BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

Dated : 28.07.2025

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THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN
AND
THE HONOURABLE MR.JUSTICE K.RAJASEKAR

W.A(MD) No.2067 of 2024
and
C.M.P.(MD)No.14735 of 2024

The Chief Manager,
United India Insurance Company
Divisional Office VI
5th Floor PIA Rathna Tower,
212 Anna Salai,
Chennai-6. ... Appellant / 3rd Respondent

Vs.

1.S.Parvathy ... 1st Respondent / Petitioner

2.State of Tamil Nadu
Represented by Additional Chief Secretary,
Finance Department,
St.George Fort,
Chennai.

3.The Commissioner of Treasuries
and Accounts,
Integrated Finance Complex,
No.571, Anna Salai,
Nandanam, Chennai-600 035. ... Respondents 2 & 3 / Respondents 1 & 2

PRAYER: Writ Appeal filed under Clause 15 of Letters Patent, praying this Court to set aside the order dated 13.03.2024 made in W.P.(MD)No. 9777 of 2023 on the file of this Court and allow the writ appeal.

For Appellant : Mr.A.Shajahan

For Respondents : Mr.N.Satheeshkumar
Additional Government Pleader
for R2 & R3

: Mr.K.Suresh
for R1

JUDGMENT

(Judgment of the Court was made by **G.R.SWAMINATHAN, J.)**

Heard both sides.

2. S.Parvathy, the writ petitioner / first respondent herein, was working as Health Visitor at Karur Medical College Hospital. Being a frontline worker, she contracted Covid-19. She was admitted in the Kovai Medical College Hospital, Coimbatore on 09.06.2021. She underwent treatment in the said institution till 18.06.2021. She was shifted to the critical care unit on 18.06.2021 and discharged on

02.09.2021. The claim of the writ petitioner is that she had to pay a sum of Rs.34,57,783/-. The private hospital had adjusted a sum of Rs.4,00,000/- towards cashless claim. The writ petitioner sought reimbursement of the balance amount paid by her. The appellant insurance company declined to honour the petitioner's request. To that effect, the communication dated 21.03.2023 was issued. Challenging the same, the writ petitioner filed W.P.(MD)No.9777 of 2023. The learned single Judge disposed of the writ petition in the following terms:-

> “18.Apart from the said premium (collected from the Government Employees through the Government), the Government has created a special Corpus Funds for the Government employees and the Pensioners under G.O.Ms. No.280, Finance (Salaries) Department, Dated 24.06.2020. Therefore, it is clear that the Insurance company had received two premiums.
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> 19.Clause 4(i)(a) of G.O. Ms.No.280 Finance (Salaries) Department Dated 24.06.2020 clearly mentions that the Insurance company has to make payments to Covid positive cases as per package rates for existing procedures covered under New Health Insurance Scheme subject to a ceiling of Rs.4 Lakhs. This is as per G.O. Ms. No.279, Finance (Salaries) Department Dated 24.06.2020. Clause (b) reveals that in addition to the existing package rates, Covid-19 Management Charges have to be paid as per rates specified in the tabular column. For this additional package rates, two separate Corpus funds have been created by the

Government totalling a sum of Rs.7.5 Crore and paid to the Insurance Company. The Government has also undertaken to recoup the said Corpus Funds as and when required. Therefore, it is clear that the Insurance Company cannot rely upon Clause 4(i)(a) alone and contend that any payment is subject to a ceiling of Rs.4 Lakhs. For payment of this Rs.4 Lakhs, they have already received premium from the Government employees under G.O Ms. No.279, Finance (Salaries) Department dated 24.06.2020. On the same day, the Government has issued G.O.Ms.No.280, Finance (Salaries) Department dated 24.06.2020 by paying Government funds to the Insurance Company for reimbursement of the Government servant/pensioners. Therefore, the contention of the Insurance Company that they need not pay anything beyond the ceiling limit of Rs.4 Lakhs is clearly unsustainable having received the additional premium amounts from the Government through two separate corpus funds.

20.The Insurance Company in their impugned order have mentioned that they have paid the entire amount up to the ceiling limit of Rs.4 Lakhs. This benefit of cashless treatment is available to the Government servant even in G.O Ms. No.279, Finance (Salaries) Department dated 24.06.2020. Therefore, it is clear that the benefit under G.O Ms.No.280, Finance (Salaries) Department dated 24.06.2020 have not been conferred upon the writ petitioner. Strangely, in the impugned order, the third respondent Insurance Company have contended that if the basic sum of Rs.4 Lakhs is not exhausted, they will pay in addition to the existing package rates for Covid-19 management charges. When Rs.4 Lakhs ceiling limit is not exhausted as contemplated under G.O Ms.No.279, Finance

(Salaries) Department dated 24.06.2020, the question of invoking G.O Ms. No.280, Finance (Salaries) Department dated 24.06.2020 does not arise. Further, in the impugned order, the Insurance Company has relied upon G.O Ms. No. 160, Finance (Salaries) Department dated 29.06.2021 which is a general Government Order for a further block period of four years commencing from 01.07.2021 to 30.06.2025. Therefore, the reliance upon the said Government order in G.O Ms. No.160, Finance (Salaries) Department dated 29.06.2021 has no application whatsoever for the facts of the present case.

21. A perusal of G.O Ms. No.280, Finance (Salaries) Department dated 24.06.2020 further reveals that ceiling limit has been fixed only with regard to the per day expenses for critical care and non-critical Covid care. If an employee/pensioner is admitted to a hospital for months together, the entire amount has to be reimbursed by the Insurance Company without any ceiling limit subject to per day ceiling limit as mentioned in the tabular column in Clause 4 of the said Government order. Therefore, the contention of the Insurance Company that ceiling limit has been fixed at the rate of Rs.4 Lakhs is only under G.O Ms.No.279, Finance (Salaries) Department dated 24.06.2020 for the existing procedures of Covid positive cases. The said ceiling limit is not applicable to covid-19 management charges as enunciated under clause 4(i)(b) of the said Government order.

22.The Insurance company is trying to confuse not only the Government employees but also the court by contending that there is a ceiling limit of Rs.4 Lakhs for covid positive cases when G.O Ms. No.280, Finance (Salaries) Department dated 24.06.2020 clearly lays down that in addition to the said Rs.4 Lakhs, covid 19 management charges have to be paid by the Insurance company.

23.While rejecting the request of the petitioner for reimbursement of the entire medical expenses, the third respondent has not anywhere mentioned that the petitioner has not furnished the entire medical records.For the first time such a plea has been taken in the counter which is not sustainable in law. In case, if the Insurance company requires any further particulars or medical records, the same could be called for from the writ petitioner and the claim should be expeditiously disposed of.

E. Conclusion:

24.In view of the above said deliberations, this court passes the following orders:

(i)The order impugned in the writ petition is set aside and the matter is remitted back to the file of the third respondent herein.

(ii)The third respondent herein is directed to compute the medical expenses incurred by the petitioner strictly in accordance with Clause 4(i)(b) of G.O Ms. No.280, Finance (Salaries) Department dated 24.06.2020 in the light of the observations made by this Court and disburse the same to the writ petitioner.

(iii)The said exercise shall be completed within the period of twelve weeks from the date of receipt of a copy of this order."

Aggrieved by the same, the insurance company has filed this writ appeal.

3. We have to make it clear at the very outset that the insurance company cannot be fastened with any further liability. To that extent, we interfere with the order of the learned single Judge and allow the writ appeal in favour of the insurance company. However, the claim of the writ petitioner cannot casually be brushed aside. As already mentioned, the writ petitioner was a frontline worker. Her case may have to be considered on special basis. We also notice that G.O.(Ms).No.240, Health and Family Welfare Department, dated 05.6.2020 applicable to the members of the general public coming under the Chief Minister's Comprehensive Health Insurance Scheme does not have any ceiling or cap. G.O.Ms.No.280, dated 24.06.2020 issued by the Finance Department does not contain any cap or ceiling in respect of non-critical Covid Care. It is surprising to note that for the critical care, there was a ceiling of Rs.4,00,000/-. We fail to understand the rationale for the differential treatment in respect of critical and non-critical care. This issue will have to be necessarily looked into by the Government. As a special case, we permit the petitioner herein to file an appeal before the High Level Empowered Committee. The learned counsel for the writ petitioner states that such an appeal will be filed within a period of three

weeks from the date of receipt of a copy of this order. We direct the High Level Empowered Committed to dispose of the appeal within a period of three months thereafter. We specifically mandate the High Level Empowered Committee to issue notice to the institution where the writ petitioner took treatment and decide as to whether there was any exorbitant charging contrary to the rates fixed by the Government. The Government will decide if the amount collected from the petitioner was reasonable and justified. If the Government comes to the conclusion that the writ petitioner was unreasonably mulcted, refund has to be arranged.

4. The Writ Appeal is disposed of. No costs. Consequently, connected miscellaneous petition is closed.

(G.R.S., J.) **(K.R.S., J.)**
28.07.2025

Index : Yes / No
Internet : Yes / No
NCC : Yes / No
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To

1.The Additional Chief Secretary,
Finance Department,
St.George Fort,
Chennai.

2.The Commissioner of Treasuries
and Accounts,
Integrated Finance Complex,
No.571, Anna Salai,
Nandanam, Chennai-600 035.

G.R.SWAMINATHAN, J.

AND
K.RAJASEKAR, J.

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