

DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, ERNAKULAM

Dated this the 28th day of November 2025

Filed on: 16.02.2024

PRESENT

Shri. D.B. Binu
Shri. V. Ramachandran
Smt. Sreevidhia T.N

Hon'ble President
Hon'ble Member
Hon'ble Member

C.C No. 170 of 2024

COMPLAINANT:

Muhyadeen. K.M, Kuppaseriyil House, Pidavoor, Pallarimangalam.P.O, Ernakulam-686671.

(Adv. Tom Joseph, Court Road, Muvattupuzha - 686661)

Vs.

OPPOSITE PARTIES:

1.M/s Oriental Insurance Company Ltd, Divisional Office 1, YWCA Buildings, 2nd Floor, Opp AG's Office, Spencer Junction, M.G.Road, Thiruvananthapuram-695001, Rep by its Manager.

(Adv. Saji Isaac. K.J for Op1)

2. M/s Medicep Kerala, Vandanam, Uppalam Road, Statue, Thiruvananthapuram-695001.

FINAL ORDER

D.B. BINU, PRESIDENT:

1. A brief statement of facts of this complaint is as stated below:

The complaint was filed under Section 35 of the Consumer Protection Act,2019. The Complainant is covered under the MEDICEP Health Insurance Scheme introduced by Opposite Party No.2 in collaboration with Opposite Party No.1 (Policy No. 441200/48/2023/274; MEDICEP ID 1768524; UHID 1768524-1; Employee ID 386231). On 05.01.2023, the Complainant met with a motor accident, being trapped between a jeep and a wall, and sustained a lacerated wound of the anterolateral left thigh with deep injuries to the rectus femoris, vastus lateralis and vastus intermedius. The Complainant was immediately admitted at MOSC Medical

College Hospital and, on the same day, underwent wound debridement, exploration, repair of the affected muscles, and wound suturing under general/spinal anesthesia. The Complainant was later discharged and incurred treatment expenses of Rs. 1,11,901.38. A cashless claim was raised with OP-1's TPA but was not settled. Thereafter, a reimbursement claim was submitted to OP-1, which was repudiated by letter dated 14.08.2023 on the ground that "MEDICEP is a cashless scheme and no reimbursement is allowed other than emergency cases." The treating doctor issued an Emergency Certificate. Contending that the hospitalization was an emergency, the Complainant alleges that the repudiation by OP-1, despite the scheme framework of OP-2, amounts to deficiency in service and unfair trade practice, causing hardship and financial loss.

2. NOTICE:

Notices were issued to Opposite Party No.1 and Opposite Party No.2 on 07.03.2024. Service was duly effected on both parties on 14.03.2024. Opposite Party No.1 entered an appearance and filed its written version. Despite due service, Opposite Party No.2 failed to file its written version within the statutory period; accordingly, OP-2 was set ex parte, and the matter proceeded as such.

3. THE VERSION OF THE FIRST OPPOSITE PARTY:

The Complainant's case is not maintainable. OP-1 submits that MEDISEP provides grievance redressal at district and state levels, and every claim must be adjudged strictly by the scheme's terms, conditions, exclusions and limits. MEDISEP is a cashless scheme; reimbursement is generally impermissible, save for narrowly defined emergencies. Emergency cover includes road traffic accidents resulting in injuries of specified severity, and limited situations like cardiac arrest or stroke treated at a non-empanelled hospital; in such instances liability is limited to the package cost that would have applied in an empanelled hospital. OP-1

asserts that the Complainant's hospitalization does not fall within the scheme definition of emergency; therefore, reimbursement is excluded. Without prejudice, even if any amount were payable, the Complainant would be entitled only to admissible package rates under MEDISEP, not actual billed amounts. OP-1 denies any deficiency in service or unfair trade practice, asserts the absence of cause of action, and disputes entitlement to ₹1,11,901.38, interest at 12%, compensation of ₹50,000/-, or costs. OP-1 prays that the complaint be dismissed with costs; any liability, if found, remains limited by the Agreement with the State of Kerala.

4.EVIDENCE:

The Complainant has filed a proof affidavit and produced five documents, marked **Exts. A1 to A5:**

- **Ext.A1** – Copy of the Medicep Card issued to the Complainant.
- **Ext.A2** – Copy of the Discharge Summary.
- **Ext.A3** – Copies of the Consolidated Patient Bill.
- **Ext.A4** – Copy of the Emergency Certificate.
- **Ext.A5** – Copy of the Repudiation Letter.

The Opposite Parties have produced two documents, marked **Exts. B1 and B2:**

- **Ext.B1** – Copy of the Insurance Contract for the implementation of Medical Insurance Scheme for State Employees and Pensioners (MEDISEP).
- **Ext.B2** – Copy of Order [Finance (Health Insurance) Department].

5. POINTS FOR CONSIDERATION:

- i) Whether the complaint is maintainable or not?
- ii) Whether there is any deficiency in service or unfair trade practice by the opposite parties?

iii) If so, whether the complainant is entitled to any relief?

iv) Costs of the proceedings, if any?

6. **SUMMARY OF WRITTEN ARGUMENT OF THE COMPLAINANT:**

a. This complaint concerns the refusal to honour the Complainant's claim under the health insurance scheme for injuries sustained in a road traffic accident.

b. From the "history of presenting illness" in **Exhibit A2** (Discharge Summary), it is evident that the Complainant required emergency treatment for injuries suffered in an RTA (Jeep vs. pedestrian—patient got stuck between a jeep and a wall).

c. In paragraph 6 of OP-1's version, OP-1 has admitted that injuries resulting from a road traffic accident fall within the category of emergency cases under the scheme. Consequently, the Complainant is entitled to the scheme benefits applicable to emergencies.

d. Prayer: In the above circumstances, it is humbly prayed that the reliefs sought in the complaint be allowed, together with costs.

The Complainant produced five documents (**Ext.A1 to Ext.A5**) in support of the case. Notices were issued to Opposite Party No.1 and Opposite Party No.2 on 07.03.2024 and duly served on 14.03.2024. Opposite Party No.1 entered an appearance and filed its written version. Despite due service, Opposite Party No.2 failed to file its written version within the statutory period and was, therefore, set ex parte; the matter proceeded accordingly.

OP-2's deliberate non-filing of a written version, despite service, warrants an adverse inference and leaves the Complainant's pleadings and affidavit evidence unrebutted as against OP-2. In these circumstances, and on perusal of the record, we find no reason to disbelieve the Complainant's version. A similar approach has

been affirmed by the Hon'ble National Commission, holding that uncontroverted pleadings supported by affidavit and documents may be accepted and an adverse inference drawn against a defaulting party, **2017 (4) CPR 590 (NC)**.

We have carefully heard the Complainant (and learned counsel for OP-1) and meticulously perused the pleadings, proof affidavit, **Exhibits A1-A5** and **B1-B2**, and the entire record, including the Complainant's argument note. No argument notes have been filed by either Opposite Party. Despite due service, OP-2 did not participate in the proceedings and has remained ex parte.

7. Point (i): Maintainability.

OP-1's IA No. 1326/24 seeking dismissal for non-maintainability (non-exhaustion of the scheme's grievance mechanism) is rejected. Remedies under the Consumer Protection Act are in addition to other remedies; the forum's jurisdiction is not ousted by an internal grievance process. (See **State of Karnataka v. Vishwabharathi House Building Coop. Society**, (2003) 2 SCC 412).

Finding: The complaint is maintainable.

Point (ii): Deficiency in Service / Unfair Trade Practice.

(a) Scheme terms and emergency reimbursement.

The official MEDISEP guidance expressly permits reimbursement for emergency treatments in road accidents taken in non-empanelled hospitals (subject to terms).

'It is relevant to note that, as per the Memorandum of Understanding dated 27.06.2022 executed between the Finance Department, Government of Kerala and the Oriental Insurance Company Limited, there shall be no reimbursement of any medical expenditure incurred outside the scope of the Medisep scheme except in

defined emergency situations. Reimbursement for treatment in non- empanelled hospitals is permissible only in cases of (i) road traffic accidents resulting in injuries of specified severity, where, due to emergency the beneficiary is taken by caregivers to the nearest hospital and the procedures correspond to those listed in the scheme.

This position is further clarified and reiterated in the Circular dated 05.01.2024 No.1/2024/Fin issued by the Finance Department, which states that under Medisep, reimbursement for emergency treatment/surgeries in non-empanelled hospitals shall be allowed only in emergency situations like road accidents, strokes and heart attacks, and that too strictly subject to the conditions stipulated in the MoU.’

OP-1’s repudiation rests solely on the “cashless-only” stance, overlooking the emergency exception. The record (**Exhibit A2** “history of presenting illness” and **Exhibit A4** Emergency Certificate) proves that the Complainant was trapped between a jeep and a wall, underwent immediate surgery on 05.01.2023, and required emergency care. OP-1’s own version admits RTA injuries fall within emergency cover; its contention is only about “specified severity”, which is met by the contemporaneous clinical documentation.

(b) Construction of insurance terms.

Insurance terms are construed to advance the main purpose of the policy, and ambiguities operate contra proferentem against the insurer.

Repudiating an otherwise covered emergency claim merely because treatment proceeded on a reimbursement route is hyper-technical and defeats the scheme’s protective object.

(c) Burden and evidentiary effect.

The Complainant's affidavit with **Exhibits A1-A5** establishes emergency hospitalisation and expense. OP-2 remained ex parte; OP-1 filed no medical evidence to negate emergency severity. In these circumstances, the Complainant's case stands unrebutted on material particulars.

(d) Deficiency & unfair trade practice.

Unjustified repudiation of a valid claim constitutes a deficiency in service under the Act. Compensation may be awarded for resultant harassment and mental agony.

It is a settled canon that ambiguities in insurance contracts are construed against the drafter and in favour of coverage. The **Hon'ble Supreme Court** in **United India Insurance Co. Ltd. v. Pushpalaya Printers**, 2004 KHC 795, held that :

"If there is any ambiguity or a term is capable of two possible interpretations, one beneficial to the insured should be accepted."

The Hon'ble High Court of Kerala in **M/s. Benz Automobiles Ltd. v. P. D. Thomas &Anr.**, 2008 (3) KHC 846, likewise reiterated that ambiguity must be interpreted against the party who drafted the terms. Guided by these principles, any clause invoked by Ops that admits of two plausible constructions will be read in favour of the insured.

OP-2, being the scheme/TPA-side facilitating agency as pleaded, had an independent duty to coordinate claim processing with OP-1, exchange records in time, and keep the complainant informed. The admitted lack of coordination between OP-1 and OP-2 caused avoidable delay, confusion, and prejudice, constituting deficiency in service. Accordingly, OP-1 and OP-2 are held jointly and severally liable for the reliefs awarded herein, and OP-2 shall actively facilitate full

compliance (including transmission of records/approvals and release of dues) within the stipulated period.

Finding: Ops committed a deficiency in service.

Points (iii) and (iv): Entitlement to Relief and Costs.

Given the established emergency, the Complainant is entitled to reimbursement of the admissible treatment expenses, subject only to any demonstrably applicable package-rate cap. OP-1 has produced no concrete package rate to displace the actuals; on this record, the full claim is allowed. Interest and compensation: To fairly recompense delay and harassment, interest at an appropriate rate is awarded from the date of repudiation until realisation, together with compensation for mental agony and litigation costs. Liability: Monetary liability is fastened on OP-1 (insurer).

This Commission observes that behind every file lies a person whose daily life is disrupted when rightful claims are delayed or denied. The complainant's repeated follow-ups, uncertainty, and avoidable anxiety reflect more than a procedural lapse—they erode trust in essential services. Providers must respond with empathy, clear reasons, and timely action so that consumers are not compelled to litigate for what is due. The relief granted is intended not only to compensate for loss but to restore dignity and confidence, and it is hoped the Opposite Parties will review their processes to prevent such hardship in future.

Issues (I)–(IV) are answered in the complainant's favour. The evidence establishes a deficiency in service and unfair trade practice by the Opposite Parties, causing inconvenience, mental distress, hardship, and pecuniary loss. The Opposite Parties are, therefore, jointly and severally liable to compensate the complainant.

Hence the **prayer is partly allowed** as follows:

I. The Opposite Parties shall pay **₹94,276/-** (Rupees Ninety four thousand two hundred and seventy six only) to the complainant as per **Exhibit A3**, with interest @ 9% p.a. from 14.08.2023 date of repudiation until realisation.

II. The Opposite Parties shall pay **₹20,000/-** (Rupees Twenty Thousand only) to the complainant as compensation for mental agony, financial loss, and inconvenience.

III. The Opposite Parties shall pay **₹5,000/-** (Rupees Five Thousand only) towards the cost of the proceedings.

All pending IAs, if any, stand disposed of. IA No. 1326/2024 (OP-1) challenging maintainability stands dismissed (reasons recorded under Point (i) above).

The above directions shall be complied with within 45 days from the date of receipt of a copy of this order. In default, (a) the amount in **Clause I** shall continue to carry interest @ 9% p.a. from 14.08.2023 till realisation; and (b) the amount in **Clause II** shall carry interest @ 9% p.a. from 16.02.2024 (date of filing of the complaint) till realisation.

Pronounced in the Open Commission on this the 28th day of November, 2025.

**Sd/-
D.B. Binu
President**

**Sd/-
V. Ramachandran
Member**

**Sd/-
Sreevidhia T.N,
Member**

Forwarded/By Order

Assistant Registrar

APPENDIX

Complainant's Evidence:

- Ext.A1 - Copy of the Medicep Card issued to the complainant.
- Ext.A2 - Copy of the discharge summary.

- Ext.A3 - Copies of the consolidated patient bill
- Ext.A4 - Copy of the emergency certificate
- Ext.A5 - Copy of the repudiation letter.

Opposite party's Evidence:-Nil

Date of Despatch

By Hand::

By post::

BR/