or compensation.

The opposite party requests that the Commission dismiss the complaint, as it lacks merit and was filed with the intent to mislead and gain unjustly.

It is submitted by the opposite parties that after the repudiation of the claim, the complainant sent a letter to the opposite party stating that he had an accident in March 2019 and used local medicines to alleviate the pain. He then consulted a doctor near his house, who referred him to St. James Hospital, Chalakkudy. It is requested that this Commission consider **Exhibit B1 and Exhibit B2**, which were provided by the complainant, as they reveal that the complainant's allegation of an accident on 05/06/2019, resulting in immediate admission and treatment at St. James Hospital, Chalakkudy, is false and misleading.

It is submitted that the complaint's allegations do not match **Exhibits B1 and B2** produced by the opposite party. The complainant filed this complaint with malicious intent to gain undue

benefit. There has been no deficiency of service, unfair trade practice, or any damages or mental agony caused by the opposite parties, who acted per the policy's terms and conditions. The complainant has no cause of action and is not entitled to any damages, costs, or compensation. The examination revealed a ligament injury, leading to a referral to an orthopaedic surgeon at St. James Hospital, Chalakudy (**Exhibit B1**), contradicting the complainant's claim of an accident on 05/06/2019 and immediate hospital admission.

The complainant was cross-examined as PW1 by the opposite party's counsel. In response to the complainant's counsel's question during re-examination, "Did you have an accident on 5.6.2019 after having an accident on March 10, 2019?" [which was objected to by the opposite party's counsel], the complainant answered affirmatively. The opposite party's counsel then referred to a letter sent to the opposite party on 3.5.2018 and Exhibit B-2 during cross-examination again, asking if it mentioned a second accident. The witness replied, "No," but confirmed the occurrence of an accident. Despite discrepancies between the two records, all documents submitted by both parties indicate that the accident occurred on 5.6.2019.

It is likely that the dates were mixed up with an earlier accident date. When there are discrepancies in records, courts must carefully examine all documents and make a prudent decision based on the overall evidence. According to court rulings, when two interpretations are possible, the decision should favour the consumer. Therefore, the Commission decided that the discrepancy in the records should not be given undue importance.

In the Revision Petition No. 2513 of 2019 reviewed by the Hon'ble National Consumer Disputes Redressal Commission, referenced a decision by the Hon'ble Supreme Court from **the case Canara Bank vs. United India Insurance Co. Ltd. & Ors. [(2020) 3 SCC 455]. Held that:**

“9. It was held by the Hon'ble Supreme Court in Canara Bank vs. United India Insurance Co. Ltd. & Ors. (2020) 3 SCC 455 that Insurance Policy must be read holistically so as to give effect to reasonable expectations of all parties, including the insured, coverage clauses to be read broadly, and ambiguity, if any, to be resolved in favour of the Insured, exclusions to be read narrowly. Hence, we do not find any reason to interfere with the order of the State Commission.”

In this cited the Hon'ble Supreme Court case, it was held that an insurance policy should be interpreted as a whole to fulfil the reasonable expectations of all parties involved, particularly the insured. This interpretation means that coverage clauses should be construed broadly, any ambiguities should be resolved in favour of the insured, and exclusion clauses should be interpreted narrowly.

We have meticulously considered the detailed submissions of both parties, as well as thoroughly reviewed the entire record of evidence, including the argument notes.

The core issue revolves around the denial of the claim by the opposite parties due to the non-submission of certain documents. The opposite parties argue that the complainant did not provide the initial consultation report, MRI, and X-ray. However, the complainant contends that these documents were deemed unnecessary by the treating doctor and that he had submitted all other required documents. The insistence on unnecessary documents by the opposite parties constitutes a deficiency in service.

A. Deficiency in Service and Negligence The opposite parties' refusal to process the claim despite having received substantial documentation and the treating doctor's certification

demonstrates a clear deficiency in service. The complainant's mental agony and physical inconvenience resulting from the opposite parties' actions further support this conclusion.

In the case of **Canara Bank vs. United India Insurance Co. Ltd. & Ors. [(2020) 3 SCC 455]**, the Hon'ble Supreme Court held that an insurance policy should be interpreted as a whole to fulfil the reasonable expectations of all parties involved, particularly the insured. This interpretation means that coverage clauses should be construed broadly, any ambiguities should be resolved in favour of the insured, and exclusion clauses should be interpreted narrowly.

Applying this principle, the opposite parties' actions in denying the claim based on technicalities and unnecessary documentation requirements are unjustified and constitute unfair trade practices.

The complainant was cross-examined as PW1 by the opposite party's counsel. In response to the complainant's counsel's question during re-examination, "Did you have an accident on 5.6.2019 after having an accident on March 10, 2019?" [which was objected to by the opposite party's counsel], the complainant answered affirmatively. The opposite party's counsel then referred to a letter sent to the opposite party on 3.5.2018 and Exhibit B-2 during cross-examination again, asking if it mentioned a second accident. The witness replied, "No," but confirmed the occurrence of an accident. Despite discrepancies between the two records, all documents submitted by both parties indicate that the accident occurred on 5.6.2019.

It is likely that the dates were mixed up with an earlier accident date. When there are discrepancies in records, courts must carefully examine all documents and make a prudent decision based on the overall evidence. According to court rulings, when two interpretations are possible, the decision should favour the consumer. Therefore, the Commission decided that the discrepancy in the records should not be given undue importance.

B. Liability of the Opposite Parties: Based on the above analysis and legal reasoning, the opposite parties are liable for deficiency in service and unfair trade practices.

The insistence on unnecessary documents by the opposite parties constitutes a clear deficiency in service. Insurance policies should be interpreted holistically to meet the reasonable expectations of all parties, especially the insured. Coverage clauses must be read broadly, with any ambiguities resolved in favour of the insured, and exclusion clauses interpreted narrowly. This approach ensures that insurance serves its fundamental purpose of providing security and peace of mind during vulnerable times. In this case, the opposite parties' demand for unnecessary documents added undue stress and hardship to the complainant, highlighting a lack of compassion and fairness in handling the claim. The complainant contends that the initial consultation report, MRI, and X-ray were deemed unnecessary by the treating doctor, and he had submitted all other required documents. It is the duty of the doctor, not the patient, to determine the necessity of tests and reports like MRI and X-ray.

We determine that issue numbers (I) to (IV) are resolved in the complainant's favour due to the significant service deficiency and unfair trade practices on the part of the opposite parties. Consequently, the complainant has endured considerable inconvenience, mental distress, hardships, and financial losses as a result of the negligence of the opposite parties.

In view of the above facts and circumstances of the case, we are of the opinion that the opposite parties are liable to compensate the complainant.

Hence, the prayer is allowed as follows:

I. The opposite parties are directed to pay the complainant ₹1,72,696 (Rupees One Lakh Seventy-Two Thousand Six Hundred and Ninety-Six Only) towards the claim in the health insurance policy.

II. The opposite parties are directed to pay the complainant ₹20,000 (Rupees Twenty Thousand Only) as compensation for mental agony and physical inconvenience. This amount is awarded for the deficiency in service and unfair trade practices endured by the complainant.

III. The opposite parties are directed to pay ₹15,000 (Rupees Fifteen Thousand Only) towards the cost of proceedings.

The opposite parties are jointly and severally mandated to comply with the directives mentioned above within 45 days from the date of receipt of this order. Failure to comply with the payment orders under points I and II will result in interest at the rate of 9% per annum from the date of filing the complaint (18-06-2020) until the date of full payment realization.

Pronounced in the Open Commission on this 24th day of June 2024.

Sd/-

D.B.Binu, President

Sd/-

V. Ramachandran, Member

Sd/-

Sreevidhia.T.N, Member

Forwarded by Order

Assistant Registrar

Forwarded/by Order

Assistant Registrar

Appendix

Exhibit A1: Copy of the Policy issued by the 1st opposite party.

Exhibit A2: Letter dated 02/08/2019 issued by the 1st opposite party.

Exhibit A3: Letter dated 22/11/2019 issued by the 1st opposite party.

Exhibit A4: IP Final Bill of St. James Hospital, Chalakkudy.

Exhibit A5: IP bill breakup details issued by St. James Hospital, Chalakkudy.

Exhibit A6: Discharge Summary.

Exhibit A7: Medical Certificate dated 18/06/2019.

Exhibit A8: Letter dated 03/09/2019 repudiating the claim by the 1st opposite party.

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The opposite parties submitted 15 documents, which is marked as Exhibit B-1 to B-15.

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Exhibit B15: Letter from the complainant to the opposite party.

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**[HON'BLE MR. D.B BINU]
PRESIDENT**

**[HON'BLE MR. RAMACHANDRAN .V]
MEMBER**

**[HON'BLE MRS. SREEVIDHIA T.N]
MEMBER**