

BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT

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DATED : **21.11.2023**

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THE HONOURABLE **MR.JUSTICE N.ANAND VENKATESH**

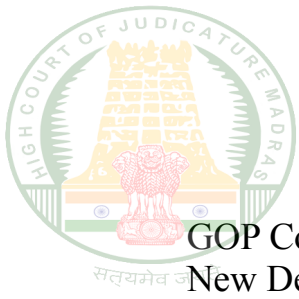
W.P.(MD)Nos.18130 & 18131 of 2021

K.Krishna ...Party in person in W.P.(MD)Nos.18130/2021

M.C.Uma Maheswari ...Petitioner in W.P.(MD)Nos.18131/2021

/Vs./

- 1.The Managing Director,
M/s.Star Health and Allied Insurance Company Ltd.,
IRDA Regn. No.129, No.1,
New Tank Street, Valluvarkottam High Road,
Nungambakkam, Chennai – 600034.
- 2.The Grievance Redressal Officer,
Star Health and Allied Insurance Co Ltd,
Corporate Grievance Department,
MKM Chambers, 5th Floor, No.42,
Kodambakkam High Road, Nungambakkam,
Chennai – 600034.
- 3.The Director,
Insurance Regulatory and Development Authority of India,
Sy No.115/1, Financial District, Nanakramguda,
Gachibowli, Hyderabad - 500032.
- 4.The Secretary,
Ministry of Ayush,
Ayush Bhawan, B Block,



GOP Complex, INA,
New Delhi - 110023.

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5.The Branch Manager,
Zonal Office, Star Health and Allied Insurance Co. Ltd.,
No.10, Deputy Collectors Colony,
K.K.Nagar, Madurai-625020.Respondents in both petitions

COMMON PRAYER:- Petitions - filed under Article 226 of the Constitution of India, to issue a Writ of Mandamus, directing the 3rd and 4th respondents to consider the petitioner's representation dt. 12.08.2021 to award a full reimbursement of the claimed amount under the insurance policies.

Appearance in both petitions:-

For Petitioners : K.Krishna (Party-in-person)
For Respondents : Mr.K.Ravi (R1, R2 & R5)
Mr.S.Anwarsameem (R3)
Mr.S.Jeyasingh (R4)
Special Panel Counsel
for Government of India

COMMON ORDER

When the matters came up for hearing on 16.11.2023, this Court passed the following order:-

“These writ petitions have been filed for the issue of a writ of mandamus directing the M/s.Star Health and Allied Insurance Company to award full reimbursement of



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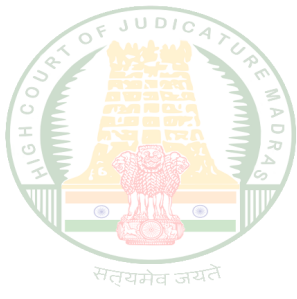
the amount claimed by the petitioners under the Insurance Policies.

2.The case of the petitioners is that they have policies with M/s. Star Health and Ailed Insurance Company. Insofar as the petitioner in W.P(MD)No.18130 of 2021, who is an Advocate practicing before this Court, he has taken a policy in the year 2009 for a sum of Rs.5 lakhs. Similarly, the petitioner in W.P(MD)No.18131 of 2021 is the Advocate Clerk for whom policy has taken in the same Company for a sum of Rs.4 lakhs. During the Covid-19 pandemic, both the petitioners were infected and they underwent treatment in Siddha Hospital.

3.The petitioner in W.P(MD)No.18130 of 2021 had sought for reimbursement of a sum of Rs.52,250/-, which was incurred towards treatment. Similarly, the petitioner in W.P(MD)No.18131 of 2021 had also sought for reimbursement of a sum of Rs.52,250/-. In the first case, only Rs.15,000/- was reimbursed and in the second case, only a sum of Rs.10,000/- was reimbursed.

4.It was submitted that when the policies were taken in the year 2009, it did not provide for any separate cap for reimbursement towards treatment taken in AYUSH Hospital and the same was treated on par with Allopathy treatment. Therefore, it was contended that whatever amount was spent towards the treatment in Siddha Hospital must be reimbursed by the Insurance Company.

5.Per contra, the learned counsel appearing for the Insurance Company submitted that the Policies are governed by the regulation issued by IRDA from time to time and as per the same, for the policy of sum of Rs.5 lakhs, the



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maximum cap is fixed at Rs.15,000/- and for the policy of Rs.4 lakhs, the maximum cap is fixed at Rs.10,000/- wherever the treatment is taken at AYUSH and the same has already been reimbursed to the petitioners.

6.To decide these writ petitions, the terms of the policy must be placed before this Court. The petitioners sought for some time to place the relevant documents before this Court. The learned counsel appearing for the Insurance Company is also directed to place the relevant materials before this Court to substantiate the stand taken by the Insurance Company to the effect that there is a maximum cap, that is fixed for treatment undergone at AYUSH Hospital

7.Post the matters under the caption 'Part Heard Cases' on 21.11.2023."

2. When the matter was taken up for hearing today, the learned counsel appearing on behalf of the Insurance Company produced the relevant insurance policies. Admittedly in this case, the petitioners had taken a policy in the year 2009 and under this policy, the expenses incurred for the treatment under the system of medicines other than allopathy were excluded and it is stated that the insurance company is not liable to make any payment under the policy with respect to those expenses. Thereafter, the current policy as it stands shows that for AYUSH treatment, the maximum cap has been fixed and for the sum insured upto Rs.4,00,000/-, the limit is fixed upto Rs.10,000/-. For the sum insured



WP(MD)Nos.18130 & 18131 of 2021

from Rs.5,00,000/- to Rs.15,00,000/-, the limit is fixed upto Rs.15,500/-. For

the sum insured from Rs.20,00,000/- to Rs.25,00,000/-, the limit is fixed upto

Rs.20,000/-. It is also clear that the policies issued by the insurance company

have the permission and licence of the Insurance Regulatory and Development

Authority of India (IRDAI).

3. In the light of the above policies that were produced before this Court, it is clear that whatever was the maximum cap that was fixed under the policy has been paid to the petitioners. Hence, no further direction can be issued to the insurance company to pay the entire amount that was claimed by the petitioners.

4. There is a larger issue that is involved in this case. During Covid-19 pandemic, it is the traditional medicines that were recommended for the infected persons and the hospitals were only attending to emergency cases by providing support system, obviously, since allopathy did not have any medicine to treat covid-19 patients. It is true that such an eventuality would not have been anticipated at the time of finalizing the policy. That is the reason why the maximum cap was fixed under the policy. However, it came to light that the effective treatment was also given to the infected persons under AYUSH and it



provided substantial relief to the patients. In such circumstances, it will not be reasonable to restrict the cap and thereby deprive the policy holders to get reimbursement of the amount, which was spent by them in AYUSH hospitals.

5. The IRDAI must take into consideration the fact that patients can choose the type of treatment that is required for them and they have an option to either choose allopathic medicines or go for traditional medicines provided by AYUSH. Whatever expenses are incurred for either of these treatments must be placed on equal scales. It will be discriminatory to give preference to allopathy as against AYUSH treatment. This must be kept in mind by the third respondent whenever the policies are drafted and sent for approval.

6. The third respondent must bear in mind that the traditional treatment in India which falls under the head of AYUSH treatment must also be encouraged and it must get the same weightage as is given to allopathic treatment and a person, who chooses to undergo AYUSH treatment should be entitled to receive the insurance amount towards the expenses incurred by him, as is done to a patient who undergoes allopathic treatment. This has to be implemented by the third respondent in all future policies.



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7. It is also brought to the notice of this Court that the Star Health and Allied Insurance Company Limited has now come up with a new policy called as AYUSH plan policy, wherein even AYUSH treatment is covered and the expenses incurred for the treatment is reimbursed. By virtue of this new policy, AYUSH treatment has been brought on par with the allopathic treatment.

8. There shall be a direction to the third respondent to act upon the suggestion made by this Court to place AYUSH treatment on par with allopathic treatment and direct the insurance companies to reimburse the insurance amount on equal scales. Both the writ petitions are disposed in the above terms. No costs.

21.11.2023

NCC : Yes/No
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WP(MD)Nos.18130 & 18131 of 2021

N.ANAND VENKATESH, J.

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TO:-

- 1.The Director,
Insurance Regulatory and Development Authority of India,
Sy No.115/1, Financial District, Nanakramguda,
Gachibowli, Hyderabad - 500032.

Common Order made in
W.P.(MD)Nos.18130 & 18131 of 2021

Dated:
21.11.2023