

C.M.A.No.1565 of 2020

S.VAIDYANATHAN,J.,

This Civil Miscellaneous Appeal is listed today under the caption “For Clarification” at the instance of Mr.S.Arunkumar, learned counsel for General Insurance Council (GIC).

2. It is represented by the learned counsel for GIC that GIC is constituted under Section 64-C of the Insurance Act, 1938. There is a Regulatory body, namely, “Insurance Regulatory and Development Authority of India” (in short “IRDAI”) and its main role is to coordinate with both private and public sector insurance companies in respect of common issues arising in the field of insurance business. Therefore, it is mandatory that both GIC and IRDAI may be impleaded as party respondents to this Appeal and heard.

3. It is further represented by the learned counsel for GIC that this Court, by an order dated 04.08.2021, mandated coverage of bumper to bumper policy (generally known as 'Package Policy') for all new two and four wheelers with effect from 01.09.2021. It was brought to the notice of this Court that consequent to the said order, the Joint Transport Commissioner (R), Chennai has issued a Circular dated 31.08.2021 to all the Regional Transport

Departments of the State to ensure effective implementation of the order.

4. Learned counsel for GIC has filed a Memo dated 31.08.2021 on behalf of GIC, stating that though Insurance Companies are prepared to comply with the orders issued by this Court, they merely act as Distributors of the products, that are approved by IRDAI and without obtaining product approvals, actuarial pricing of products, etc., from IRDAI, they cannot launch any new product or add-on cover. It is further stated that Insurance Companies may be granted 90 days' time to effect changes in the computer system after due approval from IRDAI. Till then, the order passed by this Court may be kept in abeyance.

5. In view of the above representations made by Mr.S.Arunkumar, learned counsel for GIC, this Court is of the view that both GIC and IRDAI are necessary parties to this case, in addition to arraying the Additional Chief Secretary, Transport Department, Chennai and the Joint Transport Commissioner (R), Chennai as Respondents, as the Circular dated 31.08.2021 has already been issued by the Joint Transport Commissioner, Chennai.

6. Accordingly,

1. General Insurance Council,

Rep. by its General Secretary,
5th Floor, National Insurance Building,
14, Jamshedji Tata Road, Church Gate,
Mumbai, Maharashtra - 400 020.

2. Insurance Regulatory and Development Authority of India,
Rep. by its Chairman,
Sy.No.115/1, Financial District,
Nankramguda, Gachibowli,
Hyderabad-500 032.
3. The Additional Chief Secretary,
Fort St.George, Chennai - 600 009 and
4. The Joint Transport Commissioner (R),
Ezhilagam, Chepauk, Chennai-600 005.

are *suo motu* impleaded as **Respondents 5 to 8** to this Civil Miscellaneous Appeal.

7. Notice to the Respondents 6 to 8 returnable by **13.09.2021**. Mr.S.Arunkumar, learned counsel, who took notice for General Insurance Council / R5, is expected to serve notice on Mr.M.B.Vijaya Raghavan, learned Counsel, who is said to be representing IRDAI. In the meanwhile, ***the order passed by this Court on 04.08.2021 is kept in abeyance for the present.*** After hearing R5 and R6, clarification may be issued in this matter, if required.

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8. This Court really appreciates the rapid action taken by the Government in issuance of the Circular dated 31.08.2021 for implementation of the orders of this Court, which shows that the Government is also keen in safeguarding the interest of Drivers, Riders and others, who were referred to in the Order dated 04.08.2021.

List this matter on 13.09.2021 at 4:00pm under the very same caption.

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01.09.2021

Note: Registry shall mark a copy of this order to R7 & R8.
Issue order copy on 01.09.2021



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