$~16

* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

\+ W.P.(C) 5004/2022

REENA GOEL .....Petitioner

Through: Ms. Rakshita Goyal, Mr. Sanyam Gupta, Mr. Aditya Goel, Ms. Anju Bhushan Gupta and Ms. Ankita Chaudhary, Advocates.

versus

THE GOVT OF NCT OF DELHI & ORS. .....Respondents

Through: Mr. Abhishek Nanda, Ms. Hrishika Rawat and Mr. Sourabh Singh, Advocates for R-2/IRDAI.

CORAM:
HON'BLE MR. JUSTICE SACHIN DATTA

<u>O R D E R</u>

% 16.09.2025

1. The present petition has been filed by the petitioner seeking appropriate directions to respondent no.3/United India Insurance Company Limited, to release the complete amount due and admissible under the insurance policy availed by the petitioner for the period 15.10.2020 to 14.10.2021. The said insurance policy has been placed on record.

2. The policy, as originally obtained, gave coverage to the extent of Rs.3 lakhs. Admittedly, however, the petitioner availed an additional "Super Top Up Medicare Policy" for the same period, providing an additional coverage of Rs.3 Lakhs to the petitioner.

3. The petitioner was hospitalized from 04.12.2020 till 18.12.2020 for treatment of Covid-19. In respect thereof, the concerned Hospital (respondent no.4) raised a bill amounting to Rs.3,56,295/-. However, Respondent No.3 reimbursed only Rs.1,75,340/- to the petitioner.

4. It is submitted that the insurance company restricted the

reimbursement amount on the basis of a circular dated 20.06.2020 issued by the Government of NCT of Delhi which is in the following terms:

No.52/DGHS/PH-IV/COVID-19/2020/**prsecyhfw/**14450-14649 Dated: **20.06.2020**

ORDER

Delhi Disaster Management Authority accepted the recommendations of the committee, under Dr. V. K. Paul, member, NITI Aayog for fixing rates for COVID related treatment to be charged by private hospitals in NCT of Delhi, with the proviso that all COIVD beds would be at rates given by the Committee subject to upper limit of 60% of the beds of total hospital bed capacity.

The prescribed maximum per day package rates for COVID related treatments in private hospitals in NCT of Delhi are as below:

Hospital rates for per day of admission (in Rs.)			
Category of hospitals	**Moderate Sickness**	**Severe Sickness**	**Very Severe Sickness**
	ISOLATION BEDS Including supportive care and oxygen	**ICU without need for ventilator care**	**ICU with ventilator care** (invasive/ non-invasive)
NABH accredited Hospitals (including entry level)	**10,000/-** (includes cost of PPE Rs. 1200/-)	**15,000/-** (includes cost of PPE Rs. 2000/-)	**18,000/-** (includes cost of PPE Rs. 2000/-)
Non-NABH accredited Hospitals	**8,000/-** (includes cost of PPE Rs. 1200/-)	**13,000/-** (includes cost of PPE Rs. 2000/-)	**15,000/-** (includes cost of PPE Rs. 2000/-)

1. The hospitals would follow the national guidelines on admission of COVID-19 patients. Generally, hospital care is required for COVID-patients with moderate or severe/very severe disease. Patients with mild disease are to be managed at home or in COVID Care Centers which are not hospital but improvised isolation/observation facilities created in non-hospital premises. However, patients with mild disease but having co-morbidities and/or if elderly, as defined may be treated as having moderate illness and therefore admitted.
2. The rates for private hospitals beds would be all inclusive as a package. This will include, but not limited to: bed, food and other amenities, monitoring, nursing care, doctors' visits/consults, investigations including imaging, treatment as per the national protocol for COVID care and standard care for co-morbidities, oxygen, blood transfusion etc.

(contd....2/-)

3. The package rates would include costs of medical care of underlying co-morbid conditions including supportive care and cost of medications thereof, for the duration of care for COVID. Since many of the COVID patients have conditions such as hypertension, diabetes, cardiovascular problems, etc., the charges for medical care of such co-morbidities will be a part of the package. This would include short term haemodialysis as a part of acute care during the current admissions.
4. The rates would apply to standard care of COVID-19 patients as per the National Guidelines. But these would not cover experimental therapies (e.g. Ramdesivir etc.). Standard management of Co-morbidities would be covered.
5. The charges will not include the cost of COVID-19 diagnostic test(s) as well as IL-6 Levels.
6. The proposed charges will apply to paediatric patients as well.
7. For pregnant women, costs for delivery (normal/C-section) and care of new born would be charged by the hospital extra as per prevailing PMJAY rates of relevant packages.
8. There will be no compromise on the quality of clinical care services provided to the patients receiving services on the proposed package rates.

The prescribed rates are applicable with immediate effect.

5. It is submitted that a bare reading of the aforesaid circular / order indicates that it was intended to exercise control over the amount charged by the hospitals from patients who availed Covid-19 related treatment. It was not intended to curtail the coverage available to policyholders under insurance policies obtained from various Insurance Companies.

6. During the course of hearing, it transpires that the position in this regard has been clarified by Insurance Regulatory and Development Authority of India (IRDAI) by way of a circular dated 13.01.2021, the same, *inter-alia*, provides as under:-

3. All the insurers are directed to ensure that the "Reimbursement claims" under a health insurance policy shall be settled as per the terms and conditions of the respective policy contract. Hence, the insurers shall honor all the health insurance claims as per the terms and conditions of the policy contract.

7. Again, *vide* circular dated 23.04.2021, it was clarified by the IRDAI as under:

5. All Insurers are directed to ensure that the "reimbursement claims "under a health insurance policy shall be settled as per the terms and conditions of the respective policy contract expeditiously. Insurers are advised to issue suitable guidelines on this to all TPAs.

8. The stand of IRDAI in the present proceedings is categorical to the effect that the concerned insurance company is liable to reimburse the requisite amount to the petitioner in accordance with the coverage under the policy and the applicable terms and conditions.

9. The circular dated 20.06.2020, issued by the Government of NCT of Delhi cannot be construed to have interdicted with the insurance contract, or the terms and conditions of the relevant insurance policy.

10. Learned counsel appearing for the respondent no.3/ United India Insurance Limited is unable to controvert the above position.

11. In fact, during the proceedings in W.P.(C) 7845/2021, a fair stand was taken by Mr. Pankaj Seth, learned counsel appearing for the concerned Insurance Company in that case, as recorded in the order dated 25.08.2025, which, *inter-alia*, reads as under:

> *"1. Mr. Pankaj Seth, learned counsel for the respondent no.3 accedes that the coverage under the policy was to the tune of Rs.2.5 Lakhs out of which a sum of Rs.1.44 lakhs have been paid to the petitioner. He fairly submits that the balance amount to the extent of coverage under the policy i.e. Rs.1.06 lakhs shall be paid to the petitioner within a period of two weeks from today. It is directed, accordingly."*

12. In the present case, the bill amount of Rs.3,56,295/- was, admittedly, within the scope of the coverage obtained by the petitioner under the insurance policy issued by the respondent no.3. However, respondent no.3 reimbursed only Rs.1,75,340/-, citing the circular dated 20.06.2020 issued by the Government of NCT of Delhi. The non-release of the deficit amount is clearly unjustified and contrary to the clarification/s issued by IRDAI.

13. In the circumstances, the respondent no.3 is directed to release the balance amount of Rs.1,80,955/-to the petitioner as expeditiously as possible and, in any event, within a period of four weeks from today.

14. The petition is disposed of in the above terms.

SACHIN DATTA, J

SEPTEMBER 16, 2025/r