IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 28.01.2026

Pronounced on: 06.03.2026

CORAM

THE HONOURABLE MRS.JUSTICE K.GOVINDARAJAN THILAKAVADI

C.M.A.No. 2504 of 2022 and C.M.P. No.19486 of 2022

Reliance General Ins. Co. Ltd.
Reliance House, No.6, Haddows Road,
Chennai and at D/No.1, Dhanam Towers,
1st Floor, Binny Main Road, Park Road, Thiruppur …Appellant

Vs.

1. Karthika
2. Suresh
3. Minor Surya Prakash
4. Minor Sarankumar …Respondents

Prayer: This Civil Miscellaneous Appeal is filed under Section 173 of the Motor Vehicles Act, 1988, against the orders passed in M.C.O.P. No.594 of 2015, dated 09.08.2021 on the file of the Special Motor Accident Claims Tribunal, Tirupur.

For Appellant : Ms. C. Bhuvanasundari
For Respondents : Mr. Ma.P. Thangavel

JUDGMENT

This Civil Miscellaneous Appeal is filed challenging the orders passed in M.C.O.P. No.594 of 2015, dated 09.08.2021, on the file of the Special Motor Accident Claims Tribunal, Tirupur.

2. The facts of the case, which has given rise to this appeal is that, on 31.01.2015, at about 8.30 hours, the deceased Vasantha Kumar was travelling in his Appachi Bike bearing Registration No. TN-39-BP-3103 with his friend Pandi Jagadeesan in Tirupur to Avinashi Road, met with an accident and died.

3. The legal representatives of the deceased came forward to file a Claim Petition before the MACT, Tirupur, seeking compensation of a sum of Rs.30,00,000/- by invoking Section 166 of the Motor Vehicle Act, 1988. The Insurance Company has resisted the claim of the claimants stating that the petition filed under Section 166 is not maintainable, since the deceased himself was the cause for the accident and also he was the owner of the vehicle and therefore, the Insurance Company is not liable to pay the compensation.

4. The Tribunal, ultimately granted compensation of a sum of Rs.1,00,000/- which is payable under the Personal Accident cover in the Insurance Policy. Aggrieved by the said Award, the Insurance Company had come forward with the Civil Miscellaneous Appeal.

5. The learned counsel for the appellant / Insurance Company would contend that, the claim petition filed under Section 166 of the Motor Vehicles Act, 1988, is not maintainable in view of the fact that, when the owner or their legal representatives are the claimants, they cannot file the claim petition relying upon Personal Accident cover, as the deceased is not a third party. While so, the Tribunal erred in awarding compensation to the claimants under Personal Accident cover. To support his contentions, he has relied upon the judgment reported in ***2024(4) LW 396 (M/s. Tata AIG General Insurance Company Limited vs. V. Shanmugam)***.

6. On the other hand, the learned counsel for the respondents / claimants would submit that, the question of limited liability was not pleaded by the Insurance Company before the Tribunal and therefore, the same cannot be raised in the appeal. The Tribunal has rightly awarded compensation by

holding that, the claim of owner / borrower / permissive user would be limited to Personal Accident coverage. To support his contention he has relied upon the following judgments:

1. Manjusha and others vs. United India Assurance Company Limited and another reported in 2025 SCC Online SC 1512

2. Ramkhiladi and anoter vs. United India Insurance Company and another reported in (2020) 2 Supreme Court Cases 550.

7. Heard on both sides. Records perused.

8. Admittedly, the motor bike in which the deceased was travelling belong to him. The Tribunal has considered the case of the claimants for grant of compensation under the Personal Accident cover Policy. The specific contention of the learned counsel for the appellant is that since the deceased is the owner of the vehicle, he has no *locus standi* to file the claim petition under Section 166 of the MV Act and therefore, the claim petition is not maintainable.

9. This Court is of the considered opinion that when the maintainability of the Claim Petition was questioned, the said issue has to be decided as preliminary issue, so as to arrive at a conclusion whether any compensation can be granted to the claimants in the claim petition filed under Section 166 of the Motor Vehicles Act, 1988.

10. Admittedly, the deceased is the owner of the two wheeler, which met with an accident and that he is responsible for the cause of the accident as per the FIR. The Tribunal also arrived at a conclusion that the deceased is responsible for the accident. Undoubtedly, Personal Accident cover is available. However, the personal accident cover is not a statutory coverage and therefore, separate claim is to be made strictly in accordance with the terms and conditions stipulated in the policy, which are all agreed between the parties. The Personal Accident coverage policy is a contractual policy and there is no statutory coverage. Thus, the claim petition filed under Motor Vehicles Act, 1988, is not maintainable. If there is statutory coverage under Section 147(1) of the Motor Vehicles Act, 1988, the claim petition can be maintainable before the Motor Accident Claims Tribunal. In respect of all other contractual policies, the aggrieved person has to approach the competent

forum and not the Motor Accident Claims Tribunal. The benefits to be granted under the contractual obligations cannot be equated with the compensation to be granted under the provisions of the Motor Vehicles Act, 1988, which is of statutory character. The benefits agreed between the parties under a contract is not akin to that of the statutory liability and payments of compensation contemplated under the provisions of the Motor Vehicles Act, 1988. Thus, the Tribunal had committed an error in not adjudicating the preliminary issue of maintainability and proceeded on the basis that there is a policy coverage and accordingly granted a sum of Rs.1,00,000/- under the Personal Accident cover.

11. Even for grant of Personal Accident cover, the terms and conditions stipulated in the policy is to be verified. However, the Tribunal has proceeded and fixed the liability based on the statutory provisions and granted compensation. The personal accident cover is a separate policy and the terms and conditions for the same are provided separately, which were agreed between the parties. Therefore, in the absence of any statutory liability under the policy, the Tribunal ought not to have entertained the claim petition filed under Section 166 of the Motor Vehicles Act.

12. The issue regarding the maintainability of the claim petition filed by the owner of the vehicle, more specifically, under the Personal Accident coverage, this Court had elaborately discussed the scope in the case of ***M/s.The Cholamandalam MS General Insurance Company Limited vs. Ramesh Babu*** [Judgment pronounced in CMA No.2434 of 2019 on 02.09.2020], wherein in paragraphs 13, 14, 35, 36 and 37, this Court observed as under:

> *"13. The learned counsel for the appellant solicited the attention of this Court with reference to the judgment rendered in the case of Royal Sundaram Allianz Insurance Company Limited Vs. Somu dated 04.03.2020, reported in 2020 (1) TNMAC Page.547, wherein it was held that the policy of Insurance being contractual, the claimant entitled to claim compensation only with reference to the terms and conditions of the policy and not beyond that. Disability suffered not covered under the table given, in Section IV Personal Accident Cover for Owner-Driver, in the conditions of the policy of insurance. Accordingly, the award of the Tribunal was quashed in Paragraph 13 of the above judgment.*
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> *14. In yet another judgment in the case of Branch Manager,*

Oriental Insurance Company Limited Vs. Poongavanam, dated 12.03.2020, reported in 2020(1) TNMAC Page.600, wherein it is held that when a claim is made in terms of Contractual liability (other than Statutory liability), the Policy Holder/ Beneficiary has to approach the concerned Forum. Motor Accidents Claims Tribunal entertaining claims made under Personal Accident Coverage (being a contractual liability) was held erroneous. In paragraph 8 & 9 of the judgment has held as stated above. The respondent being the owner of Tata Indica Tourist Taxi bearing Registration No.TN-32- L8595, is not entitled to any claim for compensation, Since there is no statutory cover envisaged for the owner under Section 147(1) of the Motor Vehicles Act. For these reasons, the appellant is of the opinion that the judgment and decree of the Tribunal is liable to be set aside.

35. The Motor Vehicles Act being a Special legislation and the Motor Accident Claims Tribunal is constituted to deal with the Accident Claims specifically and under the provisions of the Motor Vehicles Act, the Tribunal have no jurisdiction to deal with all other policies issued by the Insurance company, which all are *contractual in nature and the terms and conditions agreed between the parties specifically. Such contracted policy cannot raise any right to the parties to file Claim Petition under the Motor Vehicles Act and such claims are to be made before the competent Forum namely before Consumer Forum or before the competent Civil Court of Law. The enforceability of the terms and conditions cannot be adjudicated as such contractual policies are unconnected with the scope of the provisions of the Motor Vehicles Act, more specifically, under Section 147 of the Motor Vehicles Act.*

36. It is relevant to consider that the Motor Vehicle policies are issued by the Insurance company for the purpose of grant of compensation and the language employed is Compensation. However, the Personal Accident Coverage Policy reveals that it is benefit is to be granted. Thus, the word Compensation adopted under the Motor Vehicle Policy cannot be equated with the benefit to be granted under the Personal Accident Policy, which is independent and unconnected with the provisions of the Motor Vehicles Act as well as the compensation to be assessed and *granted under the Motor Vehicles Act. There is a difference between the Motor Vehicle Policy and Personal Accident Coverage Policy. Motor Accident Policies are strictly within the ambit of the provisions of the Motor Vehicles Act. The Personal Accident Coverage Policy is strictly in accordance with the terms and conditions agreed between the parties. The contractual liability or obligations cannot be adjudicated by the Motor Accident Claims Tribunal under the provisions of the Motor Vehicles Act and in such an event, the Motor Accident Claims Tribunal are usurping the powers of the competent Civil Court, which is impermissible. If such contractual liabilities are adjudicated before the Motor Accident Claims Tribunal, then the Tribunal are exercising excess jurisdiction, which is not contemplated nor conferred under the provisions of the Motor Vehicles Act.*

37. This being the distinct factors, which are to be ascertained with reference to the nature of Insurance Policy, all the Tribunals are bound to look into the nature of the Policy at the first instance, before entertaining the Claim Petition. The

Litigants should not be unnecessarily driven to various Courts by waiting for a long period before the Accident Claims Tribunal. Whenever a Claim Petition is filed, either under Section 166 or under Section 163A of the Act or otherwise, the entertainability as well as the maintainability of the Claim Petitions are to be verified with reference to the nature of the policies issued by the Insurance Company. Contrarily, the Tribunal cannot adjudicate the terms and conditions agreed between the parties in a contract and grant compensation by invoking the provisions under the Motor Vehicles Act."

13. In view of the legal principles settled by this Court, in the judgment cited supra, and the said legal principles squarely applies to the facts and circumstances of the present case on hand, this Court has no hesitation in arriving a conclusion that the award of the Tribunal is perverse. However, it is open to the claimants to directly approach the insurer on the basis of the Personal Accident cover. In case, the Insurance Company fails to compensate him, it is well open to him to approach the Consumer Forum or any other appropriate Forum.

14. In the result, the Civil Miscellaneous Appeal is allowed. No costs. Consequently connected miscellaneous petition is closed. The orders passed in M.C.O.P. No.594 of 2015, dated 09.08.2021 on the file of the Special Motor Accident Claims Tribunal, Tirupur, is set aside.

06.03.2026

bga/vsn

Internet:Yes/No
Index:Yes/No
Speaking/Non-speaking order

To

1. Special Motor Accident Claims Tribunal, Tirupur

2. The Section Officer,
VR Section,
High Court, Madras.

K.GOVINDARAJAN THILAKAVADI, J.

bga

Pre delivery judgment in

C.M.A.No. 2504 of 2022 and

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