

Date of Institution : 14.05.2025
 Date of Final Hearing : 07.04.2026
 Date of Pronouncement : 30.04.2026

**BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL
 COMMISSION: KURNOOL**

Present: Sri Karanam Kishore Kumar, B.A., B.L., President

Sri N.Narayana Reddy, B.A., B.L., Member
 And

Smt S.Nazima Kausar, PGDBM., M.Com., MBA., B.Ed., Member

Thursday the 30th day of April, 2026

CONSUMER COMPLAINT No.82/2025

Between:

Atal Harshavardhan Reddy,
 S/o Late Atla Vijaya Bhaskar Reddy,
 Aged about 30 Years, Hindu, Private Service,
 R/o H.No.5-8-2, Pathur Street,
 Allagadda Town and Mandal-518543
 Nandyal District. (A.P.)

...COMPLAINANT

(Through: M/s G.Chalapathi Rao, and Sri A.Anil Kumar, Advocates)

-VS-

1. HDFC ERGO General Insurance Company Limited,
 Represented by its Authorized Signatory,
 1st Floor, HDFC House
 165/166 Backbay Reclamation,
 H.T. Parekh Marge, Churchgate,
 Mumbai- 400020.

...OPPOSITE PARTY No.1

(Through: Sri Palle Niranjan Kumar, Advocate)

2. The Managing Director,
 Continental Hospitals,
 Plot No.3, Road No.2,
 IT and Financial District,
 Gachibowli, Hyderabad-500032.

...OPPOSITE PARTY No.2

(Through: Sri M.L.Srinivasa Reddy, and Sri M.Anudeep Reddy, Advocates)

ORDER

(Per Sri Karanam Kishore Kumar, President on behalf of the Bench)

CONSUMER COMPLAINT No.82/2025

1. This complaint is filed under section 35 of the Consumer Protection Act, 2019, praying to direct the opposite parties jointly and severally:-

- a. To pay medical expenditure of Rs.10,17,772/- incurred by the complainant.
 - b. To pay compensation of Rs.1,00,000/- for mental agony suffered by the complainant.
 - c. To pay Rs.25,000/- for legal expenses.
- And
- d. To grant such other reliefs as the Hon'ble Commission deems fit and proper in the circumstance of the case.

2. The case of the complainant in brief runs as follows:- The complainant is a resident of Pathur Street, Allagadda Town and Mandal, Nandyal District. Opposite Party No.1 is HDFC ERGO General Insurance Company Ltd, represented by its Authorized Signatory. Opposite Party No.2 is Continental Hospitals, represented by its Managing Director.

The complainant, a Software Engineer and native of Allagadda, has been holding an "Energy Silver Insurance Policy" (Accident and Health Insurance) issued by Opposite Party No.1 since 2019, covering the medical expenses of his father, Sri Atla Vijaya Bhaskar Reddy. The policy was periodically renewed. For the relevant period, Opposite Party No.1 collected a premium of Rs.42,750/- and issued Policy No.2814203683272504000 dated 07.03.2024, valid from 25.03.2024 to 24.03.2025.

The complainant's father had no history of smoking or alcohol consumption. On 25.06.2024 at about 6:30 PM, the complainant's parents were allegedly attacked by certain relatives and unidentified persons armed with knives and iron rods. During the incident, chilli powder was reportedly thrown, and both were assaulted indiscriminately. In the said attack, the complainant's mother, Smt A.Sreedevi, died on the spot, while his father

sustained multiple grievous injuries and went into severe shock. The injured was initially taken to Government Hospital, Allagadda, where first aid was administered. Considering his critical condition, including shock, drowsiness, chronic kidney disease, anemia, and the need for haemodialysis, he was advised to be shifted to a higher medical centre.

Accordingly, on 27.06.2024, he was admitted to Opposite Party No.2 hospital, a network hospital under the policy. At opposite party No.2 hospital, the patient (ID No.CH20016501) was diagnosed with a closed left lower limb comminuted un-displaced proximal one-third tibia shaft fracture, along with abrasions, contusions, and uremic encephalopathy. He was treated in ICU from 27.06.2024 to 06.07.2024 and again from 31.07.2024 to 08.08.2024. During the course of treatment, a closed reduction with above-knee moulded fibre cast was performed. He was discharged on 06.07.2024. The complainant incurred medical expenses of about Rs.5,45,000/-.

When a cashless claim was submitted on 03.08.2024, Opposite Party No.1 raised queries through an Additional Information Request (CCN: RC-HS24-14367867), seeking clarification regarding an alleged history of "Alcohol Withdrawal Psychosis." The complainant contends that the said query was baseless, as his father had no history of alcohol consumption. Accordingly, he submitted a clarification on 03.08.2024 denying any such history. On 08.08.2024, the treating doctor issued a clarification stating that the patient's drowsiness was due to anemia, chronic kidney disease, haemodialysis, and the severe physical and psychological shock caused by the incident, and not due to any alcohol-related condition. The hospital also issued a revised

discharge summary removing the reference to “Alcohol Withdrawal Psychosis.”

Despite the above clarifications, Opposite Party No.1 repudiated the claim and cancelled the policy without proper justification, thereby denying reimbursement of the medical expenses incurred. Aggrieved thereby, the complainant issued a legal notice dated 03.10.2024 to both opposite parties, alleging that due to the incorrect recording of medical information by Opposite Party No.2, his claim was repudiated, causing him a loss of approximately Rs.9,00,000/-. He further stated that, in view of his father’s age (67 years), obtaining a fresh insurance policy had become difficult.

Opposite Party No.2, in its reply dated 03.12.2024, denied the allegations and contended that due care and diligence were exercised in treating the patient. It further stated that the allegations were baseless and made with an intention to extract money. Hence, alleging deficiency of service on the part of the opposite parties, the complainant filed the present complaint seeking appropriate relief. Hence this complaint.

3. Opposite Party No.1 contends that the complaint is not maintainable either in law or on facts. It is submitted that there is no privity of contract between the complainant and Opposite Party No.1, and therefore the complainant has no locus standi to file the present complaint. The complainant is a stranger to the contract of insurance, and as such, no liability can be fastened upon this Opposite Party. Hence, the complaint is liable to be dismissed for mis-joinder and non-joinder of necessary parties.

Opposite Party No.1 denies the allegation that the complainant's father was initially admitted to Government Hospital, Allagadda, as no documentary evidence or admission records have been produced to substantiate the said claim. It is further submitted that the contract of insurance is based on the doctrine of utmost good faith (*uberrima fides*), and the statements made by the insured in the proposal form are presumed to be true and correct. The policy was issued relying upon such declarations made in good faith.

Opposite Party No.1 submits that, as per the terms and conditions of the policy and the governing legal provisions, it is entitled to cancel the policy in cases involving fraud, misrepresentation, or suppression of material facts. The issuance of an insurance policy does not create an absolute liability, particularly where material facts are subsequently found to have been misstated or suppressed. All the allegations made in the complaint are denied as false and unsubstantiated, and the complainant is put to strict proof of the same. It is contended that the complainant has failed to establish any deficiency in service on the part of Opposite Party No.1 as required under the Consumer Protection Act. Further, no nexus has been shown between the compensation claimed and the alleged loss.

It is also contended that the claim for compensation is arbitrary, excessive, and amounts to an abuse of process of law. The complainant is not entitled to the sum assured or any compensation under the policy. In view of the above, Opposite Party No.1 submits that no case of deficiency in service or unfair trade practice is made out. Accordingly, the complaint is liable to be dismissed in limine.

Opposite Party No.2 filed its written version contending that the complaint is not maintainable either in law or on facts. It is submitted that the complainant's father, aged about 67 years, was admitted to Opposite Party No.2 hospital on 27.06.2024 (Patient ID No.CH20016501) with a history of alleged assault, resulting in injuries to both lower limbs and inability to move. At the time of admission, the patient also presented with drowsiness and confusion.

Upon clinical examination and diagnostic imaging, the patient was diagnosed with a comminuted undisplaced fracture of the proximal one-third of the left tibia. A team of qualified consultants promptly initiated treatment, and on 02.07.2024, the patient underwent closed reduction of the left lower limb with fibre cast application, followed by appropriate post-operative care. The patient was discharged in a hemodynamically stable condition on 06.07.2024, and a discharge summary was issued on 07.07.2024 (subsequently modified on 05.08.2024).

Thereafter, the patient was readmitted for further management, including percutaneous plate osteosynthesis of the left tibia, wound debridement, and suturing, and was discharged on 08.08.2024 with a second discharge summary dated 09.08.2024. It is submitted that for the first phase of treatment (27.06.2024 to 06.07.2024), a bill of Rs.5,45,000/- was raised, for which the complainant submitted a cashless claim (CCN: RC-HS24-14367867) to Opposite Party No.1. For the second phase (31.07.2024 to 08.08.2024), a bill of Rs.4,72,772/- was raised and paid by the complainant,

who subsequently submitted reimbursement claims dated 16.08.2024 and 30.08.2024 to Opposite Party No.1.

It is further submitted that on 03.08.2024, Opposite Party No.2 received an Additional Information Request from Opposite Party No.1 seeking clarification regarding the mention of “Alcohol Withdrawal Psychosis” in the discharge summary. Upon being informed by the complainant and the patient’s attendants that there was no history of alcohol consumption, Opposite Party No.2 reviewed the case. Accordingly, Opposite Party No.2 issued a clarification letter dated 08.08.2024 stating that the reference to “Alcohol Withdrawal Psychosis” was only a provisional differential diagnosis based on the patient’s presenting symptoms of drowsiness and confusion, and not a confirmed diagnosis. It was further clarified that the patient’s condition was attributable to uremic encephalopathy, a complication of chronic kidney disease.

It is submitted that the initial reference was made as a precautionary differential diagnosis considering the non-specific symptoms, which could arise from multiple causes such as trauma, metabolic imbalance, medication effects, or renal conditions. Upon verification of the patient’s history, the said observation was corrected, and a revised discharge summary along with the clarification letter was issued. Opposite Party No.2 contends that the above actions demonstrate due care, diligence, and transparency in handling the case. All allegations made by the complainant are denied as false and baseless, and the complainant is put to strict proof thereof.

It is specifically denied that Opposite Party No.2 acted negligently or was deficient in service. The provisional diagnosis was recorded in accordance with standard medical practice and was duly corrected upon receipt of accurate history. It is reiterated that the treatment provided was in accordance with established medical protocols and with due care and skill. There is no negligence or deficiency in service on the part of Opposite Party No.2. Hence, the complaint is liable to be dismissed.

4. The complainant filed sworn affidavit, and Ex.A1 to Ex.A19 are marked (Ex.A3 and Ex.A4 are marked subject to objection). The opposite parties 1 and 2 filed sworn affidavits and Ex.B1 to Ex.B7 are marked on behalf of opposite party No.1 and Ex.B8 and Ex.B17 are marked on behalf of opposite party No.2.

5. We have perused the available records and written arguments filed by the complainant and opposite parties and heard oral arguments of both sides.

The complainant cited decision reported in:-

A. **1995 SCC (6) Page 651**, the Hon'ble Supreme Court of India, New Delhi, India Medical Association -Vs- V.P.Shantha and others, decided on 12.11.1995.

6. Now, the points that arise for consideration are:

- i. Whether there is any deficiency of service on the part of the opposite parties or not?
- ii. Whether the complainant is entitled to the reliefs as prayed for or not?
- iii. If any relief, then to what extent?

7. Points i to iii:- The case of the complainant, in brief, is that he is the son of the insured, late Sri Atla Vijaya Bhaskar Reddy, who was covered under an “Energy Silver Insurance Policy” issued by Opposite Party No.1. The policy, as evidenced by Ex.A1, was valid for the period from 25.03.2024 to 24.03.2025. On 25.06.2024, the insured sustained grievous injuries in a violent assault, which is substantiated by Ex.A2 is the FIR. He was initially treated at Government Hospital, Allagadda, and later shifted to Opposite Party No.2 hospital for advanced treatment. The medical records, including Ex.A5 and Ex.A6 discharge summaries and Ex.A17 bills, establish that the complainant incurred a total medical expenditure of Rs.10,17,772/-.

The claim of the complainant was repudiated by Opposite Party No.1 on the ground that the medical records contained a reference to “Alcohol Withdrawal Psychosis,” thereby alleging suppression of material facts and fraud. The insurer also proceeded to cancel the policy, as seen from Ex.A12 to Ex.A14. Aggrieved by such repudiation and cancellation, the complainant got issued a legal notice.

Opposite Party No.1, in its written version, contended that there is no privity of contract with the complainant and that the policy was issued based on utmost good faith. It is on the ground of alleged misrepresentation and fraud. Opposite Party No.2 hospital, on the other hand, contended that the reference to “Alcohol Withdrawal Psychosis” was only a provisional diagnosis and that the same was corrected after verification, denying any negligence on its part.

To substantiate their argument opposite parties 1 and 2 filed Ex.B1 is the Claim Form Part-A, issued by HDFC ERGO General Insurance Company Limited, dated 16.08.2024. Ex.B2 is the Discharge Summary, issued by Continental Hospitals, Hyderabad, dated 08.08.2024. Ex.B3 is the Discharge Summary, issued by Continental Hospitals, Hyderabad, dated 06.07.2024. Ex.B4 is the Final Bills issued by Continental Hospitals, Hyderabad, dated 06.07.2024. Ex.B5 is the Claim Repudiation Letter without Prejudice issued by opposite party, dated 26.09.2024. Ex.B6 is the Customer Information Sheet (Energy) issued by HDFC ERGO General Insurance Company Limited. Ex.B7 is the Policy Wordings (Energy) issued by HDFC ERGO General Insurance Company Limited. B8 is the Discharge Summary, dated 05.08.2024. Ex.B9 is the Accident and Emergency OP Note, dated 27.06.2024. Ex.B10 is the Consultation Notes, dated 27.06.2024. Ex.B11 is the Medico-Legal Certificate, dated 27.06.2024. Ex.B12 is the Doctor Progress and Nurse Notes, dated 27.06.2024. Ex.B13 is the All other Medical Records including, Checklist, Consent Forms, ER Record, Critical Care, Drug Prescription and Blood Glucose Monitoring Charts, Family Meeting Card, Measurement Report, etc, dated 27.06.2024. Ex.B14 is the Discharge Summary, dated 09.08.2024. Ex.B15 is the Accident and Emergency OP Note, dated 31.07.2024. Ex.B16 is the Consultation Notes, dated 31.07.2024. Ex.B17 is the All other Medical Records including, Checklist, Consent Forms, ER Record, Critical Care, Drug Prescription and Blood Glucose Monitoring Charts, Family Meeting Card, Measurement Report, etc, dated 31.07.2024.

Upon perusal of the material on record, this Commission finds that the policy was admittedly in force at the relevant time and that the injuries sustained by the insured were due to an accidental assault, which is a covered risk under the policy. The treatment and expenditure incurred by the complainant are well supported by documentary evidence.

The core issue revolves around the repudiation of the claim based on the alleged history of alcohol consumption. In this regard, Ex.A7 shows that the insurer sought clarification. Ex.A8 and Ex.A9 clearly demonstrate that both the hospital and the treating doctor categorically stated that the patient had no history of alcohol consumption. Further, Opposite Party No.2 itself admitted that the mention of "Alcohol Withdrawal Psychosis" was only a provisional differential diagnosis and not a confirmed finding, and that the same was subsequently corrected in the revised discharge summary.

Despite receiving such clear and categorical clarification, Opposite Party No.1 proceeded to repudiate the claim and even went to the extent of alleging that the documents submitted were forged and fake, as seen from Ex.A13. This Commission finds that such an allegation is not supported by any cogent evidence. No material has been placed on record to substantiate the plea of fraud or forgery. Mere mention of a provisional diagnosis, which was later corrected, cannot be construed as suppression of material fact or submission of false documents.

The action of Opposite Party No.1 in repudiating the claim and cancelling the policy appears to be arbitrary, unjustified, and in clear disregard of the material on record. The insurer failed to conduct a proper and

fair assessment of the claim and ignored the clarifications furnished by the hospital and treating doctor. Such conduct amounts to clear deficiency of service and unfair trade practice.

As regards Opposite Party No.2, it is evident that the initial mention of “Alcohol Withdrawal Psychosis” was made as a provisional diagnosis based on presenting symptoms. However, upon verification, the same was corrected and a clarification was issued without delay. Though greater care ought to have been exercised while recording such sensitive observations, In view of the foregoing discussion, this Commission holds that Opposite Parties 1 and 2 jointly and severally liable for deficiency of service. The complainant has successfully established that he incurred medical expenses for a covered risk and that the repudiation of the claim was wrongful.

It is also pertinent to consider the terms of the policy as reflected in Ex.A1. The sum insured under the policy is Rs.3,00,000/-. However, under the portability/renewal benefits column, it is specifically mentioned that for the said sum insured, Clause C.1 (i) of the policy wording is waived. Further, under the “Other Benefits” column, the policy provides for an instant addition of 100% of the basic sum insured upon complete or partial utilization of the existing sum insured and cumulative bonus (if applicable) during the policy year. This clearly indicates that the policy is not restricted to the base sum insured of Rs.3,00,000/-, but provides for automatic enhancement of coverage up to an additional 100%, thereby effectively doubling the available coverage during the policy period. In the present case, where the insured had undergone continuous treatment and incurred substantial medical expenses,

such benefit becomes operative, and the liability of Opposite Party No.1 cannot be restricted to the base sum insured alone. The said clause strengthens the entitlement of the complainant for reimbursement of the entire eligible medical expenses incurred, subject to policy conditions.

This Commission also finds that Opposite Party No.2 was not entirely diligent in recording the clinical findings of the patient at the time of initial treatment. The inclusion of "Alcohol Withdrawal Psychosis" in the discharge summary, without any supporting history, clinical confirmation, or corroborative material, reflects a lack of due care and caution in making such a sensitive observation. A diagnosis of this nature carries serious implications and ought not to have been recorded even as a provisional note without proper verification, particularly when the patient's attendants were available to provide history. This unwarranted entry became the very basis for the insurer to raise suspicion and ultimately repudiate the claim, thereby causing significant prejudice to the complainant. Although Opposite Party No.2 subsequently issued a clarification and corrected the record, the initial lapse had already triggered adverse consequences. Hence, such conduct amounts to a deficiency in service.

8. In the result, the complaint is partly allowed directing the opposite Party No.1 to pay a sum of Rs.6,00,000/- (Rupees Six Lakhs only) towards medical expenses, together with interest at the rate of 9% per annum from the date of repudiation i.e., on 26.09.2024 to till the date of realization to the complainant. Opposite Party No.2 is directed to pay a sum of Rs.1,00,000/-

(Rupees One Lakh only) towards compensation for mental agony and Rs.25,000/- (Rupees Twenty Five Thousand only) towards litigation costs. The aforesaid amounts shall be paid within 45 days from the date of this order.

Typed to my dictation by the stenographer, corrected and pronounced by us in the open Bench on this the 30th day of April, 2026.

**Sd/-
WOMEN MEMBER**

**Sd/-
MALE MEMBER**

**Sd/-
PRESIDENT**

APPENDIX OF EVIDENCE
Witnesses Examined

For the complainant:-Nil

For the opposite parties:-Nil

List of exhibits marked for the complainant:-

Ex.No.	Date/Year	Description	Remarks
A1	07.03.2024	Letter along with Policy Schedule Energy-Silver bearing No.2814203683272504000.	Photo copy
A2	26.06.2024	First Information Report, (F.I.R., in Crime No.116/2024) issued by Allagada Town Police Station, Nandyal District.	Photo copy
A3	26.06.2024	Medico-Legal Certificate issued by the Continental Hospitals, Hyderabad (Objection).	Self attested photo copy
A4	27.06.2024	Accident and Emergency OP Note issued by the Continental Hospitals, Hyderabad (Objection).	Photo copy
A5	06.07.2024	Discharge Summary issued by the Continental Hospitals, Hyderabad.	Original
A6	08.08.2024	Discharge Summary issued by the Continental Hospitals, Hyderabad.	Original
A7	03.08.2024	Additional Information Request Letter for Pre Authorization issued by HDFC ERGO General Insurance Company Limited.	Original
A8	03.08.2024	Request Letter from complainant.	Self attested photo copy.
A9	08.08.2024	Claim NO.RC-HS24 14367867 (appeal for claim approval) issued by the Continental Hospitals, Hyderabad.	Original

A10	12.08.2024	Claim Form Part-B issued by Continental Hospitals.	Original
A11	16.08.2024	HDFC ERGO General Insurance Company Limited Claim Form Part-A.	Original
A12	26.09.2024	Claim Repudiation Letter without Prejudice, issued by the HDFC ERGO General Insurance Company Limited.	Online copy
A13	26.09.2024	Notice of Cancellation, issued by HDFC ERGO General Insurance Company Limited.	Online copy
A14	12.10.2024	Cancellation of Energy Silver Insurance Policy No.2814203683272504002, issued by the HDFC ERGO General Insurance Company Limited.	Online copy
A15	03.10.2024	Legal Notice.	Office copy
A16	03.12.2024	Reply Notice.	Original
A17	27.06.2024	Receipt along with Final Bills issued by Continental Hospitals, Hyderabad.	Original
A18	17.12.2024	Death Certificate issued by Registrar of Births and Deaths, Municipality, Allagadda.	Self attested photo copy
A19		Aadhar Card of deceased.	Self attested photo copy

List of exhibits marked for the opposite parties 1 and 2:-

Ex.No.	Date/Year	Description	Remarks
B1	16.08.2024	Claim Form Part-A, issued by HDFC ERGO General Insurance Company Limited.	Self attested photo copy
B2	08.08.2024	Discharge Summary, issued by Continental Hospitals, Hyderabad.	Self attested photo copy
B3	06.07.2024	Discharge Summary, issued by Continental Hospitals, Hyderabad.	Self attested photo copy
B4	06.07.2024	Final Bills issued by Continental Hospitals, Hyderabad.	Self attested photo copy
B5	26.09.2024	Claim Repudiation Letter without Prejudice issued by opposite party.	Self attested photo copy
B6		Customer Information Sheet (Energy) issued by HDFC ERGO General Insurance Company Limited.	Self attested photo copy
B7		Policy Wordings (Energy) issued by HDFC ERGO General Insurance Company Limited.	Self attested photo copy
B8	05.08.2024	Discharge Summary.	Self attested photo copy
B9	27.06.2024	Accident and Emergency OP Note.	Self attested photo copy
B10	27.06.2024	Consultation Notes.	Self attested photo copy

B11	27.06.2024	Medico-Legal Certificate.	Self attested photo copy
B12	27.06.2024	Doctor Progress and Nurse Notes.	Self attested photo copy
B13	27.06.2024	All other Medical Records including, Checklist, Consent Forms, ER Record, Critical Care, Drug Prescription and Blood Glucose Monitoring Charts, Family Meeting Card, Measurement Report, etc.	Self attested photo copy
B14	09.08.2024	Discharge Summary.	Self attested photo copy
B15	31.07.2024	Accident and Emergency OP Note.	Self attested photo copy
B16	31.07.2024	Consultation Notes.	Self attested photo copy
B17	31.07.2024	All other Medical Records including, Checklist, Consent Forms, ER Record, Critical Care, Drug Prescription and Blood Glucose Monitoring Charts, Family Meeting Card, Measurement Report, etc.	Self attested photo copy

**Sd/-
WOMEN MEMBER**

**Sd/-
MALE MEMBER**

**Sd/-
PRESIDENT**

Pronounced on:- **30.04.2026**

Copy to:-

Copy made ready on _____ :

Copy dispatched to Complainant
and Opposite parties on _____ :