DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION

CHANDIGARH DISTRICT COMMISSION

CONSUMER COMPLAINT NO. DC/AB1/44/CC/236/2021

Dilpreet Singh Gandhi .....Complainant(s)

PRESENT ADDRESS – s/o Surinder Singh r/o Flat No. 1105, Progressive So

Versus

The Chairman, Max Bupa Health Insurance Co. Ltd. .....Opposite Party(s)

PRESENT ADDRESS – B–1/I–2, Mohan Co–operative Industrial Estate, Mat

The Divisional Manager

PRESENT ADDRESS – Max Bupa Health Insurance Co. Ltd.CHANDIGARH, CHAN

Cloudnine

PRESENT ADDRESS – Kids Clinic India Pvt. Ltd.CHANDIGARH, CHANDIGARH.

BEFORE:

AMRINDER SINGH SIDHU , PRESIDENT

HON'BLE MR. B.M.SHARMA , MEMBER

FOR THE COMPLAINANT: Dilpreet Singh Gandhi, Arveen Sekhon adv (Advocate)

FOR THE OPPOSITE PARTY: The Chairman, Max Bupa Health Insurance Co. Ltd.

DATED: 29/01/2026

ORDER

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION–II

U.T. CHANDIGARH

Consumer Complaint No.	:	CC/236/2021
Date of Institution	:	07/04/2021
Date of Decision	:	29/01/2026

Dilpreet Singh Gandhi, aged 34 years s/o Surinder Singh r/o Flat No.1105, Progressive Society, Sector 50, Chandigarh.

... Complainant

V E R S U S

1. The Chairman, Max Bupa Health Insurance Company Limited, B-1/I-2, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi.

2. The Divisional Manager, Max Bupa Health Insurance Company Limited

3. Cloudnine Kids Clinic India Pvt. Ltd., 48, Phase-2, Industrial Area, Phase I, Chandigarh 160002.

.... Opposite Parties

BEFORE:	SHRI AMRINDER SINGH SIDHU	PRESIDENT
	SHRI B.M. SHARMA	MEMBER

ARGUED BY: Sh.Dilpreet Singh Thind, Advocate Proxy for Sh.Anand Kaushal, Counsel for complainant

Sh.Gaurav Bhardwaj, Counsel for OPs 1 & 2 *(through VC)*

OP–3 ex–parte

ORDER BY AMRINDER SINGH SIDHU, M.A.(Eng.),LLM,PRESIDENT

1. Complainant has filed the present consumer complaint pleading that in order to secure himself and his wife, he obtained an insurance policy (Annexure C–1) from the OPs, which was valid w.e.f. 21.12.2018 to 20.12.2019, which also covered maternity benefits.

On 9.6.2019, complainant's wife was admitted in Cloud Nine Kids Hospital, Chandigarh and was blessed with a daughter on 10.6.2019 without any complications through natural delivery and she was discharged on 11.6.2019. Complainant incurred total expenditure of ₹70,336/– on the hospitalization of his wife and he raised claim with the OPs for reimbursement of the said expenses under the terms & conditions of the insurance policy and he was assured that the same would be cleared soon. However, even after lapse of more than one year, and service of legal notice (Annexure C–4), OPs did not reimburse the claim. Alleging the aforesaid acts amount to deficiency in service and unfair trade practice on the part of OPs, complainant has filed the instant consumer complaint seeking reimbursement of the claim amount of ₹35,000/– alongwith interest, compensation and litigation expenses.

2. In their written version, OPs 1 & 2 took a number of preliminary objections including maintainability and suppression of material facts etc. However, it is admitted that the policy in question was issued on the basis of information provided by the proposer in which the complainant and his wife were insured. It is further admitted that claim for

₹76,000/- was received for the maternity related treatment of the complainant's wife from the treating hospital. After scrutiny of the medical record and preliminary investigations, claim was not processed as complainant had failed to provide the relevant documents as per the repudiation letter dated 3.3.2020 (Annexure R-5). Instead of submitting the requisite documents, complainant sent a legal notice dated 24.2.2020, which was duly replied vide letter dated 4.3.2020 (Annexure R-6). Remaining allegations have been denied being false. Pleading that there is no deficiency in service or unfair trade practice on their part, OPs prayed for dismissal of the consumer complaint.

3. Despite due service, OP-3 did not put in appearance before this Commission and accordingly it was proceeded against ex-parte vide order dated 3.3.2022.

4. Contesting parties led evidence in support of their case.

5. We have heard the learned Counsel for the contesting parties and have gone through the documents on record, including written arguments.

6. Admittedly, complainant and his wife were insured by OPs 1 & 2/insurer vide insurance policy for the period from 21.12.2018 to 20.12.2019 and they were insured with OPs since 21.12.2015, as is also evident from the insurance policy (Annexure C-1). It is further admitted case of the parties that the complainant's wife i.e. the insured patient remained admitted at the Cloudnine Hospital, Chandigarh from 9.6.2019 to 11.6.2019 and the complainant lodged claim of ₹76,000/- with regard to her hospitalization i.e. delivery at the said hospital.

7. In this regard, the case of OPs 1 & 2/insurer is that the claim lodged by the complainant was disallowed/ rejected/repudiated by them vide letter dated 3.3.2020 for incomplete history of thalassemia minor and

its duration. The operative part of the aforesaid letter is reproduced below for ready reference :–

> *"As per received documents, some requirement is incomplete like history of thalassemia minor & duration (since when patient is suffering from disease and its complaint), with certified by doctor only, hence claim rejected under clause 9.3 as per policy terms and conditions.*
>
> *Case may be reviewed further after receiving required documents/information."*

In such circumstances, we now proceed to examine if OPs 1 & 2/insurer were unjustified in denying/repudiating the claim of the complainant on the said ground and the present consumer complaint deserves to succeed or if they had rightly denied/repudiated the claim.

8. Perusal of the discharge summary (Annexure R–4) reveals that the insured patient was admitted in the aforesaid hospital for delivery and the relevant portion of the same is reproduced below for ready reference:–

> *"Admission purpose : Normal Delivery.*
>
> *xxx xxx xxx*
>
> *MEDICAL HISTORY : Thalassemia minor*
>
> *xxx xxx xxx*
>
> *COURSE IN HOSPITAL : Patient delivery normally. No intrapartum and postpartum hemorrhage. 1 unit PRBC transfusion done."*

As such, when it is manifest that the insured patient was admitted in the hospital for the purpose of delivery and she actually delivered a female

baby normally, even if she had the alleged medical history of 'Thalassemia minor', same has absolutely no connection with the purpose of her admission i.e. 'normal delivery' and the same does not amount to suppression of material facts.

9. Needless to mention here that on the question of suppression of material facts/concealment of pre–existing disease, the Hon'ble Punjab and Haryana High Court in the case of ***Aviva Life Insurance Company India Limited Vs. Sarita Tripathi & Anr., CWP No.14892 of 2015*** decided on 17.10.2022 held as under :–

> *"30. If the Insurance Company chose not to subject the insured to medical examination before issuing the policy, it ought not rescind the claim as it had options not to rely on such declaration and to satisfy itself about the medical and health conditions. Having exercised its commercial prudence, it should not be permitted to escape its liability. Once it chose to not subject the proposer to medical examination, it can be safely assumed that such information was not grossly material to its decision or that the cost of medical examination to ascertain the health condition was not worth the risk to be covered.*
>
> *37. Taking into consideration the circumstances referred to above as well as the alleged suppression of material facts and the undisputed factual aspect that the cause of death was neither directly nor indirectly related to any health issues, ailment, sickness or disease and was altogether an independent, unrelated risk i.e. the motor vehicular accident, this Court is of the opinion that the*

fact of suppression of coronary angiography would have been a material information in case the cause of death was directly or indirectly linked to health. However, since the cause of death has no proximity to health, the said information would only be a relevant information. The insurance policies intend to provide respite to the family upon occurrence of an unfortunate event, the interpretation to be adopted should advance the object of law. The legislative intent of information to be "material" cannot be completely ignored and to deprive an insured of all benefits treating all information to be material."

10. Further, the Hon'ble National Commission in case titled as ***Neelam Chopra Vs. Life Insurance Corporation of India & Ors., IV (2018) CPJ 321 (NC)***, has held as under :–

12. In the present case, clearly the cause of death is cardio respiratory arrest and this disease was not existing when the proposal form was filled. Clearly, there is no suppression of material information in respect of this disease, which is the main cause of death. The other disease of LL Hansen, which was prevailing for five weeks on the date of admission on 1.8.2003 was also not existing when the proposal was filed by the DLA. The fact of DLA having been treated in the year 2002 for LL Hansen is not supported from any direct evidence though PGI Chandigarh in its certificate has mentioned that disease was treated in 2002. Moreover, this disease does not have any correlation with the cause of death in the present case. Hon'ble Supreme Court in Sulbha Prakash

Motegaonkar and Ors. v. Life Insurance Corporation of India, Civil Appeal No.8245 of 2015, decided on 5.10.2015 (SC) has held the following:

> *"We have heard learned Counsel for the parties.*
>
> *It is not the case of the Insurance Company that the ailment that the deceased was suffering from was a life threatening disease which could or did cause the death of the insured. In fact, the clear case is that the deceased died due to ischaemic heart disease and also because of myocardial infarction. The concealment of lumbar spondylitis with PID with sciatica persuaded the respondent not to grant the insurance claim.*
>
> *We are of the opinion that National Commission was in error in denying to the appellants the insurance claim and accepting the repudiation of the claim by the respondent. The death of the insured due to ischaemic heart disease and myocardial infarction had nothing to do with this lumbar spondylitis with PID with sciatica. In our considered opinion, since the alleged concealment was not of such a nature as would disentitle the deceased from getting his life insured, the repudiation of the claim was incorrect and not justified."*

11. It is apposite to mention here that the purpose of obtaining insurance policy is not for any luxury but to cover up for some unforeseen eventuality. However, it is usual with the insurance companies to show all

types of green pastures to the customer at the time of selling insurance policies, and when it comes to payment of the insurance claim, they invent all sorts of excuses to deny the claim. In the facts of this case, ratio of the decision of Hon'ble Apex Court in case of ***Dharmendra Goel Vs. Oriental Insurance Co. Ltd., III (2008) CPJ 63 (SC)*** is fully attracted, wherein it was held that, Insurance Company being in a dominant position, often acts in an unreasonable manner and after having accepted the value of a particular insured goods, disowns that very figure on one pretext or the other, when they are called upon to pay compensation. This 'take it or leave it', attitude is clearly unwarranted not only as being bad in law, but ethically indefensible. It is generally seen that the insurance companies are only interested in earning premiums and find ways and means to decline claims.

12. In similar set of facts, Hon'ble Punjab & Haryana High Court, Chandigarh in case titled as ***New India Assurance Company Limited Vs. Smt.Usha Yadav & Others, 2008(3) RCR (Civil) Page 111*** went on to hold as under:–

> *"It seems that the insurance companies are only interested in earning the premiums and find ways and means to decline claims. All 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. The Insurance Companies in such cases rely upon clauses of the agreement, which a person is generally made to sign on dotted lines at the time of obtaining policy. Insurance Company also directed to pay costs of Rs.5000/– for luxury litigation, being rich.*

13. In view of the foregoing discussion and the ratio of law laid down above, it is safe to hold that the act of OPs 1 & 2 in asking for the

history of thalassemia minor and its duration of the insured patient from the complainant and thereafter denying the claim on the said ground when admittedly the insured patient was hospitalized for the purpose of delivery only, is not only wrong and arbitrary but the same also amounts to deficiency in service on their part and the present consumer complaint deserves to succeed. However, since the complainant in the prayer clause of his consumer complaint has prayed for the claim of ₹35,000/– only, and even as per the benefit table attached with the terms & conditions of the policy, maternity benefit (covered for upto 2 pregnancies or terminations) was covered upto ₹35,000/– per policy year, therefore, OPs 1 & 2 are held liable to reimburse the said amount to the complainant alongwith interest and compensation etc.

14. Resultantly, present consumer complaint succeeds and the same is hereby partly allowed. OPs 1 & 2 are directed as under :–

(i) to pay the claim amount of ₹35,000/– to the complainant alongwith interest @ 9% per annum w.e.f. 3.3.2020 till the date of its actual realization.

(ii) to also pay ₹20,000/– to the complainant as compensation for the harassment caused as well as litigation expenses.

15. This order be complied with by the OPs 1 & 2 within 60 days from the date of receipt of its certified copy.

16. Since no deficiency in service or unfair trade practice has been proved against OP–3, therefore, the consumer complaint against it stands dismissed with no order as to costs.

17. The pending application(s), if any, stands disposed of accordingly.

18. Certified copy of this order be sent to the parties, as per rules. After compliance file be consigned to record room.

29/01/2026 [AMRINDER SINGH SIDHU]

hg PRESIDENT

[B.M. SHARMA]

MEMBER

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AMRINDER SINGH SIDHU

PRESIDENT

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B.M.SHARMA

MEMBER