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CMA No. 2655 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 20-07-2026

CORAM

THE HON'BLE MR JUSTICE N. ANAND VENKATESH

CMA No. 2655 of 2025

1. Velayutham .T
S/o. Thulukanam
2. Dellirathinam .V
S/o. Velayutham

..Appellant(s)

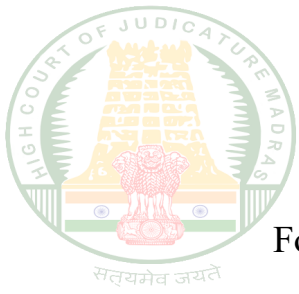
Vs

1. N. Kumar
S/o. Nadarajan
2. Cholanmandalam MS General Ins.Co.Ltd.,
Harinivas Towers, 2nd Floor, 163A,
Thambuchetty St, Parrys Corner, Chennai 1.
3. HDFC ERGO General Insurance Co.Ltd.,
528/559, II Floor, Annasalai, Teynampet,
Chennai 18.

..Respondent(s)

Civil Miscellaneous Appeal filed under Section 173 of the Motor Vehicles Act, 1988 to set aside the order of dismissal and allow the compensation against the order dated 21.02.2025 and made in MACT OP No.1159 of 2021 on the file of the Motor Accidents Claims Tribunal, Chennai (Special Sub Court No.1, Court of Small Causes, Chennai).

For Appellant(s): Mrs. A.Subadra



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CMA No. 2655 of 2021

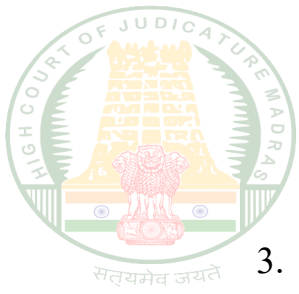


For Respondent(s): Ms.C.Harini
for M/S.M.B.GOPALAN ASSOCIATES
for R2

Judgment

This Civil Miscellaneous appeal has been filed against the award passed by the Motor Accident Claims Tribunal, Chennai (Special Sub Court No.1, Court of Small Causes, Chennai), dated 21.02.2025 in MACTOP No.1159 of 2021, wherein the appellants are questioning the finding of the Tribunal exonerating the liability on the ground that the insurance company is not liable to pay compensation and that the claimants cannot claim own damage compensation before the Tribunal.

2. The claimants are the husband and son of the deceased Meena. The case of the claimants is that on 06.12.2020, the deceased was travelling as a pillion rider on a two wheeler towards Tirukalukundram and at about 14.00 hours, when the vehicle was crossing the temple pond, the rider of the two wheeler was obstructed by two cows which were fighting and they hit the vehicle. As a result of which, the rider lost control of the vehicle and the deceased was thrown out of the two wheeler and she sustained fatal injuries and succumbed to the same. It is under these circumstances, the claim petition came to be filed before the Tribunal.



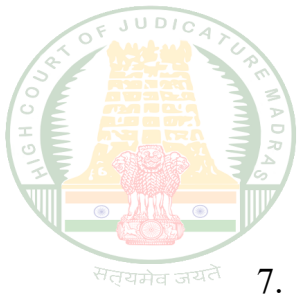
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3. The 2nd respondent filed a counter and took the stand that the accident had taken place only due to the negligence on the part of the rider of the two wheeler and that the owner of the vehicle had obtained a package policy for “own damage” cover, which did not cover the pillion rider. Accordingly, the insurance company sought for the dismissal of the claim petition.

4. The 3rd respondent also filed a counter affidavit and took a similar stand.

5. The Tribunal on considering the facts and circumstances of the case and on appreciation of oral and documentary evidence, came to the conclusion that the accident had taken place solely due to the rash and negligent driving on the part of the rider of the two wheeler. The Tribunal further rendered a finding that at the time of the accident, only a “own damage policy” was in existence and that it did not cover the pillion rider or her legal heirs. The Tribunal accepted the stand taken by the insurance company and dismissed the claim petition by its award dated 21.02.2025. Aggrieved by the same, the present appeal has been filed before this Court.

6. Heard Ms.A.Subadra, arned counsel for appellant/claimant and Ms.C.Harini, learned counsel for 2nd respondent.



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7. This Court has carefully considered the submissions made on either side and the materials available on record.

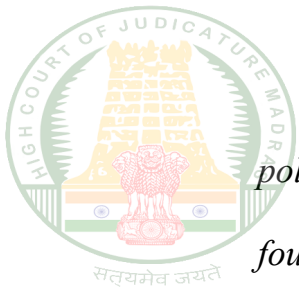
8. This Court has also carefully gone through the award passed by the Tribunal.

9. In the case in hand, this Court is dealing with a policy which is popularly called as a “Two wheeler bundled policy”. Such a policy does not contain terms and conditions that are originally found in a standalone policy.

10. This Court had an occasion to deal with this issue in detail in CMA No.3882 of 2025 dated 25.03.2026 and the relevant portions are extracted hereunder:-

7. Mr.M.B.Gopalan, took the Court through three different policies issued by Insurance Companies. The first one could be termed as a Liability Only Policy. The second one is a Two~wheeler Package Policy. The third one is a Two~wheeler Bundled Policy. All three policies are distinct and operate in different circumstances.

8. The policy in the instant case is a Two~wheeler Bundled Policy. It was also brought to our knowledge that such



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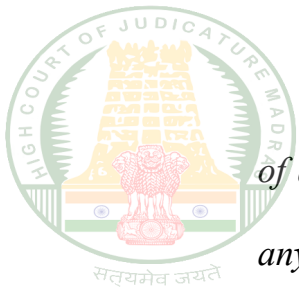
policies do not contain terms and conditions which are ordinarily found in standalone policies. The terms and conditions are very rarely brought to the notice of the Tribunals and quite often Tribunals are denied the opportunity of examining whether the policy covers payment of compensation be it for injury or for death, and the circumstances under which the insurance company would be liable.

9. The two~wheeler Bundled Policy as a concept was introduced in the year 2018 by Insurance Companies. This type of policy was introduced owing to a proactive steps taken by the judiciary, particularly this Court, which noticed that insurance policies were often not renewed in time and thereby the Insurance Companies are given a small leverage and a small window to escape liability, owing to which, injured or legal representatives of the deceased, suffer due to the lack of immediate payment of compensation by the Insurance Companies.

10. In a Liability Only Policy, as distinct from Two~wheeler Bundled Policy, the insurer was legally liable in respect of the following cases.

☐ *LIABILITY TO THIRD PARTIES*

1. Subject to the Limit of liability as laid down in the schedule hereto, the Company will indemnify the insured in the event



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of accident caused by or arising out of the use of the Motor Vehicle anywhere in India against all sums including claimant-s costs and expenses which the insured shall become legally liable to pay in respect of

i.death of or bodily injury to any person so far as it is necessary to meet the requirements of the Motor Vehicles Act.

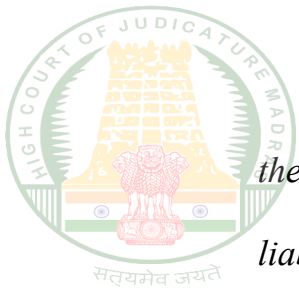
ii.damage to property other than property belonging to the insured or held in trust or in the custody or control of the insured up to the limit specified in the schedule. □

11. In a Two~wheeler Package Policy, the liability extended to third parties under Section II and was as follows:

□ SECTION II~LIABILITY TO THIRD PARTIES

1.Subject to the limits of liability as laid down in the Schedule hereto the Company will indemnify the insured in the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of:~

(i)death of or bodily injury to any person including occupants carried in the vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet



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the requirements of Motor Vehicles Act, the Company shall not be liable where such death or injury arises out of and in the course of the employment of such person by the insured.

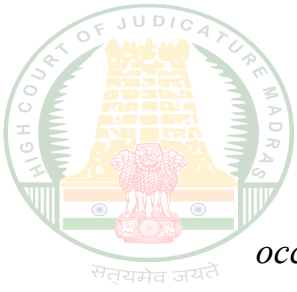
(ii) damage to property other than property belonging to the insured or held in trust or in the custody or control of the insured.

Provided always that the Company shall not be liable in respect of death, injury or damage caused or arising, beyond the limits of any carriageway or thoroughfare in connection with the bringing of the load to the vehicle for loading thereon or the taking away of the load from the vehicle after unloading therefrom. □

12. In a Two~wheeler Bundled Policy, Liability to third parties is covered again under Section II and the Provision was as follows:

□ SECTION II~LIABILITY TO THIRD PARTIES

1. Subject to the limits of liability as laid down in the Schedule hereto the Company will indemnify the insured in the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of:~



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(i) death of or bodily injury to any person including occupants carried in the insured vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet the requirements of Motor Vehicles Act, the Company shall not be liable where such death or injury arises out of and in the course of the employment of such person by the insured. □

13. The salient feature in a Two~wheeler Bundled Policy is that, in cases of death or bodily injury to any persons including occupants travelling in the insured vehicle, compensation for their injuries or death would be borne by the insurance companies, subject to the limits of liability and in accordance with the policy terms prevailing at the time of the accident. This distinction has to be kept in mind while deciding whether, under a particular policy, the Insurance Company would be liable to pay compensation.

14. In the instant case, as we had noted earlier, the policy was for Own Damage Coverage, for one year but for five years for Third Party Liability Coverage. The premium had also been paid for that particular period. Naturally, since the accident occurred within the Third Party Coverage period and since it was a Two~wheeler Bundled Policy, the insurance company is liable to pay



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the compensation. A Two~wheeler Bundled Policy also covers payment of compensation to occupants of the vehicle, including, in this case, the pillion rider of a two~wheeler. The insurance company cannot escape their liability by contending that the Own Damage coverage was only for one year, and that the accident occurred after the expiry of that particular one year. The third party liability extends for a period of five years. The accident occurred within that particular period. The premium had also been paid. We hold that since it is a Two~wheeler Bundled Policy, the Insurance Company is liable to pay the compensation.

15. Unfortunately, the Division Bench of this Court in Pula Shanmugam and another vs. Yugender Ravellah and two others, (referred supra) had failed to note this distinction in a Two~wheeler Bundled Policy. In the instant case, we would rely only on the policy which had been issued, on the terms and conditions of the said policy, and the liability of the insurer under the said policy. We therefore hold that the appellant herein is liable to pay the compensation determined by the Tribunal.

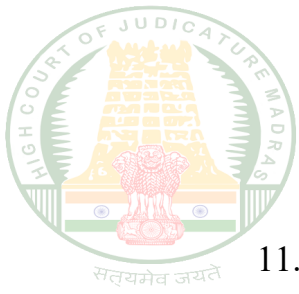
16. It is also brought to our notice of an order of a learned single Judge reported in 2024 (2) TNMAC 549 [Managing



Director, United India Insurance Co., Ltd., vs. A.Siva and 4 others]

wherein under similar circumstances the learned single Judge had expressed the following views:

□16. *This Court considers that part of the problem is created by the insurance company. It has developed a Standard Form of contract without adequate clarity. Indeed, during the course of argument, the counsel for the appellant~ insurance company himself has circulated copies of the forms adopted by other insurance companies viz., M/s.Iffco~Tokio General Insurance Co. Ltd., M/s.Go Digit General Insurance Co. Ltd., M/s.HDFC Ergo General Insurance Co. Ltd., as directed by this Court. In each of the standard forms of contract which the private insurance companies have developed, they categorically clarify what would fall under the third party liability, and what would fall under the heads of comprehensive liability. Likewise, period of coverage is assured for each category. This Court was given to understand that nationalised insurance companies have not included any such clarification in their standard forms of contract and it appears that these companies are over concerned as to if any such attempt to insert a clarification in their standard forms would unwittingly breach any of the IRDAI directives. Indeed, it is to clarify this specific aspect, IRDAI itself has been suo motu impleaded in this case, and its counsel was heard.*

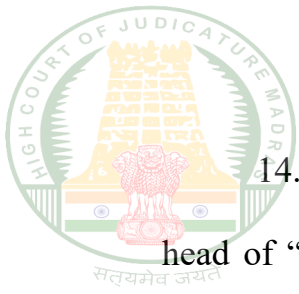


11. In the case in hand, the policy marked as (Ex.R2) falls under the category of a Two wheeler bundled policy. The Division Bench held that the occupants traveling in the vehicle are entitled to claim compensation and in case of death, the legal heirs will also be entitled to claim compensation. Consequently, the Insurance company is liable to pay the compensation. In view of the same, the finding of the Tribunal to the effect that the insurance company is not liable to pay the compensation warrants the interference of this Court and the same is hereby set-aside.

12. The Tribunal did not fix the compensation amount under various heads since the claim petition itself came to be rejected.

13. In the case in hand, the deceased was the wife of the 1st claimant and the mother of the 2nd claimant. The deceased was aged about 51 years at the time of the accident. There is no income proof for the deceased. But, however, even if the deceased is taken to be a homemaker, this Court can safely fix her notional monthly income at Rs.20,000/- per month. The law on this issue is now too well settled. Accordingly, the compensation payable under the head of “loss of dependency” is calculated as follows :-

$$\begin{aligned}\text{Loss of dependency} &= \text{Rs.20,000 /-} + 10\% \times \frac{1}{3} \times 11 \\ &= \text{Rs.19,36,044/-}\end{aligned}$$



14. Each of the claimants is entitled for a sum of Rs.44,000/- under the head of “loss of consortium” and hence, this Court is inclined to fix Rs.88000/- (Rs.44,000/-x2) under the said head.

15. This Court is inclined to fix a sum of Rs.16,500/-towards funeral expenses and a further sum of Rs.16,500/- towards loss of estate.

16. Accordingly, the compensation payable to the claimants is fixed as follows :-

<i>Sl.No.</i>	<i>Compensation awarded under the head</i>	<i>Amount (in Rs.)</i>
1.	Loss of Dependency	19,36,044/-
2.	Loss of Consortium	88,000/-
3.	Funeral expenses	16,500/-
4.	Loss of estate	16,500/-
	Total	20,57,044/-

17. In the result, this Civil Miscellaneous Appeal is allowed. The award dated 21.02.2025 passed by the Motor Accident Claims Tribunal, Chennai (Special Sub Court No.1, Court of Small Causes, Chennai), in MACT OP No.1159 of 2021 is hereby set aside. The 2nd respondent/Insurance Company is directed to deposit



the compensation of Rs.20,57,044/-, together with interest at the rate of 7.5% per annum, within a period of eight weeks from the date of receipt of a copy of this judgment. On such deposit, the claimants are permitted to withdraw half share each along with accrued interest.

18. In the result, this Civil Miscellaneous Appeal is allowed. No costs.

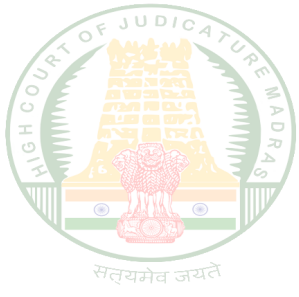
20-07-2026

Index: Yes/No
Speaking/Non-speaking order
Neutral Citation: Yes/No

RKA

To

The Motor Accidents Claims Tribunal, Chennai (Special Sub Court No.1, Court of Small Causes, Chennai).



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N.ANAND VENKATESH J.

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