**(2008) 04 P&H CK 0099**

**In the Punjab And Haryana At Chandigarh**

New India Assurance Company Limited — APPELLANT

Vs

Usha Yadav and Others — RESPONDENT

**Date of Decision :** 22-04-2008

**Acts Referred:**

**Citation :** (2008) 151 PLR 313 : (2008) 3 RCR(Civil) 111

**Hon'ble Judges :** Ranjit Singh, J

**Bench :** Single Bench

**Final Decision :** Dismissed

## Judgement

Ranjit Singh, J.—Permanent Lok Adalat (Public Utility Services), Gurgaon has decided the application filed by the respondents, who are widow and off-springs of late Ramesh Chand Yadav for directing the petitioner-Insurance Company to honour their medi-claim at a pre-litigating stage. It would sound unfortunate to notice that the hapless respondents had to fight for getting claim of insurance on account of death of their husband/father. The children though are minor, but respondent-wife would certainly remember the day when the insurance agent would have come to her late husband to persuade him or to goad him to take a medi-claim so that he is able to look after himself without worrying for finances if he ever happened to fall sick. How these assurances advanced by Insurance Company would sound hollow, must have now been realised by the respondents. The Insurance Company is even not felt satisfied with the detailed order passed by the Lok Adalat in considering their objections and directing payment of the amount claimed, but has chosen to file the present revision petition before this Court to impugn the said order. All the usual pleas are pressed as are generally advanced by the Insurance Companies.

2. This medi-claim insurance policy was obtained by late Ramesh Chand Yadav from 1.2.2002 to 31.3.2023. On 13.7.2006, Ramesh Chand Yadav fell sick and was admitted in Sir Ganga Ram Hospital, Rajinder Nagar, New Delhi. He was found to be suffering from liver disease with portal hypertension with decompansation jaundice, ascites and non-bleeder. He had informed the

 

Insurance Company about this development on 14.7.2006. He was discharged from the hospital on 20.8.2006. He had earlier been also admitted in the hospital on 8.8.2006 on account of the same ailment besides mild renal failure and bronchial asthma. This time he had again fallen sick and taken to the same hospital on 20.8.2006. Unfortunately he expired on 28.8.2006 in the hospital itself.

3. The claim is made on the Insurance Company for a sum of Rs. 2,75,000/-, which was spenr on treatment and purchase of medicines. The Insurance Company, against all the tall promises it had made, repudiated the claim vide their letter dated 8.1.2007 on the ground that disease was caused due to use of alcohol and drugs and as such, is not payable in terms of the policy. The respondent-wife and her two minor siblings, thus, filed this application alleging that repudiation of the claim is illegal as use of alcohol was not the only cause which led to the disease, as was being construed by the Insurance Company.

4. On a notice having been issued, the petitioner-company appeared and filed a written statement. It is also disclosed that petitioner-company appointed an independent Government approved panel of doctors for investigating the matter and assessing the expenses incurred by the respondent-applicants on the treatment of the deceased. One Dr. R.K. Mahajan, deputed for this purpose, had required the respondent-applicants to produce a certificate from the doctor attending on to the deceased indicating the problems of liver disease. Accordingly, a certificate from treating Doctor Randhir Sud was produced, which, according to the petitioner-company indicated that the cause of death was liver disease and other diseases, which was alcohol induced. It is claimed that on the basis of this report, the claim has been repudiation as per Clause 4.8 of the terms and conditions of the Insurance Policy. Reference can here be made to Clause 4.8 of the terms and conditions of the insurance policy, which reads:

Convalescence general debility, ''Run Down'' condition or rest cure, congenital, external disease or anomalies sterility, veneral disease, intentional self injury and use of intoxication drugs/alcohol." Hence the deceased-insured is stated to have violated the terms and conditions of the insurance policy.

5. While rejecting the plea raised by the Insurance Company, the Lok Adalat has found that late Ramesh Chand Yadav was found suffering from several diseases and all those diseases could not be as a result of alcohol consumption alone. It has also been noticed that there is no specific finding by any medical expert that any disease with which the deceased was found suffering had developed on account of alcohol consumption. It is a case of death of a young man aged 41 years. He has left behind his young wife and two minor daughters. A reference has been made to the findings recorded by the panel of doctors as seen from the summary made at Sir Ganga Ram Hospital, New Delhi. It is noticed that the investigation had revealed increased TLC and deranged liver and renal functions. Despite treatment, the ascetic fluid cell count was not decreasing while urine progressively decreased. The deceased had also developed respiratory distress.

 

He was shifted to ICU, but suffered a massive upper GI bleeding and went into shock. He expired on 28.8.2006. It is accordingly noticed that alcohol consumption could not be the only cause for all those complicated diseases which led to the death of the deceased. The action of the Insurance Company in repudiating the claim by adopting some mean or the other, as such, has rightly been rejected. The order passed by the Lok Adalat is just, fair and reasonable and as such would not call for any interference.

6. Before parting, I wish to express anguish over the method and mode adopted by Insurance Companies in somehow declining the claim of claimants, be it under such type of policy or other life insurance claims or those arising out of insurance of vehicles etc. It seems that the Insurance Companies are only interested in earning the premiums, which are rather too stiff now a days, but are not keen and are found to be evasive to discharge their liability. In large number of cases, the Insurance Companies make the effected people to fight for getting their genuine claims. The Insurance Companies in such cases rely upon clauses of the agreements, which a person is generally made to sign on dotted lines at the time of obtaining policy. This is, thus, pressed into service to either repudiate the claim or to reject the same. The Insurance Companies normally build their case on such clauses of the policy, but would adopt methods which would not be governed by the strict conditions contained in the policy. It would be seen that in the present case also, some sort of investigations were got conducted from a medical officer to know the causes of diseases which would not be covered by any condition of the policy, which the parties had agreed to at the time of obtaining the policy. Even investigations by private detectors are seen to have been ordered in cases of theft of vehicles etc. AH these tactics on the part of the Insurance Companies are only aimed at somehow finding way and means to decline the claims. This leads to an unwarranted and uncalled harassment of those persons, who either have lost their bread earner or some young persons, whose lives etc. are insured with the Insurance Companies. This situation must change. There is a need to put a system in place, to ensure that all clauses of the insurance policy are specifically brought to the notice of the persons concerned and they are apprised of all these conditions before they are made to agree to accept such insurance policies. In fact, all these conditions, which generally are hidden, need to be simplified so that these are easily understood by a person at the time of buying any policy. These activities on the part of Insurance Companies, which are money rich, must be checked. Except from expressing anguish at the attitude adopted by the Insurance Companies, nothing else perhaps can be done for the time being.

7. The revision petition is accordingly dismissed. The courts should not be averse in putting some cost on the Insurance Companies for filing such like petitions, so that the courts'' time is not wasted in dealing with such luxury litigation by cash rich Insurance Company. Let us make a beginning in this regard. Insurance Company must pay a sum of Rs. 5,000/- as costs, which it should deposit in the account of Legal Services Authority, Haryana.

 