

# INSURANCE INSIGHT

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insurance Policy

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The Hon'ble Supreme Court in the case of National Insurance Company Limited v. Harsolia Motors & Ors. discussed whether insurance policy taken by the respondent insured amounts to the hiring of services for "commercial purpose" thereby excluded from the purview of the expression "consumer" as defined under Section 2(1)(d) of the Act, 1986

The Hon'ble Supreme Court held that in a contract of insurance, the primary duty of the insurer is to indemnify the actual loss suffered by the insured, and not to gain a profit from the policy.

The Hon'ble Supreme Court further held that whether the insurance service has a close and direct nexus with the profit-generating activity and whether the dominant intention or dominant purpose for the transaction in relation to which the claim has been raised was to facilitate some kind of profit generation for the insured are the two factors that need to be taken into consideration in order to determine whether the insured is a consumer or not.

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In the case of Centex Fabric v. National Insurance Company, in CC No. 9 of 2014, the Hon'ble National Consumer Disputes Redressal Commission held that a delay of 22 months in finalization of claim cannot be justified on the grounds of documents and clarifications. further, when there is also a considerable delay (here of 8 months) between the two final survey reports, these delays amount to coercion on the complainant.

further, in the light of the same, the Hon'ble NCDRC held that the acceptance of discharge voucher in such a case cannot be considered to be one of accord and satisfaction and voluntary but rather one accepted under financial duress and coercion.



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