

INSURANCE INSIGHT

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In the case of Reliance Life Insurance Co. Ltd. & Anr. v. Jaya Wadhvani, SLP (Civil) no. 10954 of 2019, the Hon'ble Supreme Court of India had to decide that what would be the date from which the policy becomes effective; whether it would be the date on which the policy is issued or the date of the commencement mentioned in the policy or it would be the date of the issuance of the deposit receipt or cover note.

In this case, the District Consumer Commission, the State Consumer Commission as well as the National Consumer Commission have proceeded on the basis that the date of issuance of the initial deposit receipt of premium is the date of commencement of the Policy and have accordingly allowed the complaint filed by the respondent.

In the present matter, the Hon'ble Supreme Court relied upon the case of Life Insurance Corporation of India v. Mani Ram, 2005) 6 SCC 274 wherein the case of Life Insurance Corporation of India and Another v. Dharam Vir Anand, (1998) 7 SCC 348 was discussed to state that that the date of issue of policy would be the relevant date even if there was backdating as has been done in the Dharam Vir Anand case. However, in the present case as there has been no backdating, therefore the date of issuance of the policy would be the relevant date for all the purposes and not the date of proposal or the date of issuance of the receipt.

Motor Accident Claims Tribunal has to hold valid enquiry and cannot proceed on the basis of mere conjectures and surmises.

In the case of Iffco Tokio General Insurance Co. Ltd. Vs. Sajjanpati and Ors., Mac. App. 920/2018, the Hon'ble Delhi High Court was dealing with a case of death in a motor vehicle accident and as to determining the liability of the owner and insurer of one of the offending vehicles in a case where the said vehicle was stolen before the accident and was being driven with a fake driving plate.

In the present case, the Hon'ble High Court has held that the Learned MACT under the provision of section 169 of the Motor Vehicle Act can even seek assistance in holding the inquiry and even enforce the attendance of witnesses, compelling the discovery, and production of documents and material objects. The learned Tribunal, however, made no efforts to find out the truth on how and why the Offending Vehicle was bearing a fake number plate at the time of the accident.

In this case, the Learned MACT has not even considered the contention of the Insurance company in its impugned order that if the Offending Vehicle was indeed stolen at the time of the accident, neither the owner nor the Insurance Company can be made liable to pay the compensation.

The Hon'ble High Court further held that this issue was, therefore, very vital to determine the person to be held liable to pay the compensation, if any, to the Claimants.

Therefore, in the light of the same the Hon'ble High Court held that the the learned MACT has conducted the inquiry in a very casual manner and without appreciating the relevant facts that needed to be inquired into and answered. Its findings are based on assumptions, conjectures, and surmises, rather than any appreciation of evidence before it and the matter was remanded back to the Learned MACT.



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