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INSURANCE INSIGHT

Third Party Insurance Policy Effective From Date & Time Specified In Policy
Document



ANIMESH SINHA & PARTNERS
ADVOCATES & SOLICITORS

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The Hon'ble Supreme Court in the case of National Insurance Company Ltd. v. Maya & others discussed whether the insurance coverage under insurance policy would extend to the incident, only in relation to the date and time when the vehicle was covered by the policy. The accident occurred on 11.04.2017 at 14:15 hrs, while the insurance policy was obtained at 15:54 hrs on the same day. The MACT had determined that the premium for the insurance policy was paid before the accident. The policy was issued the following day due to internal procedural delays; however, coverage under the policy would be considered effective from the day the insurer received the premium. This position was supported by previous judgments, including Oriental Insurance Co. Ltd. v. Dharam Chand (2010) 15 SCC 141 and National Insurance Co. Ltd. v. Sobina Iakai (Smt) (2007) SCC 786.

The insurer also argued that the policy had been fraudulently obtained and that the premium had not been paid prior to the accident. However, the court highlighted that mere allegations of fraud were insufficient, as fraud must be proven with substantial evidence. The insurer failed to provide such evidence. The court cited several legal precedents to emphasize this point, including Bishnudeo Narain v. Seogeni Rai (1951 SCR 458), Bhaurao Dagdu Paralkar v. State of Maharashtra (2005) 7 SCC 605, and Reddaway (Frank) & Co. Ltd. v. George Banham & Co. Ltd. (1896 AC 199), all of which reinforced the principle that allegations of fraud must be substantiated with evidence.



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