

**IN THE CONSUMER DISPUTES REDRESSAL COMMISSION,
THRISSUR**

Present : Sri. C.T. Sabu, President
Smt. Sreeja. S., Member
Sri. Ram Mohan R., Member

27th day of March 2026
CC 159/21 filed on 15/04/21

Complainant : Robin A.K., Areekkatt House, Aloor P.O.,
Chalakydy Taluk, Thrissur – 680 683.
(By Adv. C.S.A. Illah, Thrissur)

Opposite Parties : 1) Managing Director, Star Health and Allied Insurance
Co. Ltd., No.15, Sri Balaji Complex, 1st Floor,
Whites Lane, Royapettah, Chennai, Pin – 600 014.
2) The Branch Manager, Star Health and Allied
Insurance Co. Ltd., Second Floor,
Irimpan Shopping Complex, No.XXV-987M,
Police Station Road, Chalakydy, Thrissur – 680 307.
(OP 1 & 2 By Adv. Rajith Davis & P.V. Muneera,
Thrissur)

FINAL ORDER

By Sri. Ram Mohan R, Member :

1) Complaint in brief, as averred :

The complaint is filed under Section 35(1) of the Consumer Protection Act, 2019. The complainant claims to have availed a ‘Corona Rakshak Policy’ that was launched by an insurance company named ‘Star Health and Allied Insurance Company Ltd’, of which the 1st opposite party is the Managing Director and the 2nd opposite party, the Manager of its Branch at Chalakydy, Thrissur. The impugned policy bore the No.P/181217/01/2021/004089 and customer code No. CB0000083206, the sum assured being Rs.1,00,000/- (Rupees One lakh only). The policy was statedly valid for a period from

31/07/2020 to 12/05/2021. The policy in question assured a lumpsum benefit of 100% of the insured sum of Rs.1,00,000/-, on positive diagnosis of Covid – 19 and consequent hospitalisation for a minimum continuous period of 72 hours. During the subsistence of the said policy, the complainant was admitted to Kinder Hospital, Kalamassery on 16/10/2020 for treatment relating to Covid – 19 and was discharged on 19/10/2020. Upon discharge, the complainant launched a claim numbered CIR/2021/181217/0410287 with the opposite parties, seeking payment of the sum insured. But the opposite parties allegedly rejected the complainant's claim on the ground that the complainant was hospitalised only for nearly 70 hours instead of the 72 hours stipulated under the policy. The complainant affirms that the claim was repudiated on a frivolous ground and alleges deficiency in service on the part of the opposite parties. A lawyer notice caused by the complainant statedly elicited no productive result. Hence the complaint. The complainant prays for an order directing the opposite parties to pay him the insured sum of Rs.1 lakh (Rupees One lakh only), apart from other reliefs of compensation and costs.

2) NOTICE :

The Commission having issued notice, the opposite parties filed their written version and contested the complaint.

3)Version of the opposite parties :

The opposite parties admitted the policy in question. Also, the complainant's having been contracted Covid – 19 during the period, concerned, is also not disputed by the opposite parties. But they aver that the complainant was hospitalised only for nearly 70 hours, though clauses 3.7 & 3.8 of the policy stipulate that the claim becomes payable only if the insured undergoes hospitalisation for a minimum continuous period of 72 hours. The opposite parties rely on the judgment of the Hon'ble Supreme court in *Surajmal Ram*

Niwas Oil Mills (P) Ltd. Vs. United India Insurance Co. Ltd. & Anr. (2010) 10 SCC 567 to justify their repudiation. Hence they deny any deficiency in service on their part.

4) Evidence :

The complainant produced documental evidence that had been marked Exts. A1 to A5, apart from affidavit and notes of argument. The opposite parties produced documental evidence that had been marked Exts. B1 & B2, apart from version, affidavit and notes of argument.

5) Deliberation of evidence and facts of the case :

The Commission has very carefully examined the facts and evidence of the case. Ext. A1 is Policy No. P/181217/01/2021/004089 dtd. 31/07/20 issued by the opposite parties in favour of the complainant. Ext. A2 is Discharge Summary issued by M/s Kinder Multispecialty Hospital & Kinder Women's and Children's Hospital, in favour of the complainant. Ext. A3 is the opposite parties' letter dtd. 07/12/2020, addressed to the complainant, regarding repudiation of the claim. Ext. A4 is copy of lawyer notice. Ext. A5 is reply notice.

Ext. B1 is print-out of customer information sheet issued by the opposite parties. Ext. B2 is letter of authorisation dtd.02/11/2023 issued by the opposite parties.

6) Points of deliberation :

- (i) Whether the opposite parties' repudiation of the complainant's claim is lawful ? If in the negative ;
- (ii) Whether the complainant is entitled to receive the sum insured, as claimed ? Also whether the complainant is entitled to receive any compensation from the opposite parties ? If so its quantum ?

(iii) Costs ?

7) Point No.(i)

A conjoint evaluation of Ext. A1 Corona Rakshak Policy and Ext. B1 prospectus makes it clear that the said Corona Rakshak Policy is a benefit based policy intended to provide financial assistance upon hospitalisation due to Covid – 19 and it also becomes axiomatically clear that the stipulation of minimum hospitalisation is meant to ensure genuineness and seriousness of the claim. In the present case, it is not disputed that the complainant was diagnosed with Covid 19 and he was hospitalised and treated as in-patient. Thus the core objective of the policy seems fulfilled. But the opposite party avers that the complainant was hospitalised consequent to covid only for nearly 70 hours and not for 72 hours unlike the stipulation made in Ext. B1 prospectus / terms and conditions of the policy. The opposite parties rely on the judgment of the Hon'ble Supreme court in *Surajmal Ram Niwas Oil Mills (P) Ltd. Vs. United India Insurance Co. Ltd. & Anr. (2010) 10 SCC 567 (Supra)* wherein it was held that the court must stick to the policy terms and conditions and the same shall be strictly construed and nothing can be added to it or subtracted from it. But the said principle applies primarily to determining the extent of coverage and cannot be extended to permit hyper-technical or mechanical application of terms and conditions which defeats the very object of the policy. In the present case, the complainant has substantially complied with the hospitalisation requirements and the shortfall of about 2.5 hours does not amount to fundamental breach. Insurance policies are to be interpreted in a commercially sensible manner and interpretation of terms and conditions should advance the purpose of the policy rather than defeat it. The Hon'ble Supreme Court held the same view by its judgment in *Canara Bank Vs United India Insurance Company Ltd.*

Clause 4.1 of Ext. B1 prospectus reads as :

“Covid Cover Lump sum benefit equal to 100% of the Sum insured shall be payable on positive diagnosis of COVID, requiring hospitalization for a minimum continuous period of 72 hours. The positive diagnosis of COVID shall be from government authorized diagnostic centre”.

The said clause regarding coverage shall be applied and interpreted in a sensible manner.

It is common knowledge that advancement in medical science and technology has reduced hospitalisation duration. Medical procedures that needed prolonged hours earlier now can be accomplished in a much less time. Hence shorter hospital stays do not imply less severity of illness, which fact makes it axiomatically implied that technical conditions relating to duration must be applied reasonably.

Besides, it is known to all that consequent to the onset of Covid 19 pandemic, it gave rise to such a medical situation that compelled the medical practitioners to discharge the patients as early as they recover, enabling the admission of new patients who are inflicted with Covid – 19. The insurer who holds a dominant position is therefore expected to act fairly and in good faith in matters concerned with health insurance. In view of the foregoing discussion, we hold that the repudiation of the complainant’s claim solely on the ground of 2.5 hours shortfall in hospitalisation is arbitrary, unreasonable and unsustainable in law.

Point No.(1) is therefore found in the negative.

8) Point No. (ii) (iii) & (iv) :

As elaborated under the foregoing point, the opposite parties’ denial of the complainant’s claim is unlawful. Hence, Ext. A3 letter of repudiation issued by the opposite parties is unlawful. Consequently, the complainant is entitled to

receive the insured sum of Rs.1,00,000/- (Rupees One lakh only) from the opposite parties.

The opposite parties' unlawful denial of the complainant's legitimate claim might certainly have inflicted agony, hardship and financial loss on the complainant. The opposite parties shall necessarily have to compensate the complainant. We are of the considered view that the complainant is entitled to receive Rs.10,000/- (Rupees Ten thousand only) as compensation and a sum of Rs.5,000/- (Rupees Five thousand only) towards cost of litigation.

In the result is the complaint is allowed and the opposite parties are directed to jointly and severally pay the complainant

- a) a sum of Rs.1,00,000/- (Rupees One lakh only) towards payment of the sum insured as per Ext. A1 Policy,
 - b) a sum of Rs.10,000/- (Rupees Ten thousand only) towards compensation for the financial loss, agony and hardship inflicted on him, and
 - c) a sum of Rs.5,000/- (Rupees Five thousand only) towards costs,
- all with 9% interest p.a from the date of filing of the complaint till the date of realisation. The opposite parties shall comply with the above direction within 45 days of receipt of copy of this order.

Dictated to the Confidential Assistant, transcribed by her, corrected by me and pronounced in the open Commission this the 27th day of March 2026.

Sd/-
Sreeja S.
Member

Sd/-
Ram Mohan R
Member

Sd/-
C. T. Sabu
President

Appendix

Complainant's Exhibits :

- Ext. A1 Policy No. P/181217/01/2021/004089 dtd. 31/07/20 issued by the opposite parties in favour of the complainant.
- Ext. A2 Discharge Summary issued by M/s Kinder Multispecialty Hospital & Kinder Women's and Children's Hospital, in favour of the complainant.
- Ext. A3 the opposite parties' letter dtd. 07/12/2020, addressed to the complainant, regarding repudiation of the claim.
- Ext. A4 copy of lawyer notice.
- Ext. A5 reply notice.

Opposite Parties Exhibits :

- Ext. B1 print-out of customer information sheet issued by the opposite parties.
- Ext. B2 letter of authorisation dtd.02/11/2023 issued by the opposite parties.

Id/-
Ram Mohan R
Member

//True copy//

Assistant Registrar