

INSURANCE INSIGHT

Territorial Jurisdiction in Motor Vehicles claim.

DLA's declaration in uberrima fides versus the duty of the Insurer to conduct
necessary tests and investigations.



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The Hon'ble High Court in the case of Riki v. Vikas Babu, 2023 SCC OnLine Del 2120, while analyzing the territorial jurisdiction of the Motor Accident Claim Tribunal recognised that the provisions of the Motor Vehicles Act are benevolent in nature and ought to be interpreted in a manner so that the Claimants who lose their sole bread earner are not made to run from pillar to post to seek compensation.

In this case, the Tribunal rejected the claim of the petitioners on the ground that since the fateful accident leading to the death of the deceased had taken place in Ghaziabad, Uttar Pradesh, the Tribunal did not have the territorial jurisdiction to entertain the claim petition. Reiterating the judgement of the Apex Court in Malati Sardar v. National Insurance Co. Ltd., (2016) 3 SCC 43, the Honble Court remanded the case back to the Tribunal upholding that the Tribunal had failed to appreciate that it was an admitted position that the office of the respondent insurer was in Delhi and therefore the Tribunal was well within its territorial jurisdiction.

DLA's declaration in uberrima fides versus the duty of the Insurer to conduct necessary tests and investigations.

In the case of Pachipala Namratha v. Bajaj Allianz Life Insurance Company, in CC No. 594 of 2015, the Hon'ble National Consumer Disputes Redressal Commission upheld that even when there was a lack of full disclosure of material facts at the time of the policy being taken, in absence of any cogent proof based on documentary evidence supported by affidavit it is not possible to accept that the DLA had pre-existing illness which were willfully concealed by the Insured.

It is notable that it is open for the Insurer to have conducted necessary tests and investigations especially when the risk cover is a substantial amount and when the Insurer failed to do so, seeking protection under Regulation 2(1)(d) of IRDA's Protection of Policy Holders Interest Regulations or Section 45 of the Insurance Act, 1938 is not available with them which declares that information relating to medical history constitutes material facts to be disclosed and if fraudulently suppressed by the Policy Holder would entitle the insurer to repudiate their liability under the contract of insurance ab-initio.



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