



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 16.07.2026

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THE HONOURABLE MR. JUSTICE N. ANAND VENKATESH

CMA No.1264 of 2025
and CMP No.10620 of 2025

M/s.HDFC ERGO General Insurance Co., Ltd.,
356/1, Empire Arcade Building,
1st Floor, Omalur Main Road,
Opposite to New Bus Stand, Salem

..Appellant

.VS.

1.Krishnakumari

2.Logeshwaran

3.Anand

4.The Insurance Regulatory and Development Authority of India,
Survey No.115/1,
Financial District,
Nanakrangudam,
Hyderabad – 500 032

..Respondents

(R4 suo motu impleaded vide order dated 16.07.2026 made in CMA No.1264 of 2025 by NAVJ)

Prayer: Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, against the order in MCOP No.665 of 2022 dated 01.12.2023, on the file of the Motor Accident Claims Tribunal, Special District Judge, Salem.



For Appellant : Mr.S.Arun Kumar

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JUDGMENT

This appeal has been filed by the Insurance Company against the Award passed by the MACT, Special District Judge, Salem, in MCOP No.665 of 2022 dated 01.12.2023.

2.The claimants are the parents of the deceased Eswaran. The case of the claimants is that on 06.02.2022, the deceased Eswaran was traveling as a pillion rider in a two wheeler at Karumpalai-Karuppur road and at about 6.45 a.m., the rider of the two wheeler who was driving the vehicle in a rash and negligent manner was not able to control the vehicle and as a result, the deceased fell down and sustained grievous injuries and the later succumbed to the injuries. It is under these circumstances, the claim petition came to be filed before the Tribunal.

3.The appellant Insurance Company took a stand that there was negligence only on the part of the rider of the two wheeler in which the deceased traveled. A further stand was taken to the effect that the deceased was not a third party under the policy and at the relevant point of time, the



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insurance policy covered only third parties and the pillion rider cannot be construed as a third party, since it is not a comprehensive policy. Accordingly, the insurance company sought for the dismissal of the present appeal.

4.The Tribunal on considering the facts and circumstances of the case and on appreciation of oral and documentary evidence, came to a conclusion that the accident had taken place only due to the rash and negligent driving on the part of the rider of the two wheeler,

5.Having rendered the above finding, the Tribunal fixed the total compensation of Rs.11,45,000/- under various heads as follows:

Compensation awarded under the head	Amount (in Rs.)
Loss of Income (10000x12x18) = 21,60,000 – ½ =10,80,000	10,80,000
Loss of love and affection	40,000
Funeral Expenses	25,000
Total	11,45,000

6.Insofar as the liability is concerned, the Tribunal held that the Insurance Company alone has to pay the compensation and it can be



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recovered from the owner of the vehicle, since the owner of the vehicle did not possess a valid driving license.

7. Aggrieved by the same, the present appeal has been filed by the insurance company questioning the liability imposed against them.

8. Heard the learned counsel for the appellant and the learned counsel appearing on behalf of the respondents.

9. This Court has carefully considered the submissions made on either side and the materials available on record and also carefully gone through the Award passed by the Tribunal.

10. The main ground that was raised is that the policy in question is a bundle policy and the third party liability mentioned therein is only for the first year that is from 04.07.2020 to 03.07.2021 and thereafter, no cover is available for a pillion rider. Hence, it is contended that the liability cannot be fastened against the Insurance Company.



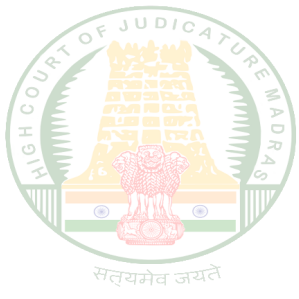
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11.This Court carefully went through the policy marked in EX.P9. On carefully going through the same, it is seen that the policy as such has not limited the liability of the Insurance Company and therefore, the finding rendered by the Tribunal fixing the entire liability against the Insurance Company does not suffer from any perversity warranting the interference of this Court.

12.The compensation that has been fixed under the head of loss of love and affection is on the lower side and this Court is inclined to enhance the same to Rs.80,000/- (Rs.40,000 x 2). The compensation under the funeral expenses is fixed at Rs.15,000/- and the compensation under the head of loss of estate is fixed at Rs.15,000/-.

13.In the light of the above discussion, the compensation fixed by the Tribunal is modified as follows:

Compensation awarded under the head	Amount (in Rs.)
Loss of Income (10000x12x18) = 21,60,000 – ½ =	10,80,000
Loss of love and affection	80,000
Funeral Expenses	15,000



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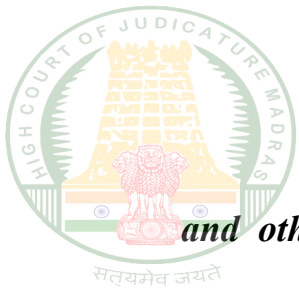


Loss of Estate	15,000
Total	11,90,000

14.The compensation awarded by the tribunal at Rs.11,45,000/- is enhanced to Rs.11,90,000/-. The appellant/insurance company is directed to deposit the enhanced compensation of Rs.11,90,000/-, less the amount already deposited, together with interest at the rate of 7.5% p.a. from the date of claim petition till the date of deposit within a period of four weeks from the date of receipt of this judgment.

15.This Civil Miscellaneous Appeal is Partly Allowed in the above terms. The finding of the Tribunal regarding pay and recovery shall stands sustained. No Costs. Consequently, connected miscellaneous petition is closed.

16.In the case in hand, a larger issue is involved, since the policy in question is a bundle policy. There is no consistency or uniformity in the terms of policy and therefore, the liability towards the occupants of a vehicle apart from the driver continuous to be in limbo. The same was considered by this Court in *Managing Director, United India Insurance Co., Ltd. vs. A.Siva*

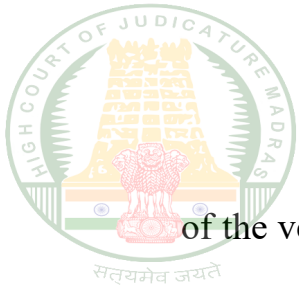


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and others reported in **2024 (2) TN MAC 549** and this Court issued a direction to the Insurance Regulatory and Development Authority of India (IRDAI) to ensure that standardised forms are issued by the Insurance Companies whether they are Nationalised Insurance Companies or private Insurance Companies. This position was reiterated by the Division Bench in CMA No.3882 of 2025 by an order dated 25.03.2026. Till date, IRDAI has not issued any directives and the same uncertainty continues. In view of the same, some of the private Insurance Companies are inserting the clarificatory term in their standard forms of contract and trying to avoid the liability of the occupants of a vehicle.

17. In view of the above, Insurance Regulatory and Development Authority of India, Survey No.115/1, Financial District Nanakranguddam Hyderabad – 500 032, is *suo motu* added as the 4th respondent in this case.

18. Mr. M. B. Raghavan, learned counsel shall take notice on behalf of the impleaded 4th respondent and take instructions regarding the follow up pursuant to the earlier orders passed by this Court and the steps taken to standardise the forms issued by the Insurance Companies and more particularly, to ensure consistent treatment of risk coverage for the occupants



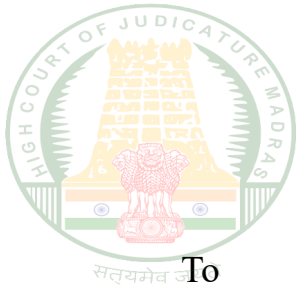
of the vehicle. A report shall be filed before this Court during the next date of hearing.

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19. Post this case under the caption 'For Reporting Compliance' on 06.08.2026.

16.07.2026

Index : Yes/No
Speaking Order/Non-Speaking Order
Neutral citation : Yes/No
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To
The Motor Accident Claims Tribunal, Special District Judge, Salem.



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N. ANAND VENKATESH., J

SSR

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