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INSURANCE INSIGHT

Hon'ble Supreme Court urged settlement in a repudiated insurance claim due to
huge delay by the Insurance Company.



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The Hon'ble Supreme Court in the case of M/S Tarapore And Co. v. United India Insurance Company Limited, Civil Appeal No.2387 Of 2025 urged a settlement between the parties in a repudiated claim owing to the delayed decisions by the insurance company. The appeal arises from the judgment and order dated 05.07.2022 passed by the High Court of Judicature at Madras. The appellant purchased a Tata Hitachi Heavy Duty Crane from M/s Telco Construction for Rs. 3,01,80,509, which was insured through M/s United India Insurance Co. Ltd. On 27.08.2005, the appellant inquired about renewing the insurance policy by submitting an invoice and valuation report, clearly stating that the crane was being used within the Tata Steel Complex at Jamshedpur. On 14.06.2007, the crane was involved in an accident at Tata Steel's power house no. 6, which resulted in damage to the crane's boom. The appellant immediately notified the respondent about the accident.

The Hon'ble trial court, in its judgment and order dated 10.06.2019, dismissed the appellant's claim, ruling it unsustainable. The appellant filed OSA No. 286 of 2019, in the High Court of Judicature of Madras which was also dismissed. As a result, the appellant has now approached this Court with the current appeal.

The Hon'ble Supreme Court observed that there was no dispute regarding the accident, the damage caused by it, or the extent of the damage. However, it took the Insurance Company a considerable amount of time to realize that the claim could not be sanctioned because the accident occurred outside the address listed in the insurance policy.

Given the unique facts of the case and in the interest of delivering substantial justice, the Court urged the Insurance Company to consider a reasonable settlement to interpret the policy's terms more fairly and the matter was finally settled.



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