NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
NEW DELHI

REVISION PETITION NO. 2352 OF 2023

(Against the Order dated 09/06/2023 in Appeal No. A/81/2023 of the State Commission Chandigarh)

1. UNITED INDIA INSURANCE COMPNAY LTD
SCO 123-124, SECTOR 17B, CHANDIGARH
NEW DELHI
DELHI
2. UNITED INDIA INSURANCE CO. LTD
R.O.-I, 8TH FLOOR, KANCHENJUNGA BLDG, 18, BARAKHAMBA ROAD, NEW DELHI-11000
NEW DELHI
DELHI ....Petitioner(s)

Versus

1. SUKH LAL SONI
H. NO. 501, SECTOR-32A, CHANDIGARH - 160030. ....Respondent(s)

BEFORE:

HON'BLE AVM J. RAJENDRA, AVSM VSM (Retd.),PRESIDING MEMBER

FOR THE PETITIONER : FOR PETITIONER : MR.ANSHUL KUMAR, ADVOCATE

FOR THE RESPONDENT : FOR RESPONDENT : MR.SUKH LAL SONI, IN PERSON THROUGH VC

Dated : 07 May 2024

ORDER

1. This Revision Petition No. 2352 of 2023 challenges the impugned order of State Consumer Disputes Redressal Commission, UT Chandigarh (‘the State Commission’) dated 09.06.2023. Vide this order, the State Commission dismissed Appeal No.81 of 2023 and affirmed the District Consumer Disputes Redressal Commission-I, U.T. Chandigarh (‘the District Commission’) order dated 08.02.2023.

2. Brief facts of the case, as per the Complainant, are that he and his wife purchased a medical policy from the Petitioner/Opposite Party (OP) under the Synd Arogya Scheme with Syndicate Bank 10 years ago. The policy coverage was to be until the age of 80, as per the brochure. However, when the policy was due for renewal on 18.7.2020, the OP did not renew it on its original terms and conditions. Instead, they quoted a much higher premium, claiming that the scheme was no longer prevalent due to the merger of Syndicate Bank with Canara Bank. Further, the Complainant averred that the policy was originally in the name of Adarsh Soni but was renewed in the Complainant's name, who is older, possibly to charge a higher

premium, which was not the earlier practice. Being aggrieved, the Complainant filed a Consumer Complaint before the District Forum.

3. In its Reply filed before the District Commission, the OP/ Petitioner stated that the policy held by the Complainant was under Synd Arogya scheme which is a tailor-made policy specifically designed under a Group Health Insurance Scheme in collaboration with Syndicate Bank. The insurance company had entered into a Memorandum of Understanding (MOU) with Syndicate Bank to provide medical insurance to the bank's staff and clients at agreed rates. The Government's decision to amalgamate Syndicate Bank into Canara Bank, effective from April 1, 2020, led to the termination of the corporate agency agreement between Syndicate Bank and the insurance company. This termination notice was received by the insurer on 21.03.2020. Following the termination of the corporate agency agreement, the insurer was unable to renew the policy of the Complainant at the same premium rates that were applicable during the existence of the agreement with Syndicate Bank. This resulted in the quoting of higher premiums for policy renewal.

4. The learned District Forum vide order dated 08.02.2023, allowed the complaint in part and directed the Petitioner/OP as under:

> ***"8. In view of the above discussion, the present consumer complaint succeeds and the same is accordingly partly allowed. OP is directed as under:-***
>
> ***1) to refund the excess premium amount charged from the complainant for the year 2020-2021 and 2021-2022 and to continue the insurance policy on original/existing terms and conditions.***
>
> ***ii) to pay Rs.20,000/- to the complainant as compensation for causing mental agony and harassment to him;***
>
> ***iii) to pay 7000/- to the complainant as costs of litigation.***
>
> ***9. This order be complied with by the OPs within thirty days from the date of receipt of its certified copy, failing which, they shall make the payment of amounts mentioned at Sr.No.(i)&(ii) above, with interest @ 12% per annum from the date of this order, till realization, apart from compliance of directions at Sr.No.(iii) above."***

5. Being aggrieved by the impugned order, the Petitioner filed an Appeal before the State Commission. The learned State Commission, vide order dated 09.06.2023 dismissed the Appeal and observed as follows:

"12. We have heard the rival contentions of the parties and have scanned the entire material available on record.

13. The first question which needs to be decided is, as to whether, the appellant has been able to prove that the policy in question was issued in favour of the respondent/ complainant on subsidized rates or not? It may be stated here that not even a single document has been placed on record by the appellant to convince this Commission that the policy in question was issued on subsidized rates for the employees of the Syndicate Bank, which later on merged with Canara Bank. Even in the brochure Annexure A-1 (on paper book of the District Commission), we did not find anything mentioned with regard to subsidized rates of the policy in question. Whereas, on the other hand, it is found mentioned therein that the premium is attractive because of heavy Group Discount. In our considered opinion once such a discount has been given by the appellant at the initial stage in order to sell its insurance product to the group of employees of Syndicate Bank including the respondent, later on the appellant cannot wriggle out of the same, by terming it as subsidy. As such, plea taken by the counsel for the appellant in this regard stands rejected.

14. Even otherwise, as per para No. 1 of the IRDA circular No. IRDAI/HLT/REG/CIR/049/03/2021 dated 16.3.2021 placed on record before the District Commission by the complainant alongwith rejoinder as Annexure I, clearly reveals that general and health insurers are not allowed to modify the existing benefits, add new benefits in the existing products which leads to imposing an increase in premiums. There is nothing on record to prove, as to on what basis, the appellant had modified/revised the premium rates at such exorbitant rates, thereby violating the provisions of the circular dated 16.03.2021. The District Commission was also right in holding so.

15. Keeping in view the above discussion, we are of the considered view that the impugned order passed by the District Commission, partly allowing the consumer complaint, being based on the correct appreciation of evidence and law on the point, does not suffer from illegality or perversity, warranting interference of this Commission. Resultantly, this appeal stands dismissed with no order as to costs."

6. In his arguments, the learned Counsel for Petitioner reiterated the grounds stated in the Revision Petition and asserted that an IRDA circular dated 16.03.2021 stipulating that insurers are not permitted to modify existing benefits or introduce new benefits in existing products that would result in an increase in premium. Following the migration or merger of Syndicate Bank into Canara Bank, a new policy titled FAMILY MEDICARE POLICY, 2014 was issued by the Petitioner with revised terms and benefits. This new policy was effective from 10.07.2020 to 18.07.2021 and the premium applied was as per the terms of this new policy. The termination of the corporate agency agreement between Syndicate Bank and the petitioner, as notified on 21.03.2020 was highlighted as a key factor influencing the policy renewal and premium adjustment. He further averred that the Petitioner provided a portability option to the Respondent, indicating that a fresh proposal form needed to be filled, and the premium would be charged based on tariff and age considerations approved by the insurer. He further submitted that the premium charged under the previous policy (SYND AROGYA) was based on subsidized rates agreed with Syndicate Bank for its employees and customers, whereas the new FAMILY MEDICARE POLICY 2014 was priced based on market rates approved by IRDA. The renewal of the policy in the name of Shri Sukh Lal Soni instead of Smt. Adarsh Soni was justified based on the proposal form filled by Shri Sukh Lal Soni identifying himself as the primary insured and indicated Smt. Adarsh Soni as a dependent. He sought dismissal of the impugned orders passed by the Fora below and allow the present Revision Petition. He has relied upon ***Gopal Krishnan Sood & Anr. Vs. The Oriental Insurance Company Ltd. & Ors. in W.P.(C) 2420/2022 & CM Appl. 6938/2022, decided by Hon'ble Delhi High Court on 09.03.2022***.

7. On the other hand, the Respondent/Complainant appearing in person argued in support of the concurrent findings of the impugned orders of the learned District Forum and the State Commission. He sought to dismiss the present Revision Petition with costs.

8. I have examined the pleadings and associated documents, including the orders of the District Forum and State Commission and rendered thoughtful consideration to the arguments advanced by the learned Counsel for Petitioner and the Respondent in person.

9. The learned District Forum issued a well-reasoned order based on evidence and arguments advanced before it. The learned State Commission, after due consideration of the pleadings and arguments, determined that no intervention is warranted on the District Forum's order. Also in the present case, no ground is made out for interference in the impugned orders passed by the Fora below.

10. It is a well settled position in law that the scope for Revision under Section 21(b) of the Consumer Protection Act, 1986 and now under Section 58(1)(b) of the Act, 2019 confers very limited scope and jurisdiction on this Commission. In the present case, there are concurrent reasoned findings of the facts and the revisional jurisdiction of this Commission is limited. After due consideration of the entire material, I do not find any

illegality, material irregularity or jurisdictional error in the impugned Order passed by the learned State Commission warranting our interference in revisional jurisdiction under the Act. I place reliance on the decision of Hon'ble Supreme Court in the case of ***'Rubi (Chandra) Dutta Vs. M/s United India Insurance Co. Ltd., (2011) 11 SCC 269***.

11. In addition, Hon'ble Supreme Court in ***'Sunil Kumar Maity vs. SBI & Anr.*** **Civil Appeal No. 432 OF 2022 Order dated 21.01.2022** observed as follows:-

> *"9. It is needless to say that the revisional jurisdiction of the National Commission under Section 21(b) of the said Act is extremely limited. It should be exercised only in case as contemplated within the parameters specified in the said provision, namely when it appears to the National Commission that the State Commission had exercised a jurisdiction not vested in it by law, or had failed to exercise jurisdiction so vested, or had acted in the exercise of its jurisdiction illegally or with material irregularity. In the instant case, the National Commission itself had exceeded its revisional jurisdiction by calling for the report from the respondent-bank and solely relying upon such report, had come to the conclusion that the two fora below had erred in not undertaking the requisite in-depth appraisal of the case that was required. ....."*

12. Similarly, the Hon'ble Supreme Court in **Rajiv Shukla Vs. Gold Rush Sales and Services Ltd. (2022) 9 SCC 31** has held that:-

> *As per **Section 21(b)** the National Commission shall have jurisdiction to call for the records and pass appropriate orders in any consumer dispute which is pending before or has been decided by any State Commission where it appears to the National Commission that such State Commission has exercised its jurisdiction not vested in it by law, or has failed to exercise a jurisdiction so vested, or has acted in the exercise of its jurisdiction illegally or with material irregularity. Thus, the powers of the National Commission are very limited. Only in a case where it is found that the State Commission has exercised its jurisdiction not vested in it by law, or has failed to exercise the jurisdiction so vested illegally or with material irregularity, the National Commission would be justified in exercising the revisional jurisdiction. In exercising of revisional jurisdiction the National Commission has no jurisdiction to interfere with the concurrent findings recorded by the District Forum and the State Commission which are on appreciation of evidence on record.*

13. Based on the deliberations above, I do not find any merit in the present Revision Petition and the same is, therefore, **Dismissed**.

14. Keeping in view the facts and circumstances of the present case, there shall be no order as to costs.

15. All pending Applications, if any, also stand disposed of accordingly.

....

AVM J. RAJENDRA, AVSM VSM (Retd.)
PRESIDING MEMBER