IN THE DELHI STATE CONSUMER DISPUTES REDRESSAL COMMISSION

Date of Institution: 30.08.2025
Date of Hearing: 02.09.2026
Date of Decision: 28.10.2026

FIRST APPEAL NO. - 407/2025

IN THE MATTER OF

NATIONAL INSURANCE COMPANY LIMITED
NATIONAL LEGAL VERTICAL,
2 E/9, THIRD FLOOR,
JHANDEWALAN EXTENSION,
NEW DELHI-110055.

(Through: Aanchal Dhingra, Advocate)

…Appellant

VERSUS

MR. NARENDRA KUMAR JAIN,

B-11, NAVKUNJ APARTMENT,

87, I.P. EXTENSION, EAST DELHI,

NEW DELHI – 110092.

(Through: Sagar Diwan, Advocate)

…Respondent

CORAM:
HON'BLE JUSTICE SANGITA DHINGRA SEHGAL (PRESIDENT)
HON'BLE MS. PINKI, MEMBER (JUDICIAL)

Present: Ms. Anchal Dhingra, counsel for the appellant appeared through VC.

Mr. Sagar Diwan, counsel for the Respondent.

PER: HON'BLE JUSTICE SANGITA DHINGRA SEHGAL, PRESIDENT

JUDGMENT

1. The facts of the case as per the District Commission record are as under:

> *"1. The case of the Complainant as revealed from the record is that he was suffering from severe COVID 19 and on 04.11.2020, he was admitted in the Navin Hospital, Vaishali, Ghaziabad. He remained admitted in the hospital till 20.11.2020 as 12 days in ICU ward and 04 days in isolation ward. His case is that as per letter issued by Additional Chief Secretary (Medical & Health) AmitMohan Prasad to all the DMs and the CMOs, the rate for isolation beds including supportive care and oxygen at NABH accredited hospitals in Tier A cities will not be more than Rs. 10,000 per day, while non-accredited hospitals can charge a maximum of Rs. 8,000/- per day. Similarly, for ICU without ventilator car, the NABH accredited hospitals can charge Rs. 15,000/- and non-accredited can charge Rs. 13,000/-. At NABH hospitals, the maximum charge for ICU with ventilator care would RS. 18,000/- per day and the same would be Rs. 15,000/- for non-accredited hospitals. All the charges would include the PPE cost. Similar letter was issued by Delhi Government. His case is that as per government guidelines Hospital cannot charges more than the amount fixed by them. Hence, Navin Hospital charged Rs.15,000/- per day for 12 days for ICU wards i.e. Rs. 1,80,000/- and Rs.10,000/- for 04 days for isolation ward i.e., Rs. 40,000/-. His case is that on 03.12.2020 he submitted his claim for Rs. 4,79,270/-*

but the claim was settled for Rs. 3,64,368/- which was short by Rs.1,10,000/-. His case is that Opposite Party did not reimburse the claim for consultant visit, intensivisit charges, RMO charges, Nursing charges, PPE Kit and N-95 Mask. Complainant stated that Opposite Party passed only room rent and other charges. As per policy the claim amount could be reimbursed upto Rs. 9,00,000/- but Opposite Party only passed the claim for Rs. 3,64,368/-. His case is that he filed a complaint before Ombudsman and Ombudsman agreed to review and settle the case as per govt. guidelines and advised the Opposite Party to settle the case within 30 days. His case is that Opposite Party did not settle the claim within 30 days. Complainant sent many letters to the Opposite Party but all are in vain. On 17.04.2023, Opposite Party sent an e-mail wherein it is stated that it has already paid Rs. 3,64,368/-. Complainant has prayed for balance amount of Rs. 1,10,000/- and Rs. 1,00,000/- as compensation.

2. The Opposite Party contested the case and filed its written statement. While admitting the subject Group tailor made policy, Opposite Party raised the objection to the present complaint on the ground that they have settled the claim of Rs.3,64,368/- as per the terms and conditions of the subject policy.

Opposite Party has submitted that Opposite Party No. 1 received the reimbursement claim request of Rs: 4,79,270/- under the group Mediclaim- Tailor made Policy and after that claim was approved for Rs. 3,58,568/- and paid on 18.02.2021 and further. Rs. 5,800/- was paid on 27.05.2021 after getting some information and necessary documents. Therefore total claim laid for Rs.3,64,368/- and disallowed of Rs.1,10,000/- in according with policy terms and conditions. The Opposite Party had paid the ICU and Room Rent charges as per terms and conditions of the policy @Rs. 7500/- & Rs. 5000/- per day, Rs. 4902/- were deducted as non-medical items which is already mentioned in terms condition of policy.

3. The Complainant filed rejoinder to the written statementof Opposite Party wherein the Complainant has denied the pleas raised by the Opposite Party and has reiterated the assertion made in the complaint.

4. To support his case, the Complainant has filed his affidavit, wherein, he has supported his case as mentioned in the complaint.

5. In order to prove their case Opposite Party has filed affidavit of Karishma Negi, wherein the averments made in the written statement of opposite part have been supported."

2. The District Commission after taking into consideration the material available on record passed the order dated **02.07.2025**, whereby it held as under:

"6. We have heard the Ld. Counsels for the parties. We have also perused the file and written arguments filed by the parties. The case of the Complainant is that he submitted his claim for Rs.4,79,270/- but the claim was settled by Opposite Party for Rs. 3,64,368/- which was short by Rs. 1,10,000/. His case is that Opposite Party did not reimburse the claim for consultant visit, intensivisit charges, RMO charges, Nursing charges, PPE Kit and N-95 Mask. Complainant stated that Opposite Party passed only room rent and other charges. As per policy the claim amount could be reimbursed upto Rs. 9,00,000/- but Opposite Party only passed the claim for Rs. 3,64,368/-. His case is that he filed a complaint before Ombudsman and Ombudsman agreed to review and settle the case as per govt. guidelines and advised the Opposite Party to settle the case within 30 days. His case is that Opposite Party did not settle the claim within 30 days.

7. Opposite Party, on the other hand, contends that they have settled the claim as per the terms and conditions of the policy. Since, the complainant approached Insurance Ombudsman Delhi and award was passed to review the matter. Accordingly, Opposite

Party recalculated the amount. The Opposite Party initially found the admissible amount of Rs. 3,17,530/- as per Delhi Govt. Rates but on final assessment as per tailor made policy terms and conditions found the claim admissible for Rs. 3,64,368/. Therefore total claim paid for Rs. 3,64,368/- and disallowed of Rs. 1,10,000/- in according with policy terms and conditions. Hence, no deficiency on their part.

8. It is not disputed that out of claimed amount of Rs. 4,79,270, claim was settled by Opposite Party for Rs. 3,64,368-. However, it is alleged by the complainant that settled amount is short by Rs. 1,10,000/. The contention of Opposite Party is that this amount was paid as per terms and conditions of the policy, hence Opposite Party could not reimburse further as per following calculation:

S.No.	*Particular*	*Amount Disallowed*	*Amount Paid*
1.	*ICU charges (excess) as per term and conditions of the policy of Rs.7,500/- per day*	*Rs.90,000/-*	*Rs.90,000/-*
2.	*Excess Room Rent as per term and condition of Rs.5,000/- per day*	*Rs.20,000/-*	*Rs.20,000/-*
3.	*Non Medical Item*	*Rs. 4,902/-*	*Nil*
	Total	*Rs.1,14,902/-*	*Rs.1,00,000*

It is submitted by the Opposite Party that they had paid the ICU and Room Rent charges as per terms and conditions of the policy @ Rs. 7500/- &Rs. 5000/- per day, Rs. 4902/- were deducted as non-medical items which is already mentioned in terms condition of policy. The contention of the complainant is that he was charged

by Navin Hospital Rs.15,000/- per day for 12 days for ICU wards i.e., Rs.40,000/ under isolation ward package. Opposite Party did not reimburse the claim for consultant visit, intensivisit charges, RMO Charges, Nursing Charges, PPE Kit and N-95 Mask while same was convered under the basic cover of the policy.

9. Perusal of material on record shows that under the ICU Package and Isolation ward package, besides rent for bed, other expenses were included as is clear from the Annexure E containing break up of both packages issued by the hospital. The Opposite Party had wrongly disallowed part amount of package under the pretext of "deduction of excess amount while the complainant was entitled to the other charges under the policy which were part of package as per Annexure E.

10. The complainant has submitted that sum insured under the subject policy was Rs. 9 lakhs as he had opted for super top up. Perusal of medical card filed by the complainant shows that super top up was opted. Since, the said card is issued by the Opposite Party only and Opposite Party has not clarified anywhere about the sum insured under the subject policy nor has cleared their stand whether super top up was opted as contended, in such case, contention of complainant is reliable. Moreover, Opposite Party has not disallowed part claim on the ground of exceeding sum insured limit but on the ground of exceeding maximum payable limit for room rent and ICU rent under the policy, hence, opposite party has committed deficiency is not considering the complete claim of the complainant.

11, In view of above discussion, we are of the considered opinion that Opposite Party has wrongly disallowed the part claim of the complainant, therefore, has committed deficiency in services towards complainant.

12. Thus we allow the complaint and direct the Opposite Party i.e. National Insurance Company to pay to the complainant amount of

Rs. 1,10,000/- towards balance Insured's claim along with @9% p.a. from date filing of complaint till its recovery. The Opposite Party is further directed to pay Rs. 45,000/- towards compensation and litigation cost along with 9% interest from the date of this order till its recovery."

3. Aggrieved by the aforesaid order, the Appellant has preferred the present Appeal on the ground that the District Commission failed to appreciate that the claim of the Respondent/Complainant was settled strictly in accordance with the terms and conditions of the insurance policy. The counsel for the Appellant submitted that the Room Rent and ICU charges were restricted to Rs.5,000/- per day and Rs.7,500/- per day, respectively as per the terms and conditions of the said policy. Therefore, the amount exceeding the said limits was not payable. The Appellant further submitted that the Government Circulars relied upon by the Respondent/Complainant merely prescribed the maximum package rates chargeable by hospitals for COVID-19 treatment and were not binding upon the Insurance Company so as to override the terms and conditions of the policy. He further contended that the District Commission wrongly relied upon the Super Top-Up cover, whereas the same would become applicable only upon exhaustion of the Sum Insured under the Base Policy and, in any case, the Room Rent and ICU limits under the Base Policy continued to apply. The Appellant submitted that the claim was not restricted on account of exhaustion of the Sum Insured but on account of the prescribed limits for Room Rent and ICU charges under the policy. Accordingly, the Appellant contended that the District Commission erred in directing payment of the disallowed amount of Rs.1,10,000/- and holding the Appellant deficient in

service. Pressing the aforesaid objections, the Appellant prayed for set aside of the aforesaid order.

4. The Respondent has filed his Reply, denied all the contentions and submissions of the Appellant and submitted that there is no error in the impugned order, as the entire material available on record was properly scrutinized before passing the impugned order.
5. The Appellant has filed the Written Arguments and reiterated the contentions raised in the present Appeal. He further relied upon order dated 25.02.2021 passed by this commission in ***Appeal bearing no.1270 of 2013, titled as National Insurance Co. Ltd. vs Mr. Amit Mittal.***
6. The Written Arguments have also been filed by the Respondents, wherein the contents of the Reply to the Appeal have been reiterated.
7. We have perused the material available on record.
8. The main question for consideration before us is ***whether the District Commission has erred in holding the Appellant deficient in service for disallowing an amount of Rs.1,10,000/- from the claim of the Respondent/Complainant.***
9. At the outset, it is noted that the Respondent/Complainant was insured under the Group Mediclaim-Tailor Made Policy issued by the Appellant. It is also clear from the medical card placed on record that the Respondent/Complainant had opted for Super Top-Up cover.
10. On perusal of the record, it is noted that the Respondent/Complainant was suffering from severe COVID-19 and was admitted in Navin Hospital, Vaishali, Ghaziabad on 04.11.2020 and remained admitted there till 20.11.2020. During the said period, the Respondent/Complainant remained in the ICU for 12 days and in the isolation ward for 04 days. The hospital

charged Rs.15,000/- per day for the ICU package and Rs.10,000/- per day for the isolation ward package. Thereafter, the Respondent/Complainant submitted a claim of Rs.4,79,270/- with the Appellant, against which an amount of Rs.3,64,368/- was paid and the remaining amount of Rs.1,10,000/- was disallowed.

11. The Appellant has contended that the aforesaid deduction was made strictly in accordance with the terms and conditions of the policy; therefore, no deficiency in service could be attributed to it. On the other hand, the Respondent/Complainant submitted that the amount charged by the hospital was towards the ICU and isolation ward packages, which also included other medical expenses apart from the charges for the bed.

12. On perusal of record, it is clear from the ***Annexure-E*** annexed with the complaint before District Commission containing the breakup of the ICU and isolation ward packages issued by the hospital, that the amounts charged under the said packages were not confined to the charges for the bed alone but also included other medical expenses. Moreover, the Respondent/Complainant had claimed that the amount towards consultant visits, intensivist charges, RMO charges, nursing charges, PPE Kit and N-95 Mask was not reimbursed by the Appellant, despite the same being covered under the policy.

13. In these circumstances, the Appellant was not justified in treating the entire difference between the package rates charged by the hospital and the Room Rent/ICU limits prescribed under the policy as excess Room Rent or ICU charges. More so, the Room Rent and ICU limits prescribed under the policy were applicable to the charges falling under the said heads. However, the other medical expenses forming part of the packages and otherwise

covered under the policy could not be disallowed merely because they were included in the package charged by the hospital. Accordingly, we find no merit in the contention of the Appellant that the entire amount of Rs.1,10,000/- was liable to be disallowed on the basis of the Room Rent and ICU limits.

14. So far as the contention regarding Super Top-Up is concerned, we are in agreement with the observation of the District Commission regarding the Sum Insured under the policy. The Appellant has not clearly stated or clarified the Sum Insured applicable under the policy or whether the Super Top-Up cover opted by the Respondent/Complainant was applicable. Moreover, the claim was not disallowed on the ground of the Sum Insured having been exceeded but on the ground of the Room Rent and ICU limits prescribed under the policy. Accordingly, we find no reason to interfere with the observation of the District Commission on this issue.

15. The Appellant has also relied upon the order dated 25.02.2021 passed by this Commission in ***Appeal bearing No. 1270 of 2013, titled as National Insurance Co. Ltd. vs. Mr. Amit Mittal***. However, the said order is not applicable to the facts and circumstances of the present case, as the facts and issues involved therein are different from those in the present case.

16. In view of the above discussion, we are of the view that the District Commission has rightly held that the Appellant wrongly disallowed the balance claim of Rs.1,10,000/- by treating the same as excess Room Rent and ICU charges without considering the other covered medical expenses forming part of the ICU and isolation ward packages. Accordingly, we find no infirmity in the finding of the District Commission holding the Appellant deficient in service.

17. In the foregoing, we are in agreement with the reasons given by the District Commission and fail to find any cause or reason to reverse the findings of the District Commission. Consequently, ***we uphold the order dated 02.07.2025 passed by the District Consumer Disputes Redressal Commission: North East, Govt. of NCT of Delhi, D.C. Office Complex, Bunker Vihar, Nand Nagri, Delhi-93.***
18. Resultantly, the present Appeal stands dismissed with no order as to costs.
19. Application(s) pending, if any, stand disposed of in terms of the aforesaid judgment.
20. A copy of this judgment be provided to all the parties free of cost as mandated by the Consumer Protection Act, 2019. The judgment be uploaded forthwith on https://e-jagriti.gov.in for perusal of the parties.
21. File be consigned to record room along with a copy of this Judgment.

(JUSTICE SANGITA DHINGRA SEHGAL)
PRESIDENT

(PINKI)
MEMBER (JUDICIAL)

Pronounced On:
28.10.2026

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