

District Consumer Disputes Redressal Commission-I (North District)

[Govt. of NCT of Delhi]

Ground Floor, Court Annexe -2 Building, Tis Hazari Court Complex, Delhi- 110054

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Consumer Complaint No.:54/2019

In the matter of:-

Sh. Kamal Bhatia

S/o Late Sh. R.C. Bhatia

1303, IIT Engineer Society,

Plot No.12, Sector10,

Dwarka, New Delhi-110075.

Vs

Complainant

United India Insurance Co. Ltd.

Through its

Managing Director/General Manager

24, Whites Road,

Chennai-600014.

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Opposite Party No.1

United India Insurance Co. Ltd.

Regional Manager

8th floor, Kanchanchanga Building,

Bara Khamba road,

New Delhi-110001.

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Opposite Party No.2

United India Insurance Co. Ltd.

Branch Manager

Barshabulla Chowk, Chawri Bazar, New Delhi-110006.

Also at:

House No.2,

1st floor 3981-3984,

Roshanara Road,

Opp. Palace Cinema,

(Pulbangash Metro Station)

Delhi-110007.

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Opposite Party No.3

ORDER

11/03/2026

Ashwani Kumar Mehta, Member:

1. The present complaint has been filed under Section 12 of the Consumer Protection Act, 1986. The brief details of facts, as alleged by the Complainant in the Complaint in hand, are that:-

- a) the complainant was having a policy bearing number 0407812817P03738185 in his personal name with the Opposite Party and was also got issued another insurance policy namely Family Medicare Policy (Family Floater Policy) from United India Insurance Company having policy No 0407812816P102622604 and the said policy was in continuation to the Insurance policy from the employer of the complainant on prevailing market premiums as per the Company terms and conditions. The Opposite party has issued same customer ID for the both the policies.

- b) the said policy was continuing since 2013-2014 and under the said policy No 0407812816P102622604, the Father of the complainant namely Mr. R. C. Bhatia and mother Mrs. Kamal Bhatia were the beneficiaries and the premium is being regularly paid by the complainant. The said policy was incepted since 30/05/2013. The copy of the policy has been annexed with the complaint as ANNEXURE C-1.
- c) under the said policy, as issued by the United India Insurance Company Ltd, both parents of the complainant were insured/beneficiary for a sum insured of Rs. 5 Lakhs and the complainant was also separately insured under the another policy for a sum of Rs. 5 Lakhs.
- d) the OP company had renewed the said policy till 7th June 2018 without any gap. The complainant has been paying the renewal premium without any default on the part of the insured and beneficiaries under the said policy.
- e) father of the complainant namely R. C. Bhatia died on 15th December 2016 and after the death of Mr. R. C. Bhatia, the complainant was willing to continue the same policy for his mother. At the time of renewal in 2017, the complainant was informed by the officials of the OP Company that the policy would be converted into his mother's name, Mrs. Kamal Bhatia, and the revised premium in this regard may be charged from the complainant. However, the officials of the OP Company assured the complainant that they would work out some way but in the meanwhile the complainant should pay complete premium (including for his deceased father) which would be adjusted and refunded later on. Accordingly, the policy was renewed for 2017-18 after the complainant paid the total premium based on the assurance of the officials of the company. The copy of the death certificate has been annexed with the complaint as ANNEXURE C-2 and the copy of policies cum premium receipt has been annexed with the complaint as ANNEXURE C-3.
- f) Thereafter, when the renewal time approached in the month of May and June 2018, the company again approached the OP company and asked to convert the said policy in the name of his mother as he has been asked to pay premium for deceased person, as such, under the said policy the complainant has been paying huge premium amount but the Company instead of accepting his request straight away refused to convert the said policy in his mother's name and further asked the complainant to convert the said floater policy into a Sub Standard Senior Citizen Policy. The officials of the company despite having knowledge about the death of complainant's father still received premium for the renewal of the policy in the year 2017. Still the company refused to refund or adjust as promised to the complainant and further again asked the complainant at the time of renewal in 2018 to deposit the complete premium as paid in the year 2017. It was shocking for the complainant again that despite having reminded the officials of the company about the fact that the OP company was required to adjust the last year's extra paid premium and revise the premium was to be charged from 2018 onwards, the complainant was asked to convert this policy to Senior Citizen Individual Policy which has no benefits as compared to the current policy.

- g) the complainant even asked the Opposite Party to renew the policy of the complainant which is his individual but the Opposite Party denied to the same by stating that the both policies are connected with Floater Family Policy and as such, can't be renewed separately. The Opposite party deliberately harassing the complainant only with mala fide intention.
- h) the complainant continuously kept requesting the officials of the company to consider his request and wrote number of emails but the officials of the company with mala fide reasons neither replied the said emails nor accepted the requests of the complainant for converting the existing policy in the name of his mother only. It is on account of the failure to revert to the complainant in spite of continuous reminders and follow-ups that he is unable to deposit the revised premium for 2018-19 for his widow senior citizen dependant mother.
- i) the said incident of false promise and backtracking by the officials of the company despite being a reputed company has left the complainant in such a lurch as the complainant's mother is a senior citizen widow and lackadaisical attitude has removed the only health cover she had. In case of any unfortunate health exigencies if the complainant's mother may have, the liability will rest on the OP Company. The complainant has been paying regularly and diligently premiums since the day of inception of the policy and the company had renewed the said policy continuously. It is absurd to charge premium for a deceased senior most family member, whereas the basic premise on which the floater policy is based is that it covers all insured family members and continues without interruption and provides continuity benefit even when one family member expires.
- j) the complainant have been paying the premium for the aforesaid policy and willing to continue the same and the company is forcing the complainant to convert the said policy into Senior Citizen Policy which is a sub-standard policy with hardly any benefits for old widow lady which clearly tantamount to harassment. There are guidelines of the IRDA under the Family Floater Policy, on the demise of the senior member of the family the other members can continue the policy and further a new individual can be added to the said existing policy. This is the basic tenet of the floater policy.
- k) the company with ulterior motive and only for harassing the complainant has been the acting against the basic guideline of IRDA and thus arbitrarily has been harassing the complainant despite of the fact the complainant having got the policy renewed from time to time regularly and even on the assurance of the officials of the company paid premium of the dead person with the hope that the officials of the company shall keep their words while renewing the policy for the year 2018-2019. The complainant wrote the company various emails and requested to its officials to convert the said policy in the name of his mother but all such requests of the complainant have gone to deaf ears.
- l) in case if during the period of which the complainant's mother did not get medical insurance as per the previous policy, the complainant's mother shall be treated as insured under the said policy and be given all the benefits as she is entitled including continuity benefits.

2. It has also been alleged that the behaviour of the officials of the company is so adamant that they have not paid any head to all the requests and even legal notice sent to the company. The OP company has been acting against the rules framed by the IRDA and only interested in extracting premium from the customers and have no intention to provide the services. As per the basic ingredients of the Family Floater Policy, the surviving members are entitled to all the benefits despite of demise of one of the member under the policy. The company has no intention and willing to abide by the rules of IRDA and provide the complainant Family Floater Policy and further has no intention to refund the excess amount which the company received against the premium of dead person. The print out of the email has been annexed with the complaint as ANNEXURE C-4 (COLLY). The opposite party renewed policy of the complainant from time to time after receiving the premium amount and that is too even after the opposite party illegally rejected the genuine request of the complainant. This act on the part of opposite party while renewing the complainants' policy clearly shows that rejection of the requests of the complainant was totally illegal, arbitrary and unlawful. The complainant is seeking direction to the company to issue a continued Family Medicare Policy bearing 0407812816P102622604 without gap in the name of mother of complainant namely Mrs. Kamal Bhatia and to reduce the amount of premium proportionately on account of demise of father of the complainant namely Mr. R. C. Bhatia by adjusting the excess premium which the company received while renewing the policy 2017-2018. The complainant got issued legal notice dated 15/09/2018 to the opposite party but of no avail. The opposite party neither complied with the same nor replied. The copy of the legal notice and postal receipt have been annexed with the complaint as ANNEXURE C-5(COLLY). The complainant is thus entitled to the compensation of Rs 2,00,000/- on account of mental agony, harassment and discomfort which the complainant has suffered due to deficiency in services on the part of the opposite party by not accepting the genuine requests of the complainant and further the complainant is also entitled to cost of litigation in tune of Rs 21,000/-.

3. The complainant has prayed to:-

- i. *Pass an order thereby directing the company to issue a continued Family Medicare Policy bearing 0407812816P102622604 without gap in the name of mother of complainant namely Mrs. Kamal Bhatia with all benefits provided under the Floater Policy and further asked to reduce the amount of premium proportionately on account of demise of father of the complainant namely Mr. R. C. Bhatia.*

- ii. *Pass an order for compensation of Rs 2,00,000/- on account of mental agony, harassment and discomfort which the complainant has suffered due deficiency in services on the part of the opposite party further the complainant is also entitled to cost of litigation in tune of Rs 21,000/-.*
- iii. *Further prayed to direct the company to adjust the excess premium which the company received while renewing the policy 2017-2018.*
- iv. *Pass any other order(s) as this Hon'ble Forum deems fit and proper in the facts and circumstances of the case.*

4. The Complainant has filed copies of the policy, death certificate of RC Bhatia, policy cum premium receipt, print out of the emails, legal notice dated 15.09.2018 along with the complaint.

5. Accordingly, notice was issued to the OPs and in response, the OPs have filed joint reply pleading no deficiency of service and sought dismissal of the complaint with following preliminary objections:-

- a) the complainant has not approached Forum with clean hands and with clear conscious. The complainant is guilty of suppressing of the true and correct material facts from this Forum.
- b) the complainant misrepresented to Forum and got the notice issued to the opposite party without the complainant producing the Insurance Policy along with, the terms and conditions. The complainant has deliberately suppressed the true and correct material facts pertaining to the terms of the policy and has gone to the extent of partly reproducing the conditions. The complaint is liable to be dismissed with heavy cost.
- c) opposite party No.3 had issued the FAMILY MEDICARE POLICY NO 0407812816P102622604 from 30.05.2016 to 29.05.2017 covered and date of loss on 15.12.2016 in the name of insured Kamal Bhatia, 901-E, Wing, Raheja Height Gen. Vidya Marg, Malad East, near Infinity I.T.Park, Mumbai, Maharashtra, the entire terms and conditions were given to the Opposite Party No.3 and the terms and conditions remained the same. Despite this the complainant wrongly represented the condition of the policy by twisting the original words of the policy in view of this the complaint of the complainant is liable to be dismissed.
- d) the amount as demanded therefore, the complaint of the complainant is not maintainable.

6. The OPs have also filed para wise reply on merits to the allegations levelled in the complaint which are reproduced below:-

- i. the contents of Para No.1 of the complaint is wrong and denied due to want of knowledge.
- ii. the contents of Para No.2 of the complaint is wrong and denied.
- iii. the contents of Para No.3 of the complaint is wrong and denied. It is submitted that not a completed the medical treatment papers of the R.C. Bhatia of the complainant namely Kamal Bhatia.(SIR)

- iv. the contents of Para No.4 of the complaint is wrong and denied. It is submitted that no any documentary proof of medical papers and there is no any reason has been mentioned regarding death in insured paper. (SIR)
- v. the contents of Para No.5 of the complaint is wrong and denied. It is submitted that when the father of the complainant has expired on dt. 15.12.2016, and there is no mentioned regarding the death, medical treatment in the insured papers. (SIR)

7. The complaint filed rejoinder refuting the averments of the OPs and has reiterated the allegations levelled in the complaint as under:-

- i. The contents of para No 1 of the preliminary objections are false, baseless and frivolous and hence denied. The complainant has submitted the true and correct facts before this Forum and has approached before this Forum with clean hands and has not suppressed true and correct facts.
- ii. the contents of para No 2 of the preliminary objections are false, baseless and frivolous and hence denied. The complainant has produced the policy documents as supplied by the Opposite Party to the complainant. the Opposite Party has not supplied any terms and condition of the policy as alleged by the Opposite Party, let the Opposite Party be put to strict proof of the alleged facts.
- iii. in reply para No 3 of the preliminary objections the issuance of the policy by the Opposite Party is admitted but the contents of rest of para are denied being false and frivolous. The complainant has never been supplied the terms and condition of the policy. It is denied that the complainant has twisted the facts and condition of the policy so as to file the present complaint. It is submitted that the Opposite Party even has failed to the contents of the complaint and even could not address to the grievances of the complainant. The complainant has brought the true and correct facts before this Forum.
- iv. the contents of para No 4 of the preliminary objections are false, baseless and frivolous and hence denied. the complainant has approached this Forum seeking the direction to issue the policy in the name of Mother of the complainant with having same benefits as available under the policy and further prayer to adjust the amount of the premium which the Opposite Party has received despite of the fact the Opposite Party has the knowledge of death of the father of the complainant and further claimed compensation for mental agony and suffering of the complainant and litigation expenses. So the claim of the complainant is genuine.
- v. The contents of para No 5 of the preliminary objections are false, baseless and frivolous and hence denied. It is denied that there is no deficiency of services on the part of the Opposite Party. There is complete deficiency on the part of the Opposite Party as the Opposite Party is acting arbitrarily.

8. The complainant has also refuted the averments of the OPs on merits also with following contentions:-

- a. the contents of para No 3 of the reply on merits are wrong, false and frivolous and hence denied. The contents of corresponding para of the complaint are reiterated being correct. The present complaint is not in respect of the claim on account of death of Mr. R. C. Bhatia. The present reply has been submitted without going through the contents of complaint and emails send to the Opposite Party.
- b. the contents of para No 4 of the reply on merits are wrong, false and frivolous and hence denied. The contents of corresponding para of the complaint are reiterated being correct. The present complaint is not in respect of the claim on account of death of Mr. R. C. Bhatia.

9. The Parties have filed respective evidences by way of affidavit. The OPs have stated new averments at Para 4 of evidence stating that:-

“I state that the complainant of the complaint has not conducted the post mortem of the deceased died on 15.12.2016 as per Discharge Summary. The complaint of the complainant is dismissed on this ground.”

10. The OPs have also filed copy of policy in the name of parents effective from 30.05.2016. The parties have filed copies of Family Medicare-Prospectus and Family Medicare Policy 2014 UIN No. IRDA/NL-HLT/UII/P-H/V.II/231/13-14 Policy No.:0407812817P103738362 with period of Insurance from 12:34 Hrs on 08/06/2017 to Midnight on 07/06/2018.

11. Accordingly, the complaint has been examined in view of the facts of the case and averments/documents/Evidence put forth by the complainant & OPs and it has been observed that:-

- a. The name of the complainant is Kamal Bhatia and the name of his mother is also Kamal Bhatia. Both are insured by the two different policies issued by the OPs.
- b. The complainant has been requesting the OPs to issue/renew the insurance policy of the parents of the complainant in the name of the mother of the complainant after the death of his father but the OPs have failed to issue/renew the same and has also not reduced the premium amount proportionately.
- c. The OPs have not commented upon the validity of both the policies.
- d. The OPs have filed copy of policy ending number 2604 in the name of the parents which is valid w.e.f. 30.05.2016.
- e. The OPs have added new averments at Para 4 of the evidence stating that “I state that the complainant of the complaint has not conducted the post mortem of the deceased died on 15.12.2016 as per Discharge

Summary. The complaint of the complainant is dismissed on this ground.”

f. In Para 3-4 of the reply, the OPs have stated as under:-

“3. It is submitted that not a completed the medical treatment papers of the RC Bhatia of the Complainant namely Kamal Bhatia.

4. It is submitted that not any documentary proof of medical papers and there is not any reason has been mentioned regarding death in insured paper.”

The above reply submitted by the OP reflects that either the OP is confused with the facts of the instant case or has filed the irrelevant reply by the method of “copy and paste” from the reply of another case. This reply of the OPs have been countered by the Complainant in the rejoinder with the filing wording:-

“3. That the contents of para No.3 of the reply on merits are wrong false and frivolous and hence denied. The contents of corresponding para of the complaint are reiterated being correct. It is submitted that the present complaint is not in respect of the claim on account of death of Mr. R.C. Bhatia. The present reply has been submitted without going through the contents of complaint and emails send to the Opposite Party.

4. That the contents of para No 4 of the reply on merits are wrong, false and frivolous and hence denied. The contents or corresponding para of the complaint are reiterated being correct. It is submitted that the present complaint is not in respect of the claim on account of death of Mr. R.C. Bhatia.”

g. Thereafter even in the written arguments and at the time of the oral arguments, the OPs have not been able to clarify these incomplete and irrelevant averments in the reply.

12. In view of the above observations, we are of the considered opinion that the OPs have completely failed to redress the grievance of the Complainant and handled the matter in a very negligent manner which amounts to deficiency in service in terms of the deficiency defined in the Act which includes any fault, imperfection, shortcoming or inadequacy in the quality, nature and manner of performance which is required to be maintained in relation to any service and includes any act of negligence or omission or commission by such person which causes loss or injury to the consumer. We also feel that the deficiency in service on the part of the OPs have also caused harassment, mental tension and agony to the complainant, who was compelled to go into litigation to get his dispute redressed, for which the OPs are also liable to pay compensation. Since OP-2 and

OP-3 are working under the control of OP-1 who failed to take a note of faults of OP-2 & OP-3 in this matter, we are fixing the responsibility of deficiency in service on the part of OP-1.

13. Considering the conduct of the OPs, We also consider appropriate to refer to the following observations of Hon'ble High Court of Judicature at Madras, made in judgment dated 29.04.2024 in W.P.No.26233 of 2022 and W.M.P.No.10847 of 2024 in the matter of N. Lakshmi Vs The Insurance Regulatory and Development Authority of India, & 3 Ors about the conduct of Insurance companies in settling the claims:-

“ 5.1. In support of his contention, he relied upon the judgment of the Hon'ble Supreme Court of India in the case of *Gurmel Singh Vs.Branch Manager, National Insurance Co. Ltd.*, reported in *2022 SCC OnLine SC 666*, which held that the documents which were asked by the insurer were beyond the control of the claimant to procure and furnish. Once there was a valid insurance on payment of huge sum by way of premium, the insurance company ought not to have become too technical and ought not to have refused to settle the claim on non-submission of documents. Further held that while settling the claims, the insurance company should not be too technical and asked for the documents.

5.2. He also relied upon the judgment of this Court reported in *2019 SCC OnLine Mad 2246* in the case of *Jasmine Ebenezer Arthur Vs. HDFC ERGO General Insurance Company Ltd., & ors.*, in which this Court held that the writ petition is very much maintainable not only for infringement of fundamental rights but also for any other purposes. The question that requires determination is whether the private bodies performing public duties can be brought within the purview of judicial review. If a private body is brought within the purview of Article 12 of the Constitution of India, then it will be subject to constitutional limitations. Therefore, it become necessary that the private bodies should be made accountable to judiciary within the judicial review.

7. ..xxxx

8. ..xxxx

9. ..xxxx

10. As held by this Court in *Jasmine Ebenezer* case, as stated supra, even though law seems to be clear constituting a balance between the insuring party and insured, in reality, there is no equality

between the two as insurer is the richest corporation and the individual is an ordinary individual. In fact, in many cases, the individual has no legal knowledge about the ambiguous language used in the company's policy with an intention to waive them from the liability to pay the injured on happening of an agreed event. Many a times the companies willfully neglect reimbursing the insured, who instead of getting their amount from the company have to pay the Courts for getting their rights enforced. The case on hand is the classic example of the same.”

14. Therefore, we feel appropriate to direct the OP-1 to :-

- a. *Renew Family Medicare Policy bearing 0407812816P102622604 without gap in the name of mother of complainant namely Mrs. Kamal Bhatia with all benefits provided under the Floater Policy with retrospective effect;*
- b. *Charge the amount of premium proportionately, as per the norms & guidelines adopted by the OPs in such cases, after the demise of father of the complainant namely Late shri R. C. Bhatia and adjust the premium, if found charged in excess while renewing the policy for 2017-18;*
- c. *Pay Rs.1,00,000/- (Rs. One Lakh only) to the complainant as compensation for mental agony. harassment and discomfort caused due to deficiency in services on the part of the OPs;*
- d. *Pay Rs. 21,000/- (Rs. Twenty one thousand only) to the complainant as litigation expenses.*

15. It is clarified that the directions at para 14 (a) and (b) above, is to be complied within 30 days from the date of receipt of this order. Besides, the amount awarded at para 14 (c) and (d) above, is to be complied within 30 days from the date of receipt of this order failing which the OP-1 shall be liable to pay interest @9% per annum on the entire awarded amount from the date of expiry of 30 days period till the date of payment.

16. Order be given to the parties in accordance with rules. Order be also uploaded on the website. Thereafter, file be consigned to the record room.

ASHWANI KUMAR MEHTA
Member
DCDRC-1 (North)

HARPREET KAUR CHARYA
Member
DCDRC-1 (North)

DIVYA JYOTI JAIPURIAR
President
DCDRC-1 (North)