

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
SOUTH II
CONSUMER COMPLAINT NO. DC/AB1/670/CC/117/2024**

MOIDADIN

PRESENT ADDRESS - H.NO. 19, RATAUL, BAGHPAT-250101 SOUTH EAST, DELHI.

.....Complainant(s)

Versus

TATA AIG INSURANCE COMPANY LTD.

PRESENT ADDRESS - 22, 2nd FLOOR, COMMUNITY CENTER, NEW FRIENDS COLONY,
NEW DELHI-110065.SOUTH EAST, DELHI.

.....Opposite Party(s)

BEFORE:

**MONIKA AGGARWAL SRIVASTAVA , PRESIDENT
DR. RAJENDER DHAR , MEMBER
RITU GARODIA , MEMBER**

FOR THE COMPLAINANT:

NEMO

FOR THE OPPOSITE PARTY:

NEMO

DATED: 22/05/2026

ORDER

**CONSUMER DISPUTES REDRESSAL COMMISSION – X
GOVERNMENT OF N.C.T. OF DELHI**

Udyog Sadan, C – 22 & 23, Institutional Area

(Behind Qutub Hotel)

New Delhi – 110016

Case No.117/2024

Moidadin

S/o Sh. Maousam,

R/o H. No.19, Rataul,

Baghpat- 250101(U.P.)

.....Complainant

VERSUS

TATA AIG Insurance Company Ltd.

Through Its authorized representative

22, 2nd Floor, Community Centre,

New Delhi-110065

..... Opposite Party

Date of Institution- 02.04.2024

Date of Order- 22.05.2026

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ORDER

DR. RAJENDER DHAR-MEMBER

1. The complaint pertains to alleged deficiency in service on the part of the OP.
2. Facts as stated in the complaint are that the complainant had taken a home loan of Rs.23,50,000/- from AU Small Finance Bank Ltd. vide sanction letter dated 23.03.2023. Copy of the sanction letter is annexed as **Annexure C-2**.
3. The complainant further submits that to secure this loan, an insurance master policy was issued by OP for the period 30.04.2023 to 29.04.2028, with a premium of Rs.31,723/- paid directly from the loan amount covering risks including Critical Illness, Accidental Death, and Permanent Total Disability, subject to specific terms and conditions. Copy of the insurance policy is annexed as **Annexure C-3**.
4. On 24.08.2023, the complainant was admitted to Metro Hospital and diagnosed with lung cancer, a condition that eventually required the surgical removal of one lung and left him unable to work. Copy of the treatment documents is annexed as **Annexure C-4**.
5. Consequently, the complainant filed a claim with OP, requesting they fulfil their

obligations under the policy by repaying the outstanding home loan.

6. The claim was rejected vide email on 15.12.20 23 on the grounds of "*non-declaration of facts about Heart Disease*" at the time of proposing the insurance, leading to an ab-initio cancellation of the policy. Copy of email dated 15.12.2023 is annexed as **Annexure C-5**. The complainant alleged this rejection is untenable and illegal, asserting that while he was treated for heart issues in the past, he was never diagnosed with the cancer that occurred during the policy tenure.
7. The complainant prayed that OP to comply with the terms and conditions of the Insurance Policy No.0239503493 and direct OP to pay the sum insured under the said insurance policy with interest for the date of rejection of the claim i.e. 15.12.2023, Rs.50,000/- as compensation and cost of litigation.
8. OP in his reply admitted that the complainant had obtained a "*Group Credit Secure Plus Medical Insurance Policy*" through AU Small Finance Bank Limited under Master Policy No. 0239503493. This policy was valid from 30.04.2023 to 29.04.2028 for an insured sum of Rs.23,50,000/-, covering risks including Critical Illness, Accidental Death, and Permanent Total Disability, subject to specific terms and conditions.
9. Upon receipt of the complainant's claim (Claim No. 0822607598A) for medical treatment of "Right Sided Synovial Sarcoma," the OP conducted a scrutiny of the medical records. It was discovered that the complainant had been admitted to Rajiv Gandhi Super Specialty Hospital from 08.10.2020 to 09.10.2020 and was diagnosed with Coronary Artery Disease (CAD), Double Vessel Disease (DVD), and had undergone PTCA (Percutaneous Transluminal Coronary Angioplasty).
10. The OP contended that the complainant was a known case of heart disease since 2020, which predated the inception of the policy. Since this material fact was suppressed and not disclosed in the proposal form, the OP repudiated the claim vide letter dated 15.12.2023. Consequently, the policy was cancelled ab-initio under the "Cancellation" clause of the general terms for misrepresentation and non-disclosure of material facts.
11. The OP further submitted that the complaint is liable for dismissal on grounds

of non-joinder of necessary parties, as AU Small Finance Bank was not impleaded. The OP maintained that they performed their duties promptly as per the binding terms of the insurance contract and the settled principles of law, and therefore, no deficiency in service or consumer dispute exists.

12. Vide Order dated 21.11.2024, the complainant's counsel stated that they are not willing to file rejoinder.

13. The complainant filed evidence by way of an affidavit and has exhibited the following documents:
 - i. Copy of Aadhar card is exhibited as **Exhibit CW-1/1**.
 - ii. Copy of sanction letter is exhibited as **Exhibit CW-1/2**.
 - iii. Copy of insurance policy is exhibited as **Exhibit CW-1/3**.
 - iv. Copy of treatment documents are exhibited as **Exhibit CW-1/4(Colly)**.
 - v. Copy of email dated 15.12.2023 in respect of rejection of the insurance claim is exhibited as **Exhibit CW-1/5**.

14. OP filed evidence by way of an affidavit and has exhibited the following documents:
 - i. Copy of terms and conditions of the Policy is exhibited as **Exhibit RW-1/1**.
 - ii. Copy of claim Form under critical illness insurance is exhibited as **Exhibit RW-1/2**.
 - iii. Copy of discharge summary along with other medical documents are exhibited as **Exhibit RW-1/3(Colly)**.

15. The Commission has considered all the material on record. It is observed that the complainant had undergone treatment for heart disease at Rajiv Gandhi Super Speciality Hospital from 08.10.2020 to 09.10.2020, wherein he was diagnosed with coronary artery disease, double vessel disease and underwent percutaneous transluminal coronary angioplasty (PTCA).

16. Subsequently, it is noted that the complainant was admitted to Metro Hospital on 24.08.2023, where he was diagnosed with lung cancer. Due to the severity of the

disease, the complainant had to undergo surgical removal of one lung, which left him physically debilitated and was unable to work, and he had to continue receiving medical treatment thereafter.

17. It is pertinent to mention that the heart disease was diagnosed in 2020 and the lung cancer was diagnosed after a gap of nearly three years i.e. in 2023, cannot be medically correlated with each other.
18. The complainant has also placed on record medical research and literature to demonstrate that the two diseases cannot be correlated. Therefore, no nexus or correlation can be drawn between the heart disease diagnosed earlier and the subsequent diagnosis of lung cancer. Although it may be noted that a person suffering from heart or vascular disease may have some probability of developing other ailments, including lung cancer, there is no conclusive medical evidence on record to establish that heart or vascular diseases necessarily lead to lung cancer.
19. OP has attempted to draw a remote and speculative connection between the two ailments, which otherwise have no medical correlation, particularly when the diseases occurred after a gap of nearly three years.
20. There is no medical document placed on record by OP to support its contention. In such circumstances, the repudiation of the claim by the OP is found to be in clear violation of the terms and conditions of the insurance policy issued to the insured.
21. This Commission is of the considered opinion that the OP not adopted fair, transparent, and consumer-friendly approach towards the complainant and thus has adopted unfair trade practice against the complainant. It is also seen that OP under the pretext of alleged concealment of a heart ailment, the claim of the complainant has been repudiated and not only this but also has been cancelled the policy of the complainant which was totally unwarranted on the part of OP. Thus, OP is found guilty and deficient in services. Accordingly, the ends of justice would be met if the following directions are issued against the OP:
 - i. OP is directed to pay a sum of Rs.23,50,000/- to the complainant within two

months from the date of this order, failing which the said amount shall carry interest @ 7% per annum till realization.

ii. OP is also directed to pay Rs.25,000/- to the complainant as compensation for unfair trade practice, mental agony and harassment caused to the complainant.

iii. OP is also directed to pay Rs.5,000/- towards the cost of litigation.

22. Order shall be complied within two months from the date of pronouncement of the Order. Copy of Order be sent to parties free of cost. Order to be uploaded and file be consigned to record room.

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MONIKA AGGARWAL SRIVASTAVA
PRESIDENT

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DR. RAJENDER DHAR
MEMBER

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RITU GARODIA
MEMBER