(1999) 05 NCDRC CK 0009

In the National Consumer Disputes Redressal Commission

Case No : 558 of 1997

UNITED INDIA INSURANCE COMPANY LIMITED — APPELLANT

Vs

GURDEEP SINGH OBEROI — RESPONDENT

Date of Decision : 18-05-1999

Acts Referred:

Citation : 1999 0 CTJ 405 : 1999 0 NCDRC 11 : 1999 2 CLT 431 : 1999 2 CPC 123 : 1999 2 CPJ 48 : 1999 2 CPR 9

Hon'ble Judges : C.L.CHAUDHRY , J.K.MEHRA , R.THAMARAJAKSHI , S.P.BAGLA J.

Judgement

1. REVISION Petition No. 558 of 1997 has been filed by the United India Insurance Company Limited, against the order dated 23.10.1996 passed by the Haryana State Consumer Disputes Redressal Commission, Chandigarh wherein the Commission upheld the order of the District Forum directing the Insurance Company to compensate the insured by immediately reimbursing him for the expenses incurred on treatment failing which the complainant was entitled also to recover interest at the rate of 18% p.a. on the amount of expenditure.

2. FACTS of the case are in a narrow compass and may be briefly noted. The complainant Mr. Gurdeep Singh Oberoi (respondent before us) had taken a mediclaim policy from the United India Insurance Company (revision petitioner) for the period 22.4.1992 to 21.4.1993 and got it renewed for the period 22.4.1993 to 21.4.1994. During the latter period, he was admitted to the Batra Hospital, New Delhi firstly from 19.10.1993 to 22.10.1993 for undergoing Angiography and subsequently readmitted on 8.12.1993 when he underwent by-pass surgery and discharged on 25.12.1993. The Insurance Company rejected his claim for reimbursement of expenses incurred on hospitalisation on the ground that earlier in 1939, the complainant had suffered myocardial infarction and remained admitted in Batra Hospital which fact he had concealed in the proposal form when he first took the policy. However, the District Forum examined the records like discharge summary, operation details and affidavit filed by the complainant and observed that the Insurance Company which was

not present at the time of hearing had failed to place any material on record in support of its assertion that the disease was preexisting. On the basis of the records maintained by the hospital Authorities including history and duration of disease, the District Forum concluded that the complainant was not suffering from any such disease at the time of securing the policy and held that there was deficiency of service on the part of the Insurance Company in repudiating the claim. The District Forum directed the Insurance Company to reimburse the complainant the expenses incurred on treatment within one month of its order failing which the complainant was entitled to recover interest at the rate of 18 per cent per annum on the amount awarded. Aggrieved by this order, the Insurance Company appealed before the State Commission. The main point taken by the Insurance Company was based on a letter dated January 12, 1994 reportedly written by the Medical Director, Batra Hospital to one Dr. R.S. Verma, a panel Doctor of the Insurance Company who was entrusted with the task of investigation, wherein it was said that G.S. Oberoi was admitted to that hospital for myocardial infarction in the year 1989; the Insurance Company alleged that this was not revealed by the complainant while filling up the proposal form thereby committing an act of concealment.

3. THE State Commission however observed that the appellant-Insurance Company had not substantiated the reason for repudiation either by citing rules or regulations or with the help of some precedent and that merely because the disease was pre-existing at the time of taking out the policy, the claim cannot be repudiated, for that would defeat the whole object of getting the mediclaim policies. The State Commission therefore, confirmed the order of the District Forum.

4. THE present revision petition has been filed by the Insurance Company against the above order of State Commission. We have heard the Counsel for the Insurance Company and the complainant and carefully perused the records. The incident for which claim was preferred by the complainant occurred during the renewed period of the policy i.e. 1993-94. The report of the Investigator of the Insurance Company does not seem to have been before the District Forum as seen from their observation that the Company has failed to place any material on record in support of its assertion about pre-existing disease. Surprisingly, the aforesaid letter of January 12, 1994 from the Medical Director of Batra Hospital to the investigating Doctor on which the Insurance Company is relying for its allegation that the disease was pre-existing is seen to have been written by the former with reference to a letter from the letter dated 19.11.1993 i.e. a date prior to the period of claim for hospitalisation which extended upto 25.12.1993. Although, the Insurance Company wrote to the Medical Superintendent of the hospital to confirm their report of January 12, 1994, it could not place before us any reply of the hospital thereto. Further, a perusal of the proposal form at Annexure-G shows that it was almost blank insofar as out of 16 items to be filled up, only six items pertaining to name, address, sex, relationship with the proposer (Items 1 to 4) and the scheme and table of benefits opted (Items 15

and 16) are seen to have been filled up; yet the Insurance Company accepted the proposal form without verification and issued the policy.

5. IN the context of an almost blank proposal farm accepted by the Insurance Company, conclusion of concealment of fact cannot be drawn. Also repudiation of the mediclaim based on a post-insurance investigation pointing to an unsubstantiated allegation of hospitalisation of the complainant 4 years prior to the period of claim does not stand to reason. We, therefore, uphold the concurrent orders of the State Commission and the District Forum. The Revision Petition is dismissed. No costs.

