Date of Filing: 04.03.2026

Date of Order: 07.07.2026

BEFORE THE DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION, COLLECTORATE CAMPUS, COIMBATORE-18

PRESENT: Thiru R.THANGAVEL, B.Sc., B.L., President

Thiru P.MARIMUTHU, M.A.M.L., Member

C.C.No.92/2026

Tuesday, the 07th day of July, 2026

1. D.Muruganandam S/o.Duraisamy,
   D.No.29B, Ayyanarappan Santhu,
   Merk Ratha Veethi, Palani,
   Dindigul District – 624601.

2. M.Sumathi W/o.D.Muruganandam,
   D.No.29B, Ayyanarappan Santhu,
   Merk Ratha Veethi, Palani,
   Dindigul District – 624601. ..... Complainants

…Vs…

The Authorised Officer,
IFFCO TOKYA General Insurance Co. Ltd,
Branch Office: 195, Thiruvenkatasamy Road West,
R.S.Puram, Coimbatore – 641002 ..... Opposite Party

The present complaint has been instituted under Section 35 of the Consumer Protection Act, 2019, against IFFCO-TOKIO General Insurance Co. Ltd., Coimbatore (hereinafter referred to as the "OP"), seeking the following reliefs:

a. To direct the OP to pay the claim amount of Rs.15,00,000/- to the complainants on account of the demise of their son in a road accident.

b. To direct the OP to pay compensation of Rs.25,00,000/- for the mental agony suffered by the complainants due to the non-settlement of the claim.

c. To direct the OP to pay the costs of this complaint and Rs.10,000/- towards the cost of issuing the legal notice.

This complaint came up for final hearing before this Commission on 22.06.2026. Thiru R. Ashok and other learned counsel for the complainants, and Thiru P. Sashi Kumar, learned counsel for the OP, appeared and advanced their respective arguments.

This Commission has carefully perused the pleadings, affidavit of evidence, documents placed on record, and the submissions made on behalf of both parties. Upon such consideration, the following order is passed:

ORDER

THIRU. P. MARI MUTHU, MEMBER-I

The brief averments of the complaint are as follows:

1. The complainants submit that their son M.Shanmugam was a student of Hindustan College Of Engineering and Technologies, Coimbatore. On 12.11.2024, their son who was riding his motorcycle DUKE 390 model bearing registration number TN. 47 BB 3120 from Malumichampatti to Eachanari i.e. South to North direction in Coimbatore main road, suddenly lost control and hit the centre median at around 11:45 hours .Their son as well as the pillion rider were severely injured due to the self-hit accident and the complainants' son died on the very same day. The vehicle was owned in the name of their deceased M. Shanmugam and it was having full insurance coverage at the time of accident. The insurance policy number issued by the opposite party is 1-21-Z5V9H1 P400 Policy No. MS043047, for the period from 03.12.2022 to 02.12.2027. The said insurance policy was in the name of one Ms. Lakshmi. The vehicle was insured in the name of the said Mrs. Lakshmi and the complainants' son was utilizing the aforesaid motorcycle. The complainants' son had taken steps to change the name of the vehicle owner of the two wheeler bearing registration number TN 47 BB 3120 and succeeded and his efforts to change the name in the insurance policy alone was pending and during this period the road accident took place.They approached the opposite party claiming compensation for the death of their son M. Shanmugam. The opposite party had expressed that the name reflecting on the insurance

policy is different and did not consider their claim application.Their son who was initiating process to change the name in the insurance policy (valid from 03.12.2022 to 02.12.2027), had suddenly died in the road accident and the insurance policy of vehicle alone stand in the name of the said Lakshmi. They submitted all the documents but the opposite party failed to settle the claim.They issued a legal notice addressed dated 08.07.2025 to the opposite party by registered post with acknowledgement due claiming compensation as per the insurance policy to a sum of Rs. 15,00,000/- along with the cost of the legal notice Rs. 10,000/- . Despite receiving the legal notice on 10.07.2025, the opposite party has not come forward to sort out the claim nor had issued any reply. The opposite party's failure to settle the claim amounts to deficiency in service and unfair trade practice. Hence the present complaint is filed.

The brief averments of the written version filed by the opposite party are as follows:-

2. This opposite party submitted that the complainants have filed the present complaint for the death of one Shamugam in road traffic accident while he was driving a two wheeler bearing registration number TN 47 BB 3120. The claim is for personal accident cover for the owner of the two Wheeler. The complainants have claimed that the said Shanmugam was the registered owner of the above said two wheeler but the policy issued by this opposite party was in the name of one Lakshmi. The insurance policy issued by this opposite party stands in the name of the original owner Lakshmi. Subsequently Shamugam had purchased the vehicle from the policy holder Lakshmi on 17.10.2024 but did not intimate the fact of purchase to this opposite party and had not applied to make necessary changes in the policy with this opposite party. The material alteration of the transfer of the ownership of the insured vehicle was not disclosed to Insurance company. The Contact of insurance is personal in nature and the transfer of ownership of the vehicle has to be effected in the policy documents. The Contract of insurance is based on the utmost good faith which is one of the basic principles of insurance. The non-disclosure of the ownership transfer has resulted in clear breach of the contract of insurance. As on the date of loss there was no

Insurable Interest in the Insured vehicle. The ownership transfer was not disclosed to us and as the same was not endorsed in the policy of insurance, there is no contract of insurance. Therefore there is no insurable interest and hence the claim of the complaint are not legally sustainable. There is no privity of contract between the opposite party and the said Shamugam. Any person purchasing the motor vehicle from the registered owner is mandatory required by law to transfer the registration certificate and the policy certificate in his name. In the present case the subsequent purchaser Shanmugam did not take effective steps to transfer the policy in his name and hence there is no insurable interest. There is no valid contract for personal accident cover between this opposite party and the said Shanmugam who died in the accident and hence the claim made by the complaint was rightly rejected by this opposite party and hence there is no deficiency of service. The Policy terms and condition with regards to Compulsory Personal Accident is reproduced below:

"Under Section-3 of Personal Accident cover for owner-Driver, the Insurance company is liable only if,

a. The owner-driver is the registered owner of the vehicle.
b. The owner-driver is the insured named in this policy.
c. The owner-driver holds an effective driving licence, in accordance with the provisions of Rule 3 of the Central Motor Vehicle Rules, 1989, at the time of the accident.

Therefore it is prayed to dismiss the case with costs.

3. The complainants have filed his Proof Affidavit and Ex.A1 to Ex A13 have been marked. The opposite party has filed his Proof Affidavit and no exhibits have been marked.

4. The points for consideration in this complaint are:

1) Whether the OP was justified in repudiating the personal accident claim of the complainants?
2) Whether the complainants are entitled to the reliefs sought in the complaint?

Point No.1:

SUBMISSIONS OF THE COMPLAINANTS:

5. The complainants, while reiterating the averments made in the complaint, have submitted that on 12.11.2024, at about 11.45 a.m., while their deceased son was riding his Duke 390 motorcycle bearing Registration No. TN 47 BB 3120 on Coimbatore Main Road from Malumichampatti towards Eachanari, he lost control of the vehicle and collided with the centre median. As a result of the accident, he sustained fatal injuries and died at the spot, while the pillion rider survived with injuries.

6. The complainants submit that the said vehicle stood registered in the name of the deceased at the time of the accident. The vehicle was covered under a valid comprehensive insurance policy issued by the OP, bearing Policy No. MS043047 (Policy No. 1-21-Z5V9H1P400), valid from 03.12.2022 to 02.12.2027. However, the insurance policy continued to stand in the name of the previous owner, Tmt. Lakshmi.

7. According to the complainants, though the insurance policy remained in the name of the previous owner, the deceased had purchased the vehicle, had the registration certificate transferred to his name, and had also initiated steps for transferring the insurance policy to his name. Before the transfer of the insurance policy could be completed, the deceased unfortunately died in the accident.

8. The complainants submit that they approached the OP seeking settlement of the personal accident claim. However, the OP refused to consider the claim on the ground that the insurance policy stood in the name of another person. Despite furnishing the registration certificate, insurance policy, death certificate, legal heir certificate, and other supporting documents, the OP neither considered their claim nor settled the insurance amount.

9. It is further submitted that the complainants repeatedly visited the office of the OP and furnished all the documents and explanations sought by the OP. Despite the

same, the OP failed to settle the claim and continued to rely on the fact that the insurance policy had not been transferred to the name of the deceased.

10. The complainants further submit that they issued a legal notice dated 08.07.2025. Though the OP received the legal notice, it neither replied to the notice nor settled the claim. According to the complainants, the failure of the OP to consider and settle the insurance claim, despite the submission of all the relevant documents, amounts to deficiency in service and an unfair trade practice, causing them mental agony and hardship.

11. The complainants further rely upon the decisions of the Hon'ble Supreme Court of India in Civil Appeal Nos. 6338–6339 of 2024 and the Hon'ble High Court of Kerala in W.P.(C) No. 19315 of 2025 in support of their contention that the benefit under the personal accident cover cannot be denied merely because the insurance policy had not been formally transferred, when the vehicle stood registered in the name of the deceased and the policy was valid on the date of the accident. The complainants therefore assert that they are entitled to the reliefs sought in the complaint.

SUBMISSIONS OF OP:

12. The OP, submits that the complainants have preferred the present complaint seeking the personal accident cover in respect of the death of Shanmugam, who died in a road traffic accident while riding motorcycle bearing Registration No. TN 47 BB 3120.

13. The OP submits that though Shanmugam had purchased the vehicle from the original owner, Tmt. Lakshmi, on 17.10.2024 and had the registration transferred in his name, he neither intimated the transfer of ownership to the OP nor applied for transfer of the insurance policy in his favour. Consequently, the insurance policy continued to stand in the name of Tmt. Lakshmi. According to the OP, the transfer of ownership of the insured vehicle constituted a material alteration which was not disclosed, resulting in a breach of the contract of insurance.

14. The OP further submits that a contract of insurance is based on the principle of utmost good faith and is personal in nature. Since the insurance policy was not

transferred to the name of Shanmugam, there was no insurable interest or privity of contract between the deceased and the OP on the date of the accident. Therefore, the complainants are not entitled to claim the personal accident benefit under the policy.

15. The OP further contends that under the terms and conditions governing the compulsory personal accident cover for the owner-driver, the benefit is payable only if the owner-driver is the registered owner of the vehicle, is the insured named in the policy, and holds a valid driving licence at the time of the accident. Since the deceased was not the insured named in the policy, the claim was rightly repudiated.The OP therefore submits that there was no deficiency in service on its part and prays for dismissal of the complaint with costs. The OP cited the judgment of the Hon'ble Supreme Court in Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd., (1996) 1 SCC 221, in support of its contention.

ANALYSIS, REASONING, AND CONCLUSION:

16. All the materials available on record including the written submissions and oral arguments have been duly considered.

17. The following facts are not in dispute: the vehicle bearing Registration No. TN 47 BB 3120 was insured by the OP under Policy No. MS043047 (Ex.A7), originally issued in the name of Tmt. Lakshmi with effect from 03.12.2022. The Registration Certificate of the vehicle had already been transferred in the name of the deceased, M. Shanmugam, with effect from 15.12.2022 (Ex.A5). The policy remained valid on the date of the accident, namely 12.11.2024. However, despite the transfer of registration, the insurance policy continued to stand in the name of Tmt. Lakshmi, as no endorsement transferring the policy had been obtained in favour of the deceased.

18. The OP has repudiated the claim solely on the ground that the insurance policy had not been transferred to the name of the deceased, contending that since he was not the insured named in the policy, there was no privity of contract between the deceased and the OP, and that the complainants are consequently not entitled to the personal accident benefit.

19. Section 157 of the Motor Vehicles Act, 1988, as it stands, reads as follows:

"157. Transfer of certificate of insurance.—(1) Where a person, in whose favour the certificate of insurance has been issued in accordance with the provisions of this Chapter, transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

Explanation.—For the removal of doubts, it is hereby clarified that such deemed transfer shall include transfer of rights and liabilities of the said certificate of insurance and policy of insurance.

(2) The transferee shall apply within fourteen days from the date of transfer in the prescribed form to the insurer for making necessary changes in regard to the fact of transfer in the certificate of insurance and the policy described in the certificate in his favour, and the insurer shall make the necessary changes in the certificate and the policy of insurance in regard to the transfer of insurance."

20. It is true that the Hon'ble Supreme Court in Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd., (1996) 1 SCC 221, (cited by the OP), held that the deeming provision under Section 157 applies only to third-party risks and does not automatically extend to own-damage or personal accident cover, which are contractual in nature. This was reaffirmed in Balwant Singh And Sons v. National Insurance Company Limited, (2020) 11 SCC 745.

21. The Hon'ble High Court of Kerala in the case of N J Joseph vs National Insurance Company Ltd (order dated 29 October, 2025) after considering the judgment of the Hon'ble Supreme Court in Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd., (1996) 1 SCC 221, and the reaffirmation thereof in Balwant Singh And Sons v. National Insurance Company Limited, (2020) 11 SCC 745, proceeded to examine the effect of the

subsequent IRDAI Circulars No. IRDAI/NL/CIR/MOTP/158/09/2018 and IRDAI/NL/CIR/MOTP/200/12/2018, together with General Regulation 36 (GR.36A) of the Indian Motor Tariff, which make Compulsory Personal Accident Cover for owner-drivers mandatory under every motor policy. The Court held that these regulatory measures have elevated what was previously regarded as a purely contractual benefit into a statutory social security measure, so that the personal accident cover now travels with the policy under Section 157 in the same way as third-party protection under Sections 146 and 147, and its character as a statutory entitlement cannot be defeated by technical or procedural objections.

22. The Kerala High Court further clarified that the transfer of ownership of a vehicle is not, by itself, a breach of the policy; a breach arises only where the resulting transfer is not intimated to the insurer and such non-intimation causes actual prejudice to the insurer or amounts to a proven breach of a specific policy condition. The deeming fiction under Section 157(1) operates independently of the procedural intimation contemplated under Section 157(2), the latter being a mechanism for updating official records rather than a precondition for the survival of coverage. Consequently, mere delay or omission in seeking endorsement, without more, does not by itself defeat the statutory character of the compulsory personal accident cover or entitle the insurer to repudiate the claim.

23. In the present case, the OP's only defence is that it had no contract with the deceased, since the policy still stood in the name of Tmt. Lakshmi. This defence does not survive Section 157(1), which transfers the policy by operation of law the moment ownership of the vehicle changes hands. The Registration Certificate had stood in the deceased's name from 15.12.2022, and the policy remained valid and paid-up right up to the date of the accident. On these facts, the deceased must be treated as having stepped into the shoes of the insured for the purpose of the personal accident cover, even though the formal endorsement was never done.

24. It may be noted that in N.J. Joseph v. National Insurance Company Ltd., W.P.(C) No.19315 of 2025 , the transferee had died within the 14-day period allowed for

intimating the transfer, and the Kerala High Court excused the missing endorsement on that specific ground. The facts here are different, since the Registration Certificate had already stood in the deceased's name for nearly two years before the accident, and there is no explanation on record for why the policy was never got endorsed in that time. Even so, this Commission is not applying that judgment's 14-day reasoning as such, but the broader principle it lays down — that a delay in endorsement, by itself, does not defeat a statutory cover unless the insurer shows it was actually prejudiced or that a specific policy condition was broken. Since the OP has established neither actual prejudice nor breach of any specific policy condition, the same principle applies, and the claim cannot be repudiated merely because the policy had not been formally transferred to the name of the deceased.

25. Accordingly, this Commission holds that the complainants cannot be denied the benefit of the compulsory personal accident cover merely because the policy had not been formally endorsed in the name of the deceased. The repudiation of the claim therefore amounts to deficiency in service on the part of the OP. Point No.1 is answered accordingly.

Point No.2:

26. Having held that the OP was not justified in repudiating the claim, this Commission holds that the complainants are entitled to receive the personal accident compensation amount of Rs.15,00,000/- under the policy, being the sum assured under the Personal Accident Cover for the owner-driver.

27. As regards the claim for compensation towards mental agony, considering the nature of the deficiency and the circumstances of the case, this Commission is of the view that a sum of Rs.5,000/- (Rupees Five Thousand only) would meet the ends of justice. Further, the OP is directed to pay Rs.5,000/- towards the cost of the proceedings. Point No.2 is answered accordingly.

28. In the result, the complaint is partly allowed. The opposite party is directed a) to pay the personal accident compensation amount of Rs. 15,00,000/-

(Rupees Fifteen Lakhs Only) in accordance with the two wheeler policy certificate of insurance (Ex.A7) to the complainants b) to pay a sum of Rs. 5,000/- (Rupees five thousand only) as compensation for the mental agony, caused due to their deficiency in service c) to pay Rs. 5,000/- (Rupees five thousand only) towards the cost of proceedings. All the above payments shall be made within a period of one month from the date of receipt of this order, failing which the opposite party shall be liable to pay interest at the rate of 9% p.a towards the above said total amount till it is realized.

Pronounced by us in Open Commission on this the 07th day of July, 2026.

(Sd/-) (P.MARIMUTHU) Member	(Sd/-) (R.THANGAVEL) President

<u>List of Exhibits marked by the complainant:</u>

1.	Ex. A1/	Copy of Aadhar Card of 1st Complainant
2.	Ex. A2/	Copy of Aadhar Card of 2nd Complainant
3.	Ex. A3/	Copy of Aadhar Card Shanmugam
4.	Ex. A4/	Copy of College ID Card
5.	Ex. A5/	Copy of Vehicle RC Book
6.	Ex. A6/	Copy of Driving Licience
7.	Ex. A7/	Copy of Vehicle Insurance
8.	Ex. A8/	Copy of Death Certificate
9.	Ex. A9/	Copy of Legal Heir Certificate
10.	Ex. A10/	Copy of Legal Notice
11.	Ex. A11/	Acknowledgement Card
12.	Ex. A12/	Copy of FIR
13.	Ex. A13/	Copy of Post Mortem Certificate

<u>List of witnesses examined on the side of complainant:</u>

1.	PW1/ 26.05.2026	D.Muruganandam S/o.Duraisamy, Complainant

List of Exhibits marked on the side of opposite party:-

…Nil…

List of witnesses examined on the side of opposite party:

1. RW1/ 09.06.2026 Authorized Signatory, Opposite Party

(Sd/-)	(Sd/-)
(P.MARIMUTHU)	(R.THANGAVEL)
Member	President