IN THE HIGH COURT OF PUNJAB AND HARYANAAT CHANDIGARH

Civil Writ Petition No. 12478 of 2021

Date of Decision: July 13 , 2021.

Star Health and Allied Insurance Company Limited ...... PETITIONER (s)

Versus

Permanent Lok Adalat (Public Utility Services) and another

...... RESPONDENT (s)

CORAM:- HON'BLE MRS.JUSTICE LISA GILL

Present: Mr. Ravinder Arora, Advocate and
Mr. Neeraj Khanna, Advocate
for the petitioner.

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1. Whether reporters of local papers may be allowed to see the judgment?
2. To be referred to the reporters or not?
3. Whether the judgment should be reported in the digest?

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<u>LISA GILL, J.</u>

This matter is being taken up for hearing through video conferencing due to outbreak of the pandemic, COVID-19.

Petitioner – Star Health and Allied Insurance Company Limited has filed this writ petition for quashing of impugned award dated 24.03.2021 (Annexure P1) passed by the learned Permanent Lok Adalat (PUS), Kurukshetra whereby the petitioner-Insurance company has been directed to pay the requisite amount from ₹6,75,000/- to applicant/respondent No.2 on account of Medi-claim Policy with interest at the rate 6 per cent.

Brief facts necessary for adjudication of the matter are that, an application under Section 22-C of the Public Utility Services and Legal Services Authorities Act, 1987 was filed by the applicant/respondent No.2 claiming that he had purchased a Medi-claim/family health policy, namely, 'Family Health Optima Insurance Plan' on 07.09.2015 from the petitioner-Insurance company seeking health cover of his family which consisted of the applicant, his wife-Narinder Kaur and son, Satinder Pal Singh, which enured from 07.09.2015 to 06.09.2016. Applicant/respondent No.2 thereafter sought renewal thereof. He paid the requisite premium and policy was renewed on 07.09.2016 till 06.09.2017 (midnight). Due to some unavoidable circumstances, a delay of 30 days occurred in getting the policy renewed again after 06.09.2017. However, requisite premium was paid and the policy yet again renewed from 07.09.2017 to 06.09.2018 for sum assured of ₹5,00,000/- in addition to No Claim Bonus of ₹1,75,000/- for the last two years combined. No claim was raised by the applicant from 07.09.2016 to 07.09.2017.

Applicant's wife however fell unwell on 04.10.2017 and she was advised to have some tests conducted. Samples for the blood test were given on 07.10.2017. As per the report received on 11.10.2017, the applicant's wife was diagnosed with CA Cervix. She was admitted at Mohandai Oswal Cancer Treatment and Research Foundation on 16.10.2017. Applicant immediately informed the petitioner-Insurance company about his wife's admission. Mediclaim bill of ₹1,00,000/- was raised by the hospital and was claimed from the petitioner on 16.10.2017. Same was however repudiated by the petitioner-Insurance company on 17.10.2017 with the following remarks:-

> “patient was diagnosed with CA Cervix and patient had first consultation done on 04.10.2017 which falls in the break period

> and is not disclosed in the good health declaration provided by the insured at the time of renewal so this policy is not payable for a period of 48 months."

The claim was contested by the present petitioner before the Permanent Lok Adalat (PUS). Learned PLA vide impugned order dated 24.03.2021 held repudiation of claim by the petitioner-Insurance company to be uncalled for and unjustified and directed the petitioner to pay the requisite amount to the applicant. Aggrieved therefrom, this writ petition has been filed.

Learned counsel for the petitioner vehemently argue that as per the terms and conditions of the policy, in case there is any misrepresentation by the insured, the petitioner is well within its rights to repudiate the claim. In the present case, the applicant's wife, it is contended, had felt some medical problem and on 07.10.2017 samples for blood tests were given and it is on 07.10.2017 itself that the policy was renewed with the declaration that persons to be insured had not suffered or contracted any disease during the break period i.e., the period between the date of expiry of the previous policy and date of payment of premium for renewal of the policy. In this view of the matter, it is vehemently argued that learned PLA has grossly erred in passing the impugned order dated 24.03.2021.

Heard learned counsel for the petitioner and have gone through the file with their assistance.

Learned counsel for the petitioner are unable to deny that the policy/mediclaim, in question, was initially taken by the applicant on 07.09.2015. This policy was admittedly renewed from 07.09.2016 to

06.09.2017. Thereafter renewal was from 07.10.2017 to 06.10.2018. Applicant/respondent No.1's wife was advised certain blood tests on 04.10.2017. A perusal of the medical summary dated 04.10.2017 attached with this writ petition as Annexure P5, reveals that applicant's wife was discharged in healthy condition on 07.10.2017. Results of the blood tests conducted on 07.10.2017 were admittedly received after renewal of the policy on 07.10.2017. Factum of applicant's wife suffering from CA Cervix, came to light only after 07.10.2017. Thus, it has been rightly held by the learned PLA that there is no question of concealment of facts by the applicant. Wife of applicant had admittedly been discharged in a healthy condition on 07.10.2017 and it is only on 11.10.2017 that her disease came to light. Thus, it cannot be said that there was any concealment by the applicant on 07.10.2017 at the time of renewal of the policy. Moreover, renewal of the policy from 2015 onwards is a matter of record. As per clause 7 of the policy, grace period up to 120 days from the date of expiry of the policy is available for renewal and if renewal is made within this period, continuity benefits would be available. The clause that any disease/illness contracted or injury sustained during the grace period would be deemed as pre-existing and would be subject to waiting period as existing under clause 3 (iii), is not applicable in the given facts and circumstances as is apparent from the narration of facts as above. The policy was duly renewed on 07.10.2017 and was in currency till 06.10.2018. It is relevant to note that there is no denial of the applicant's wife being diagnosed with CA Cervix on 11.10.2017 after renewal of the policy on 07.10.2017, besides, her discharge in healthy condition on 07.10.2017, though applicant's wife ultimately passed away on 15.08.2018.

Keeping in view the factual matrix of the case, I do not find any illegality, infirmity or irregularity in the impugned award dated 24.03.2021 passed by the learned Permanent Lok Adalat (PUS), Kurukshetra which calls for any interference by this Court at the instance of the present petitioner.

No other argument has been raised.

Writ petition is, consequently, dismissed with no order as to cost.

(LISA GILL)
JUDGE

July 13 , 2021.
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Whether speaking/reasoned: Yes/No
Whether reportable: Yes/No