(2006) 11 NCDRC CK 0011

In the National Consumer Disputes Redressal Commission

P.M. SYSTEMS AND FINANCIAL SERVICES (P) LTD. — APPELLANT

Vs

NARAYAN CH. MITRA — RESPONDENT

Date of Decision : 30-11-2006

Acts Referred:

Citation : 2007 4 CPJ 407

Hon'ble Judges : S.N.Basu , A.K.Ray J.

Final Decision : Appeal allowed

Judgement

1. THIS is an appeal directed against the judgment and orders passed by the learned District Forum CDF-1 in case No. 118 of 2004 passed on 7.3.2006 directing the appellant and respondents to make payment in respect of the mediclaim bills filed by the complainants together with compensation of Rs. 2,000. The facts of the case in brief are that the respondents/complainants had taken mediclaim policy with the respondent Nos. 7 and 8 for different Insurance Coverage. The complainants had been hospitalized for various ailments and on being released from the hospitals they had filed claim with the respondent Insurance Company for reimbursement of their medical bills. However, respondent Insurance Company had repudiated the claims on various grounds primarily on the ground of pre-existing disease. The respondent/ complainants were covered under group mediclaim policy and their proposals were routed through the appellant Company who acted as an agent of the respondent Insurance Company. The appellant Company as per agreement with the respondent Insurance Company had collected the mediclaim proposals and forwarded the same to the respondent Insurance Company along with the premium amount for inclusion under the group insurance policy, and had also forwarded their reimbursement proposals to the respondent Insurance Company as and when received.

2. THE appellant in their memo of appeal contended that as per the MOU entered between the appellant Company and the respondent Insurance Company it was agreed that the appellant Company would collect proposal for mediclaim policy

from the intending persons for covering under the group mediclaim policy. THEy were authorized to distribute necessary forms, receive the filled-in forms and send the proposals in respect of individual beneficiaries who applied for coverage under the group mediclaim policy. THEy were also authorized to collect premiums and remit the same to the insurer and also to forward correspondences and claims received from the beneficiaries to the insurer under the group mediclaim policy. THE 6 beneficiaries as named in the complaint had taken mediclaim coverage through the appellant under the group mediclaim policy. THEy were admitted to hospitals/nursing home from time-to-time for various ailments and had filed claims duly supported by necessary documents for reimbursement of the claims to the respondent Insurance Company. However, the respondent Insurance Company repudiated such claims on one ground or the other. Being aggrieved by such repudiation on the part of the respondent Insurance Company the complainants filed the complaint before the learned Forum CDF-1. THE appellant further contended that they had no role to play in the matter of allowing the claims as they acted merely as an agent of the respondent Insurance Company. THEy contended that the learned Forum in their order dated 7.3.2006 directed them to make payment along with the respondent Insurance Company for deficiency in service in terms of Section 2(1)(g) of the C.P Act. THEy have, therefore, come up with the prayer that since they have no power to sanction such claim and they acted merely as an agent of the respondent Insurance Company they are in no way responsible for any failure as the part of the respondent insurer. THE said order would prejudice their interest and they, accordingly, prayed for setting aside the order. The learned Forum in their judgment dated 7.3.2006 observed that the complainants had paid the premiums in respect of their respective mediclaim policies and they had incurred their hospitalization costs during currency of such policies. Therefore, the repudiation on the part of the respondent Company in respect of the small amount of claim without assigning proper reason and adducing reasonable evidence was not acceptable to the learned Forum. It is evident that the respondent Nos. 1 to 6 had taken their mediclaim coverage varying between 30,000 and 50,000 and the total amount of claim of all this respondents came to Rs. 73,054. The learned Forum observed that though the claim in respect of each individual complainant was very small compared to the coverage obtained under the mediclaim, the said claims had been rejected by the Insurance Company rather arbitrarily. The learned Forum also held that it was also the responsibility of the appellant to see that this claims were through. The learned Forum passed an order directing the OPs including the appellant to pay the total amount of Rs. 73,054 in respect of the 6 complainants jointly and severally and also to pay compensation of Rs. 2,000 to each of the complainants for causing harassment and mental agony.

We have perused the memo of appeal, the impugned judgment of the learned Forum and the written objections filed by the respondents. We find that the direction for payment of a total amount of Rs. 73,054 to the 6 complainants is a reasoned order and does not call for any intervention by us excepting that the

order so far as it relates to direction issued on the appellant, needs to be modified as the appellant Company only acted as an agent of the respondent Insurance Company and they had nothing to do with the payment of claim. The complainants also did not file any documentary evidence before the learned Forum to prove that there had been a palpable negligence on the part of the appellant as a result of which the claims were repudiated. It is, accordingly, directed that the orders of the learned Forum dated 7.3.2006 be affirmed subject to the modification that the appellant shall not be required to make any payment towards the claim or compensation. It is further ordered that the entire awarded amounts, claims, compensation and interest shall be paid by the respondent Insurance Company to the respondent Nos. 1 to 6 as per their individual claims submitted by them. The appeal be allowed +on contest against respondent Nos. 1 to 6 and ex parte against respondent Nos. 7 and 8 without cost. Appeal allowed.

