IN THE HIGH COURT OF JUDICATURE AT BOMBAY
CIVIL APPELLATE JURISDICTION

WRIT PETITION NO. 13876 OF 2024

ICICI Lombard General Insurance Company Limited ....*Petitioner*

: Versus :

Insurance Ombudsman, Pune and anr. ....*Respondents*

Ms. Varsha Chavan, *for the Petitioner.*

CORAM : SANDEEP V. MARNE, J.

Dated : 20 March 2025.

P.C. :

1) The petition is filed by the Petitioner-Insurance Company challenging the order dated 20 March 2024 passed by the Insurance Ombudsman, Pune allowing the claim of Respondent No.2 in the sum of Rs.10,00,000/-.

2) It appears that the Insured who has unfortunately passed away on 8 May 2021 had availed loan of Rs.15,84,392/- from Tata Capital Housing Finance Ltd in the year 2016. It appears that Tata Capital Housing Finance Ltd. introduced to him Group Insurance Scheme floated by the Petitioner-Insurance Company under which the Borrower was to be insured for a sum of Rs.10,00,000/- for a period of 5 years from 29 August 2016 to 28 August 2021 on payment of single premium of Rs.78,462/-. The insurance was towards reimbursement of expenditure incurred on medical treatment. It thus appears that a

Group Insurance Scheme was introduced by Tata Capital Housing Finance Ltd. to the borrower with a view to ensure peace of mind to the borrower as also to guarantee repayment of the loan amount in the event of occurrence of any unfortunate incident. True it is that it was not mandatory for the borrower to avail the insurance and he could have always refused to purchase the group insurance policy of the Petitioner-Insurance Company. It appears that on account of representation made by Tata Capital Housing Finance Ltd. he paid hefty insurance premium of Rs.78,462/- under a hope of securing peace of mind for a period of 5 years from 2016 to 2021. The borrower unfortunately passed away on 8 May 2021 due to dengue circulatory shock and multiorgan failure and diabetes mellius.

3) The Petitoner-Insurance Company has repudiated the claim by letter dated 13 September 2021 on the ground that the death was not on account of major illnesses/procedures as defined in the Insurance Policy. Ms. Chavan, the learned counsel appearing for the Petitioner would invite my attention to the covenants of the policy document under which the coverage was only for major medical illnesses and procedures as detailed therein. She would submit that the illness suffered by the insured is not covered by medical illness or procedures detailed in the policy and that therefore the Petitioner has rightly repudiated the claim. Though Ms. Chavan cannot be stated to be entirely wrong in contending that the insurance was offered only for medical treatment in respect of major illness and procedures detailed in the policy, at the same time, one must also consider the nature of transaction involved in the present case. The borrower was possibly lured in accepting the insurance policy on account of arrangement between Tata Capital Housing Finance Ltd. and the Petitioner where a special scheme was introduced by the Petitioner to secure home loan customers of Tata Capital Housing Finance Ltd. Though, it was open to

the insured to not pay the premium and not avail the insurance scheme, what happens in a case like this is that the borrower usually decides to go for the insurance policy under a hope of securing peace of mind during currency of housing loan.

4) Considering the unique facts and circumstances of the present case where the Insured did not suffer from any pre-existing illness and the insurance claim is repudiated on the ground of non-coverage of illness suffered by him in the list of the Policy, I am not inclined to exercise jurisdiction under Article 227 of the Constitution of India. It is however made clear that the present order is being passed in the unique facts and circumstances of the present case and shall not be treated as a precedent in any other case. The Writ Petition is accordingly **rejected.**

NEETA SHAILESH SAWANT

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Date: 2025.03.21 18:05:06 +0530

[SANDEEP V. MARNE, J.]