**IN THE HIGH COURT OF PUNJAB AND HARYANA
AT CHANDIGARH**

115 **CWP-13329-2026**
Date of Decision: 01.05.2026

The New India Assurance Co. Ltd. **…Petitioners**

Versus

The Permanent Lok Adalat, Fazilka and others **…Respondents**

CORAM: HON'BLE MR. JUSTICE JAGMOHAN BANSAL

Present: - Mr. Vinod K. Kanwal, Advocate for the petitioner
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JAGMOHAN BANSAL, J. (Oral)

1. The petitioner through instant petition under Article 226 of the Constitution of India is seeking setting aside of Award dated 17.02.2026 (Annexure P-3) whereby learned Permanent Lok Adalat (for short '**PLA**') has allowed respondent's application filed under Section 22C of the Legal Services Authorities Act, 1987 (for short '**1987 Act**').

2. The insured-respondent Nos.2 and 3 purchased an insurance policy through Punjab National Bank from petitioner-insurer. They paid premium of ₹21,039/-. The effective period of policy was from 03.05.2019 to 02.05.2020. They again paid premium of ₹46,050/- for the period from 03.05.2020 to 02.05.2021. The policy was floater Mediclaim. The sum assured was ₹10,00,000/- (₹5,00,000/- each). Respondent No.3 suffered pain in knee joints. She remained admitted in hospital from 13.12.2020 to 19.12.2020. She was subjected to surgery of joint replacement. She incurred

a sum of ₹4,32,989/- on her treatment. She, on the basis of policy, lodged claim. The petitioner examined the matter and formed an opinion that claim is liable to be rejected as falls in second year and as per terms and conditions of the policy, it is payable in the fifth year. Accordingly, the petitioner rejected the claim. The respondent filed an application under Section 22C of 1987 Act before PLA which sought response of the petitioner. Matter was tried to be reconciled, however, was finally adjudicated on merits. PLA has concluded that there was no occasion to repudiate applicant's claim, thus, petitioner has wrongly rejected the same.

3. Learned counsel for the petitioner submits that petitioner never admitted that compensation to the extent of 40% of sum assured may be paid.

4. PLA relying upon judgment of Hon'ble Supreme Court in ***M/s Texco Marketing Pvt. Ltd.*** **v.** ***Tata AIG General Insurance Company Limited and others, (2023) 1 SCC 428*** has held that in case of surgery in second year, insured is entitled to 40% of the sum assured. He is not entitled to interest, compensation or costs. Applying the judgment of Supreme Court, PLA has awarded 40% of the sum assured. It is apt to notice that 40% of the claimed amount is ₹4,32,989/- and PLA has awarded 40% of aforesaid amount. The amount has been awarded without costs, interest and compensation.

5. This Court does not find any manifest factual or legal infirmity in the impugned order. PLA following the judgment of Supreme Court has awarded minimum compensation.

6. In the backdrop, this Court is of the considered opinion that present petition deserves to be dismissed and accordingly dismissed.

(JAGMOHAN BANSAL)
JUDGE

01.05.2026
Mohit Kumar

Whether speaking/reasoned	Yes/No
Whether reportable	Yes/No