BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

DATED: 24.01.2025

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THE HON'BLE MR.JUSTICE R.VIJAYAKUMAR

W.P.(MD)No.21123 of 2024

R.Ayemperumal ... Petitioner

Vs

1. The Chief Manager,
Divisional Office - 010600,
United India Insurance Co. Ltd.,
PLA Rathna Tower,
212, Anna Salai,
Chennai - 600 006.

2. The Managing Director,
Tamilnadu Housing Board,
CMDA Complex, E & C Market Road,
Kayambedu,
Chennai - 600 107.

3. The Financial Advisor,
Tamilnadu Housing Board,
CMDA Complex, E & C Market Road,
Kayambedu,
Chennai - 600 107. ...Respondents

PRAYER: Writ Petition is filed under Article 226 of the Constitution of India, to issue a Writ of Certiorarified Mandamus, calling for the records pertaining to the impugned order passed by the 1st respondent dated 03.05.2024 in Ref: 010600/CRS/CRS-148/24/2024 and quash the same and direct the respondents to issue a medical reimbursement as recommended by the 3rd respondent vide his letter dated 06.12.2023 with interest.

For Petitioner	:	Mr.N.Tamilmani
For Respondent No. 1	:	Mr.C.Karthick Standing Counsel
For Respondent Nos 2 & 3	:	Mr.S.Sumesh Standing Counsel

ORDER

The instant Writ Petition has been filed by an employee of the Housing Board, seeking to quash the order passed by the first respondent herein dated 03.05.2024, and to direct the respondents to reimburse the medical expenses as recommended by the third respondent vide his letter dated 06.12.2023.

2. The second respondent has entered into an arrangement with the first respondent insurance company to cover the medical expenses of its employees. Every year, the said agreement is being renewed. The policy was renewed from 05.11.2022 to 04.11.2023. The petitioner was hospitalized on 07.11.2023, and he was discharged from hospital on 09.11.2023. The petitioner has incurred a sum of Rs.38,670/- towards the medical expenses. When he made a claim to the first respondent, the same was rejected under the impugned order dated 03.05.2024 to the effect that the policy had expired on 04.11.2023 itself and therefore, they cannot honour this claim for the period between 07.11.2023 to 09.11.2023. This order is under challenge in the present writ petition.

3. According to the learned Counsel appearing for the writ petitioner, the respondent housing board had issued a cheque for renewing the policy on 03.11.2023 itself. Therefore, the policy had stood automatically renewed from the said date. In such circumstances, the first respondent was not right in rejecting the claim of the writ petitioner citing that the policy had expired.

4. Per contra, the learned Standing Counsel appearing for the first respondent herein had contended that though the cheque is dated 03.11.2023, the cheque was handed over to the officials of the first respondent insurance company only on 19.11.2023. From the said date onwards, the benefits have been extended to all the employees. It is the duty of the second respondent herein to hand over the cheque or pay premium amount prior to the date of expiry. In the present case, previous policy had expired on 04.11.2023, and the hospitalization has taken place after the expiry period and therefore, they are not liable to reimburse the medical expenses of the writ petitioner. Hence, he prayed for sustaining the order passed by the first respondent.

5. The learned Standing Counsel appearing for the second respondent herein had contended that every year when the policy is being renewed, one of the officials from the first respondent company would come and collect the

cheque. Therefore, though the cheque was made ready on 03.11.2023, since the official from the insurance company has not come to collect the cheque, the delay has happened. He further contended that the cheque was collected by the respondent insurance company official only on 09.11.2023, and therefore, there is no fault on their part in renewing the insurance policy. He further contended that the cheque was made ready on 03.11.2023, which is prior to the expiry of the policy. Hence, he contended that the insurance policy should be deemed to have been renewed from 05.11.2023, and the insurance company should be saddled with the liability to pay the claim amount arising towards the reimbursement of the medical expenses of the writ petitioner.

6. I have carefully considered the submissions made on either side and perused the materials available on record.

7. The second respondent housing board has entered into an agreement with the first respondent insurance company to cover the medical expenses of their employees. This agreement is being renewed every year. The last agreement which relates to the disputed period, covers the period between 05.11.2022 to 04.11.2023. These facts are not in dispute.

8. A perusal of the records reveal that the first respondent insurance company has addressed a reminder letter to the second respondent housing board on 01.09.2023, intimating that the policy is about to expire on 04.11.2023, and requested the housing board to make payment towards the premium. The records further reveal that the housing board has made the cheque ready towards the premium on 03.11.2023 and the same has been collected by the officials of the insurance company on 09.11.2023. Now, it is the contention of the Housing Board that it is the usual practice of the insurance company to collect the cheque from the housing board and therefore, they were waiting for the arrival of the official from the insurance company to collect the premium. Such a submission is not legally acceptable.

9. When the housing board has entered into an agreement with the insurance company, it is the duty of the housing board to pay the premium amount before the policy got expired. Especially, in a case where they have already received reminders from the insurance company. Due to the delay on the part of the housing board, the petitioner is not able to raise his claim before the insurance company. It is pertinent to point out that the premium amount is deducted from the salary of the writ petitioner by way of auto debit from his

salary account. In such circumstances, when there is a delay on the part of the employer in remitting the policy amount to the insurance company, the said liability has to be borne by the second respondent employer only.

10. In view of the above said deliberations, this Court is of the considered opinion that the insurance company cannot be saddle with a liability to reimburse the medical expenses, and therefore, this court does not find any illegality or any error in the impugned order in the writ petition dated 03.05.2024. However, when the employer has taken their time, in remitting the premium amount after auto debiting the premium amount from the salary of the writ petitioner, the second respondent alone has to be saddled with the said liability to reimburse the medical expenses.

11. Therefore, this Court directs the petitioner to place all the medical records before the second respondent and the second respondent after going through the said records shall pass orders reimbursing the medical expenses to the writ petitioner. The said exercise shall be completed within a period of twelve weeks from the date of receipt of a copy of this order.

12. With the above said observations, this Writ Petition is disposed of . There shall be no order as to costs.

24.01.2025

NCC : Yes/No
Index : Yes/No
Internet: Yes/No
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R.VIJAYAKUMAR, J.

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To

1. The Chief Manager,
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