

**GURMEL SINGH v. BRANCH MANAGER, NATIONAL INSURANCE CO. LTD.,
(2022-3)207 PLR 472 (SC), PLRonline 483574**

Supreme Court of India

Before: Justice M.R. Shah and Justice B.V. Nagarathna.

GURMEL SINGH – Appellant,

versus

BRANCH MANAGER, NATIONAL INSURANCE CO. LTD. – Respondent.

Civil Appeal No. 4071 of 2022

Insurance – Settlement of claims – Insurance companies are refusing the claims on flimsy grounds and/or technical grounds – While settling the claims, the insurance company should not be too technical and ask for the documents, which the insured is not in a position to produce due to circumstances beyond his control – Once, there was a valid insurance on payment of premium and the vehicle was stolen, the insurance company ought not to have become too technical and ought not to have refused to settle the claim on non-submission of the duplicate certified copy of certificate of registration, which the appellant could not produce due to the circumstances beyond his control – Non-settlement of claim can be said to be deficiency in service – Consumer Protection Act, 1986.

[Para 5]

The JUDGMENT of the Court was delivered by

M.R. Shah, J. – (20th May, 2022) – Feeling aggrieved and dissatisfied with the impugned final judgment and order dated 03.08.2021 passed by the National Consumer Disputes Redressal Commission at New Delhi in Revision Petition No. 2898/2015, by which, the appellant is denied the relief of settling the claim under the insurance policy, the original complainant – appellant herein has preferred the present appeal.

2. That the appellant herein – original complainant was the registered owner of the Truck bearing No. CG-04-JC-4984. The said vehicle was insured with the respondent herein – insurance company for the period from 22.08.2012 to 21.08.2013. The appellant also paid a sum of Rs. 28,880/- to the respondent towards premium. On 23-24.03.2013 in the midnight, the said vehicle was stolen. A FIR was immediately lodged in the Police Station Kumhari, which was registered as FIR No. 57/13. On the same day, the complainant also informed the insurance company as well as the Regional Transport Office (RTO) regarding the theft of the Truck. That after giving information regarding theft, the appellant submitted all the documents sought by the insurance company, but the insurance company failed to settle the claim. That being aggrieved by the delay in settling the claim, the appellant filed the consumer complaint No. 200/2013 before the District Consumer Disputes Redressal

Commission, Durg, Chhattisgarh. The District Consumer Disputes Redressal Commission disposed of the said complaint vide order dated 03.12.2013 with the direction that the appellant herein would furnish duplicate certified copy of the certificate of registration of Truck to the insurance company within a month and that the insurance company within a month after receiving the same would settle the claim as per the terms and conditions of the insurance policy. It is the case on behalf of the appellant that in compliance of the order passed by the District Consumer Disputes Redressal Commission, the appellant submitted an application before the RTO for obtaining duplicate certified copy of the certificate of registration of the Truck in question. However, RTO denied to issue duplicate certified copy of the certificate of registration on the ground that due to the report of the theft of the Truck, the details regarding registration certificate on the computer has been locked. Therefore, the RTO refused to issue the duplicate certified copy of the certificate of registration of the Truck. Thereafter, the appellant - original complainant submitted an application before the insurance company along with photocopy of the certificate of registration and registration particulars, as provided by the RTO. Despite the above, the claim was not settled and therefore, the appellant filed a fresh consumer complaint bearing No. 179/2014 before the District Consumer Disputes Redressal Commission, Durg, Chhattisgarh. That the said District Commission vide order dated 23.01.2015 dismissed the said complaint by observing that as the appellant had not filed the relevant documents for settlement of claim therefore, the non-settlement of the claim cannot be said to be deficiency in service. The order passed by the District Commission has been confirmed by the State Commission and thereafter, by the National Consumer Disputes Redressal Commission by the impugned judgment and order.

3. We have heard Shri Anand Shankar Jha, learned counsel appearing on behalf of the appellant and Mrs. Hetu Arora Sethi, learned counsel appearing on behalf of the respondent - insurance company.

4. It is not in dispute that the vehicle belonging to the appellant was insured with the respondent - insurance company. It is also not in dispute that the same was valid for the period between 22.08.2012 to 21.08.2013. It is also not in dispute that the appellant herein paid a sum of Rs. 28,880/- to the respondent towards premium. It is also not in dispute that the insured vehicle was stolen for which a FIR has been registered in the Police Station Kumhari on the very day on which the vehicle was stolen. Immediately on the very same day, the appellant informed the insurance company as well as RTO regarding the theft of the Truck. The appellant also produced the photocopy of the certificate of registration and the registration particulars as provided by the RTO. However, the appellant could not produce either the original certificate of registration or the duplicate certified copy of certificate of registration of the Truck. When the appellant applied for the duplicate certified copy of the certificate of registration, the RTO denied to issue the duplicate certified copy on the ground that in view of information/report regarding theft of the vehicle, which has been registered with the RTO, the details regarding registration certificate on the computer has been locked. The insurance claim has not been settled mainly on the ground that the appellant has not produced either the original certificate of registration or even the duplicate certified copy of certificate of registration issued by the RTO. However, the appellant did produce photocopy of certificate of registration and other registration

particulars as provided by the RTO. Even, at the time of taking the insurance policy and getting the insurance, the insurance company must have received the copy of the certificate of registration. Therefore, the appellant had tried his best to get the duplicate certified copy of certificate of registration of the Truck. However, because of the report of theft of the Truck, the details of registration on the computer have been locked and the RTO has refused to issue the duplicate certified copy of registration. Therefore, in the facts and circumstance of the case, when the appellant had produced the photocopy of certificate of registration and the registration particulars as provided by the RTO, solely on the ground that the original certificate of registration (which has been stolen) is not produced, non-settlement of claim can be said to be deficiency in service. Therefore, the appellant has been wrongly denied the insurance claim.

5. In the present case, the insurance company has become too technical while settling the claim and has acted arbitrarily. The appellant has been asked to furnish the documents which were beyond the control of the appellant to procure and furnish. Once, there was a valid insurance on payment of huge sum by way of premium and the Truck was stolen, the insurance company ought not to have become too technical and ought not to have refused to settle the claim on non-submission of the duplicate certified copy of certificate of registration, which the appellant could not produce due to the circumstances beyond his control. In many cases, it is found that the insurance companies are refusing the claim on flimsy grounds and/or technical grounds. While settling the claims, the insurance company should not be too technical and ask for the documents, which the insured is not in a position to produce due to circumstances beyond his control.

6. In view of the above and for the reasons stated above, the order passed by the District Consumer Disputes Redressal Commission, Durg, Chhattisgarh, dismissing the complaint filed by the appellant and the orders passed by the State Commission and National Consumer Disputes Redressal Commission, confirming the same deserve to be set aside and are hereby set aside. The original complaint being Consumer Complaint No. 179/2014 filed before the District Consumer Disputes Redressal Commission, Durg, Chhattisgarh, is hereby allowed. The appellant is entitled to the insurance amount of Rs. 12 lakhs along with interest @ 7 per cent from the date of submitting the claim. The respondent - insurance company is also saddled with the liability to pay the litigation cost, which is quantified at Rs. 25,000/- to be paid to the appellant herein. The aforesaid amount is to be paid by the insurance company to the appellant within a period of four weeks from today. The present appeal is accordingly allowed.