District Consumer Disputes Redressal Commission- VIII (Central)
(Govt. of NCT of Delhi)
5th Floor, Maharana Pratap Inter State Bus Terminal Building
ISBT Kashmere Gate, Delhi- 110006

Consumer Complaint No.: DC/77/CC/360/2024

In the matter of

Shri Mahender Singh Thakran
R/o Flat No. 342, Ground Floor, Pocket-1,
Sector-28, Rohini, Delhi-110085

Smt. Kamla Devi w/o Sh. Mahender Singh
R/o Flat No. 342, Ground Floor, Pocket-1,
Sector-28, Rohini, Delhi-110085 … Complainants

Versus

ICICI Lombard Insurance Co. Ltd.
Having its Regd. Office at : 4th Floor,
Red Fort Capital, Parsvnath Towers, Gole Market
New Delhi-110001 … Opposite Party

ORDER

19.11.2026

(Dr. Rashmi Bansal, Member)

By way of the present order, the Commission proceeds to decide the complaint filed by the complainant, alleging deficiency in service and unfair trade practice on the part of the Opposite Party in repudiating the insurance claim lodged in respect of the policies obtained by his deceased son, Vikas Kumar. The complainant has alleged that the repudiation was arbitrary, contrary to the terms and conditions of the insurance policy and has caused him financial loss, mental agony and harassment.

Facts of the Complaint

1. Briefly stated, the case of the complainant is that his son, Late Shri Vikas Kumar, expired on 10.05.2021 due to COVID-19-related complications, at the age of approximately 41 years. It is submitted that during his lifetime, the deceased had obtained a housing loan from ICICI Bank Limited, bearing Loan Account No. LBDEL00002944420, for an amount of ₹16,30,000/-, repayable over a tenure of 193 months commencing from 05.08.2016, with an initial monthly EMI of ₹15,141/-, which subsequently stood increased to ₹15,611/-. It is further submitted that in connection with the aforesaid loan facility, the deceased had obtained an insurance policy from the Opposite Party, namely, Secure Mind, bearing Policy No. 4065/ICICILL/118657709/00/000, after paying a total premium of ₹93,230/-. Out of the said amount, a sum of ₹51,429.97/- was received towards coverage under the Major Medical Illness and Procedures component for the period commencing from 05.07.2016 and continuing up to midnight of 04.07.2021. The sum insured under the said policy was ₹29,69,569/-. It is further the case of the complainant that the deceased had also obtained another insurance policy from the Opposite Party, namely, Personal Protect, bearing Policy No. 4111/PPA/118657708/00/000, for a sum insured of ₹45,00,000/-, for the period from 05.07.2016 to 04.07.2021, against payment of a total premium of ₹24,248/-. The complainant submits that the aforesaid policies were obtained to secure the financial interests of the deceased and his family. In the event of an insured contingency, the benefits available under the respective policies were intended to provide financial protection to the insured and his legal heirs. The complainant, being the father and nominee of the deceased under the policies, claims entitlement to the admissible insurance benefits. It is further submitted that the deceased had also obtained another policy bearing No. 4128/HSMPc/118656794/00/000, for the period commencing from 05.07.2016 to 04.07.2018, upon payment of a premium of ₹47,521/-.

2. The complainant submits that during his lifetime, the deceased regularly discharged his EMI obligations without any default. After the unfortunate demise of his son, the complainant intimated the Opposite Party about the death and requested settlement of the insurance claims under the aforesaid policies. The complainant further submits that the deceased had also availed an additional/top-up loan of ₹9,01,200/- from ICICI Bank Limited, bearing Loan Account No. LBDEL00002945267, repayable over a tenure of 208 months, with an EMI of ₹8,430/- per month. According to the complainant, the insurance benefits were intended to provide financial protection against the loan liabilities as well. It is alleged that instead of settling the insurance claim, the Opposite Party repudiated the claim under the Secure Mind policy vide letter dated 25.08.2021, on the ground that the cause of death of the insured did not fall within the specified Major Medical Illnesses and Procedures covered under the policy. The complainant submits that the reason assigned by the Opposite Party is arbitrary and unjustified, particularly when the death of the insured occurred due to COVID-19-related complications, including bilateral pneumonia, severe ARDS, Type-I respiratory failure, shock and sepsis. It is contended that the said medical condition was life-threatening and ultimately resulted in the death of the insured. It is further alleged that despite the complainant having informed the Opposite Party about the death of the insured and having submitted the requisite documents, the claim was not settled. The complainant also caused legal notices dated 24.06.2021 and 07.07.2021 to be issued, which, according to him, did not elicit any satisfactory response. The complainant further submits that the outstanding amounts towards ICICI Bank Limited was completely discharged by him by paying entire dues under both the housing loan accounts, whereafter the Bank issued formal loan-closure certificates dated 28.03.2023, certifying that no amount remained due or payable under either of the loan facilities. It is alleged that the repudiation of the insurance claim is contrary to the terms and conditions of the policy and

constitutes deficiency in service on the part of the Opposite Party. Accordingly, the complainant has sought directions against the Opposite Party for payment of ₹29,69,569/- under the Secure Mind policy bearing No. 4065/ICICILL/118657709/00/000, payment of ₹45,00,000/- under the Personal Protect policy bearing No. 4111/PPA/118657708/00/000, compensation of ₹1,00,000/- towards mental agony, harassment and financial loss, and ₹50,000/- towards litigation expenses.

Version of the Opposite Party

3. The Opposite Party, in its written version, has admitted the issuance of the Secure Mind policy bearing No. 4065/ICICILL/118657709/00/000, having a sum insured of ₹29,69,569/-, subject to the terms and conditions of the policy. It is submitted that upon receipt of intimation regarding the death of the insured, the claim was registered under Claim Reference No. SCM044110324 in respect of the aforesaid Secure Mind policy. The Opposite Party has further contended that no separate claim was intimated in respect of the Personal Protect policy. The Opposite Party submits that the complainant was requested to furnish the requisite documents vide communication dated 28.05.2021, followed by reminders dated 12.06.2021, 28.06.2021 and 13.07.2021. It is further submitted that upon scrutiny of the documents, particularly the death summary issued by Saroj Super Speciality Hospital, Delhi, dated 10.05.2021, it was observed that the insured had expired due to COVID-19 positive status, bilateral pneumonia with severe ARDS, Type-I respiratory failure, shock and sepsis. According to the Opposite Party, the aforesaid medical conditions did not fall within the specified list of Major Medical Illnesses and Procedures covered under Part II of the Schedule, Section 2.1, of the Secure Mind policy. Consequently, the claim was repudiated vide letter dated 25.08.2021, on the ground that there was no evidence of any covered Major Medical Illness or procedure. The Opposite Party has further contended that an insurance policy is a contract between the parties, founded upon the principle of utmost good faith, and that the parties are

bound by the terms and conditions contained therein. It is submitted that no exception or relaxation can be granted contrary to the contractual provisions merely on equitable considerations. It is further contended that the complainant has sought to claim an amount which is not payable under the policy and that the Opposite Party, being an insurance company dealing with public funds, is required to scrutinise claims strictly in accordance with the contractual terms and conditions. The Opposite Party has accordingly denied any deficiency in service and has prayed for dismissal of the complaint.

Rejoinder and Evidence

4. The complainant filed a rejoinder, controverting the allegations and submissions made by the Opposite Party in its written version and reiterating the averments made in the complaint.

5. Both parties have filed their respective evidence by way of affidavits and have also placed documents on record in support of their respective stands.

6. In support of his case, the complainant has placed on record, inter alia:

a. Death certificate of Late Shri Vikas Kumar;
b. Death summary issued by Saroj Super Speciality Hospital, Delhi;
c. Copy of the housing loan documents bearing Account No. LBDEL00002944420;
d. Copy of the Secure Mind policy bearing No. 4065/ICICILL/118657709/00/000;
e. Copy of the Personal Protect policy bearing No. 4111/PPA/118657708/00/000;
f. Copy of the policy bearing No. 4128/HSMPc/118656794/00/000;
g. Copy of the top-up loan agreement bearing Account No. LBDEL00002945267;
h. Copies of legal notices dated 24.06.2021 and 07.07.2021; and Other documents relied upon in support of the complaint.

7. The Opposite Party, in support of its defence, has placed on record, inter alia:

i. Copies of communications/reminders dated 28.05.2021, 12.06.2021, 28.06.2021 and 13.07.2021;

ii. Death summary of the insured;
iii. Repudiation letter dated 25.08.2021;
iv. Policy terms and conditions and related policy documents;
v. Risk/exemption-related documents dated 07.06.2016;
vi. Loan settlement/closure communications issued by ICICI Bank Limited dated 28.03.2023 in respect of Loan Account No. LBDEL00002944420; and
vii. Loan settlement/closure communications issued by ICICI Bank Limited dated 28.03.2023 in respect of Loan Account No. LBDEL00002945267.

8. The complainant has relied upon the decision of the Hon'ble National Consumer Disputes Redressal Commission in ICICI Lombard General Insurance Company Limited v. Neema Saini, First Appeal No. 746 of 2021, decided on 26.12.2022.

9. The Opposite Party has relied upon the decision of the Hon'ble Supreme Court in United India Insurance Co. Ltd. v. Harchand Rai Chandan Lal, (2004) 8 SCC 644, wherein it has been held that the terms of an insurance contract are binding upon the parties and must be construed in accordance with their natural meaning. The Opposite Party has also relied upon other judicial authorities cited in its written arguments, including Suraj Mal v. United India Insurance Co. Ltd. and Industrial Promotion and Investment Corporation of Orissa Ltd. v. New India Assurance Co. Ltd.

10. Both parties have filed their respective written arguments.

11. The Commission has heard the learned counsel/authorised representatives for the parties, considered their oral submissions and carefully perused the pleadings, evidence and documents available on record.

12. At the outset, it is not in dispute that the deceased Vikas Kumar was insured under the Secure Mind policy bearing No. 4065/ICICILL/118657709/00/000, having a sum insured of ₹29,69,569/-, for the period commencing from 05.07.2016 and expiring on 04.07.2021. It is also

not in dispute that the insured expired on 10.05.2021, i.e. during the subsistence of the insurance policy. The death summary issued by Saroj Super Speciality Hospital, Delhi, records the cause of death as COVID-19 positive, bilateral pneumonia with severe ARDS, Type-I respiratory failure, shock and sepsis. The Opposite Party has repudiated the claim vide letter dated 25.08.2021, relying upon Part II of the Schedule, Section 2.1, relating to Major Medical Illnesses and Procedures. The relevant portion of the repudiation letter states that there was no evidence of any Major Medical Illness or procedure defined and covered under the policy. The principal ground urged by the Opposite Party is that COVID-19 and the associated complications resulting in the death of the insured were not specifically included in the list of Major Medical Illnesses and Procedures under the policy.

13. The Commission has examined the relevant policy schedule. The policy provides coverage under the category of Major Medical Illnesses and Procedures, which includes specified conditions such as cancer of specified severity, kidney failure requiring regular dialysis, multiple sclerosis, benign brain tumour, Parkinson's disease, Alzheimer's disease, end-stage liver disease, specified surgical procedures and certain medical events such as stroke, permanent paralysis, heart attack of specified severity, major burns, loss of speech, deafness and coma of specified severity. It is correct that COVID-19 has not been specifically enumerated in the aforesaid list. It is also a matter of record that the policy was obtained in July 2016, whereas the COVID-19 pandemic emerged several years thereafter. The death summary placed on record establishes that the insured was suffering from COVID-19 infection accompanied by bilateral pneumonia, severe Acute Respiratory Distress Syndrome (ARDS), Type-I respiratory failure, shock and sepsis. COVID-19 was not ordinary or inconsequential medical conditions. It represented a serious and life-threatening medical condition which ultimately resulted in the death of the insured.

14. The Hon'ble National Consumer Disputes Redressal Commission in ICICI Lombard General Insurance Company Limited v. Neema Saini, First Appeal No. 746 of 2021, decided on 26.12.2022 similar case wherein the insured had expired due to septic shock with Multiple Organ Dysfunction Syndrome (MODS). The insurance claim under the Secure Mind policy issued by ICICI Lombard was repudiated on the ground that the cause of death was not covered under the specified Major Medical Illnesses and Procedures. The Hon'ble National Commission, while considering the nature of the medical condition and the terms of the policy, observed that septic shock with MODS, though not specifically included in the enumerated list of Major Medical Illnesses, could not be regarded as a condition which was not fatal or life-threatening. The Hon'ble National Commission further observed that death may occur on account of different medical problems and that a patient cannot be said to die only because of one of the major medical illnesses specifically enumerated in the insurance policy. It was observed that the list of Major Medical Illnesses in the policy was not exhaustive and that there was a possibility of inclusion of other life-threatening diseases. The Hon'ble National Commission accordingly upheld the direction for payment of the insured amount, with interest, while deleting the separate compensation awarded towards mental agony on the ground that compensation in the form of interest had already been granted.

15. The aforesaid decision has considerable relevance to the facts of the present case. The medical circumstances in both cases involve serious and life-threatening conditions culminating in the death of the insured, and the repudiation was founded upon the contention that the particular medical condition was not specifically included in the list of Major Medical Illnesses. In the present case, the death summary establishes that the insured suffered from COVID-19 accompanied by bilateral pneumonia, severe ARDS, Type-I respiratory failure, shock and sepsis. The Opposite Party has not disputed the

death or the medical circumstances recorded in the hospital document. Its repudiation rests substantially upon the absence of the specific nomenclature of COVID-19 in the enumerated list.

16. The Commission is of the considered view that the decision in Neema Saini (supra) cannot be ignored merely because the medical diagnosis in that case was septic shock with MODS, whereas the present case concerns COVID-19-related complications. The principle emerging from the said decision is that the nature and seriousness of the medical condition leading to death must be examined, and the claim cannot be rejected mechanically merely because the precise medical terminology is not reproduced in the enumerated list. The Commission is conscious of the principle laid down by the Hon'ble Supreme Court in United India Insurance Co. Ltd. v. Harchand Rai Chandan Lal, (2004) 8 SCC 644, that an insurance contract must be construed in accordance with its terms and conditions and that the Court or Commission cannot ordinarily add to or subtract from the contractual provisions. However, the said principle does not dispense with the obligation to interpret the insurance contract fairly and in the context of the nature of the insured risk. The question in the present case is not whether the Commission can create a new insurance benefit outside the contract, but whether the Opposite Party was justified in rejecting the claim without properly appreciating the life-threatening nature of the medical condition and the applicable interpretation adopted by the Hon'ble National Commission in a comparable policy.

17. In view of the above, and particularly in the light of the decision in Neema Saini, the Commission is unable to accept the contention of the Opposite Party that the claim was liable to be rejected merely because COVID-19 was not specifically mentioned by name in the schedule of Major Medical Illnesses. The repudiation, therefore, cannot be sustained on the ground assigned by the Opposite Party in its letter dated 25.08.2021.

18. Having considered the ground of repudiation, the Commission now proceeds to examine the sum payable under the Secure Mind policy. The policy certificate placed on record specifically records the sum insured as ₹29,69,569/-. It further records the basis of sum insured as 'fixed' and mentions the housing loan account number in connection with which the policy was obtained. The policy schedule also records the name of the nominee as Mahender Singh Thakran, father of the insured. Thus, the complainant's status as the nominee under the policy stands established from the policy document itself. The loan-closure certificates dated 28.03.2023 issued by ICICI Bank Limited and placed on record by the Opposite Party relating to the following loan accounts:

i. Housing Loan Account No. LBDEL00002944420, concerning the original housing loan of ₹16,30,000/-; and
ii. Housing Loan Account No. LBDEL00002945267, concerning the additional/top-up loan of ₹9,01,200/-.

These certificates issued by ICICI Bank unequivocally certify that the respective loan facilities have been repaid in full, that no further amount remains due or payable under either of the facilities and that the Bank has no further claim or right against the complainant in respect of the said loan accounts. Consequently, the complainant, being the nominee recorded in the policy, is entitled to receive the insured amount of ₹29,69,569/- under the Secure Mind policy.

19. The complainant has also claimed an amount of ₹45,00,000/- under the Personal Protect policy bearing No. 4111/PPA/118657708/00/000, which was valid from 05.07.2016 to 04.07.2021. This policy and its schedule is independently examined for the said insurance cover. The policy specifically provides coverage under Section A for:

(a) Death resulting from an accident;

(b) Permanent Total Disablement resulting from an accident; and

(c) Temporary Total Disablement resulting from an accident.

The sum insured under the said policy is ₹45,00,000/-. The policy also identifies Mahender Singh as the nominee and records his relationship with the insured as father. However, the benefits under the said policy are specifically linked to the occurrence of an accident resulting in death or disablement, as provided in the policy schedule. In the present case, the death of the insured occurred due to COVID-19 infection and its associated medical complications. There is no material on record to establish that the death was caused by an accident within the meaning of the Personal Protect policy. The Commission is, therefore, of the considered view that the claim under the Personal Protect policy does not fall within the insured events specified therein. The mere fact that the policy was subsisting on the date of death and that the complainant was the nominee cannot create an entitlement to an insurance benefit in the absence of the occurrence of the insured event. Accordingly, the complainant is not entitled to the claimed amount of ₹45,00,000/- under the Personal Protect policy.

20. The Commission has also taken note of the third policy bearing No. 4128/HSMPc/118656794/00/000, filed along with the documents of the complainant having a sum insured of ₹15,00,000/-, which was valid from 05.07.2016 to 04.07.2018. The death of the insured occurred on 10.05.2021, much after the expiry of the aforesaid policy. Consequently, no claim can arise under the said policy in respect of the death of the insured in the year 2021.

21. Apart from the aforesaid housing loan, the complainant has also pleaded that a further loan facility of ₹9,01,200/- (Rupees Nine Lakh One Thousand Two Hundred only) was availed by the deceased Vikas Kumar from ICICI Bank Ltd. under Loan Account No. LBDEL00002945267, which was also duly discharged as per the loan-closure certificate dated 28.03.2023 issued by ICICI Bank Ltd.

22. It is further evident from the policy schedule placed on record that the complainant, being the father of the deceased insured Vikas Kumar, is named as

the nominee under the policy. The complainant has, accordingly, sought release of the admissible insurance amount in his favour in his capacity as the recorded nominee. In the absence of any rival claim or dispute concerning nomination before this Commission, the insurer, upon its liability under the policy being established, shall release the admissible policy proceeds to the complainant no. 1 as the recorded nominee, in accordance with the applicable policy terms. It is clarified that this Commission is not called upon in the present proceedings to adjudicate upon any inter se rights of succession or entitlement, if any, of other legal heirs of the deceased, which shall remain open to be determined in appropriate proceedings in accordance with law.

23. In view of the findings recorded hereinabove, this Commission is of considered opinion that opposite party is deficient in its services by not considering the claim of the complainant with respect to Secure Mind policy. The complaint is partly allowed with the following directions to the Opposite Party to pay to complainant no.1

A. a sum of ₹29,69,569/- (Rupees Twenty-Nine Lakh Sixty-Nine Thousand Five Hundred and Sixty-Nine only) under the Secure Mind insurance policy bearing No. 4065/ICICILL/118657709/00/000;

B. interest @ 6% per annum thereon from 25.08.2021, i.e. the date of repudiation of the insurance claim, till the date of actual realisation;

C. to pay a sum of ₹50,000/- towards litigation costs.

It is clarified that the claim for payment of ₹45,00,000/- under the Personal Protect policy bearing No. 4111/PPA/118657708/00/000 is declined for the reasons recorded hereinabove and that no relief is granted in respect of the third policy bearing No. 4128/HSMPc/118656794/00/000, as the same had expired before the date of death of the insured.

The Opposite Party shall comply with the aforesaid directions within 45 days from the date of receipt of a certified copy of this order. In the event of failure to comply with the directions within the aforesaid period, the amount of ₹29,69,569/- shall carry interest @ 9% per annum instead of 6% per annum, calculated from the date of repudiation, i.e. 25.08.2021, till actual realisation. The litigation costs of ₹50,000/- shall also be payable within the aforesaid period.

No separate compensation towards mental agony and harassment is being awarded, as interest has already been granted from the date of repudiation to compensate for the wrongful withholding of the insurance benefit in view of the principle discussed by the Hon'ble National Commission in Neema Saini (supra), relying on Hon'ble Supreme Court in DLF Homes Panchkula Pvt. Ltd. v. D.S. Dhanda, (2019) 5 SCC 1, concerning avoidance of overlapping awards under multiple heads of compensation.

A copy of this order be furnished to the parties as per rules. File be consigned to the record room after due compliance.

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Divya Jyoti Jaipuriar, President

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Dr. Rashmi Bansal, Member