IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 15.06.2026

CORAM :

THE HONOURABLE MR. SUSHRUT ARVIND DHARMADHIKARI,
CHIEF JUSTICE
AND
THE HONOURABLE MR.JUSTICE G.ARUL MURUGAN

WA No.1505 of 2026
and CMP No.13922 of 2026

SBI General Insurance Company Ltd,
Rep by its Authorised Signatory,
T Block 8 Street, First Floor T 48 97,
3rd Avenue, Annanagar,
Chennai – 600 040.

Appellant(s)

Vs

1. The Insurance Ombudsman
Office of the Insurance Ombudsman,
Fathima Akhtar Court, 4th floor, 453
Anna Salai, Teynampet, Chennai-18.

2. A.Selestin
No.7/778, North Street,
Mandalakkottai, Keelakurichi,
Pattukkottai, Thanjavur.

Respondent(s)

PRAYER: Appeal filed under Clause 15 of the Letters Patent to set aside the order dated 27.03.2026 passed by the learned Single Judge in WP No.12030 of 2026.

For Appellant(s): Mr.K.P.Sanjeev Kumar
for Mr.Srinath R Iyenkar

JUDGMENT
(Delivered by the Hon'ble Chief Justice)

This appeal has been preferred under Clause 15 of the Letters Patent against the order dated 27.03.2026 passed by the learned Single Judge in W.P.No.12030 of 2026. By the said order, the learned Single Judge dismissed the writ petition filed by the appellant/Insurance Company, thereby affirming the award passed by the first respondent/ Insurance Ombudsman dated 23.02.2026, which directed the appellant to settle the insurance claim of the second respondent to the extent of 90% of the sum insured.

2.1. The essential facts giving rise to this appeal are encapsulated as follows: The second respondent was enrolled under a Group Personal Accident Insurance Policy issued by the appellant Company, providing a total coverage of Rs.20,00,000/- for the risk period from 04.03.2023 to 02.03.2024. On 18.05.2023, while the policy was actively in force, the second respondent met with a road traffic accident. He sustained severe spinal trauma, including multiple cervical vertebral fractures, spinal cord contusions, and permanent neurological damage. The clinical condition was diagnosed as Traumatic Tetraplegia/Quadriplegia (paralysis affecting all four limbs). The Government Institute of Rehabilitation Medicine, K.K. Nagar, Chennai, issued a medical certification confirming that the second respondent suffered from 90% Permanent Locomotor Disability affecting all four limbs.

2.2. The second respondent filed a claim for the full sum insured of Rs.20,00,000/-. The appellant/Insurance Company repudiated the claim via a letter dated 12.07.2024 on the ground that "Traumatic Quadriplegia" does not feature inside the strict contractual "Table of Losses" under the policy, which defines a physical loss of a limb strictly as "actual severance through or above the wrist or ankle joints".

2.3. Aggrieved, the second respondent approached the Insurance Ombudsman (first respondent). Relying on the overarching textual definition of Permanent Total Disability (PTD) provided in the policy's own terms, which covers total occupational and functional incapacity, the Ombudsman allowed the claim, directing a 90% payout (Rs.18,00,000/-) aligned to the certified percentage of disability.

2.4. The appellant challenged this award before a learned Single Judge under Article 226 of the Constitution, which came to be dismissed on 27.03.2026, leading to the present intra-court appeal.

3. Learned counsel appearing for the appellant Insurance Company has vehemently assailed the findings of the Ombudsman and the Learned Single Judge on the following primary grounds:

(i) A commercial contract of insurance must be construed according to its plain, literal language. Reliance was placed on the Supreme Court ruling in *Alka Shukla v. Life Insurance Corporation of India*[1] to

1 *(2019) 6 SCC 64*

argue that courts cannot stretch or rewrite contractual terms.

(ii) Since there is no literal, anatomical "actual severance" of the hands or feet, functional paralysis via neurological damage is explicitly excluded under the policy's structural design.

(iii) The Ombudsman erroneously imported an open-ended "Life Insurance functional disability framework" into a rigid "General Insurance Table of Losses framework".

(iv) The medical certificate indicated a reassessment timeline, making it conditional rather than a standard complete permanent table loss.

4. We have heard the learned counsel for the appellant and scrutinised the records meticulously.

5. The primordial question before this court is whether the appellant can evade its clear liability under a welfare-oriented

personal accident insurance policy by utilizing conflicting, ambiguous clauses within its own contract.

6. Upon reviewing the policy text reproduced in the Ombudsman's award, we find that the contract contains two distinct provisions defining the insurer's liability for Permanent Total Disability (PTD):

> (i) The Table of Losses: A highly restrictive schedule assigning percentage payouts to specific anatomical losses (e.g., actual severance of limbs, loss of sight).
>
> (ii) The Narrative Definition of PTD: Explicitly defined under Part B Coverage as: *"Permanent Total Disability means you are unable to engage in each and every occupation or employment for compensation or profit for which you are reasonably qualified by education, training or experience for the rest of your life... or total and permanent inability to perform all of the usual and customary duties and activities..."*

7. In the case on hand, a 30-year-old individual diagnosed with 90% permanent locomotor disability across all four limbs due to Traumatic Tetraplegia is functionally completely incapacitated. For all practical, occupational, and economic purposes, a person completely paralyzed in all four limbs is in a position identical to, if not more vulnerable than, an individual who has undergone physical severance of limbs.

8. The core objective of purchasing a personal accident policy is to secure financial indemnity in the event of an accident that destroys one's livelihood and physical capacity. Accepting the appellant's argument would mean an insured who loses functional use of all four limbs due to spinal cord destruction would get nothing, simply because the limbs remain attached to the torso. This creates an absurd and unconscionable outcome that defeats the public purpose of insurance contracts.

9. Furthermore, the Insurance Ombudsman is a statutory expert body designed to resolve consumer disputes without rigid

technicalities. The Ombudsman has systematically harmonized the definitions of the policy to hold that the second respondent's catastrophic paralysis fully meets the policy's foundational narrative requirements for Permanent Total Disability. Moreover, the disability certificate and various vital documents, which were placed before the Insurance Ombudsman are not part of the records before this court.

10. It is trite that the scope of judicial review under Article 226 of Constitution of India is very limited and unless the findings and conclusions arrived at by the Ombudsman are patently unfair and palpably perverse and suffer from jurisdictional infirmities and violation of the principles of natural justice, the award passed by the Ombudsman is not amenable to the jurisdiction of this Court under Article 226 of the Constitution of India.

11. The learned Single Judge was entirely correct in holding that the expert assessment of the Insurance Ombudsman suffered from neither perversity nor patent illegality, thereby refusing to invoke the extraordinary jurisdiction under Article 226 of the

Constitution of India. We see no reason whatsoever to deviate from that view.

In view of the foregoing discussions, this court finds no merit in the grounds raised by the appellant. This appeal stands dismissed. There shall be no order as to costs. Consequently, interim application is closed.

(SUSHRUT ARVIND DHARMADHIKARI,CJ) (G.ARUL MURUGAN,J)
15.06.2026

Index : Yes/No
Neutral Citation : Yes/No
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To:

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THE HON'BLE CHIEF JUSTICE
AND
G.ARUL MURUGAN,J.

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