

## **Insurance claim can be denied for invalid vehicle registration-SC**

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An insurance claim can be denied if a vehicle does not have valid registration, the Supreme Court said on Thursday while rejecting a claim in theft of a car which had temporary registration.

A bench headed by Justice U U Lalit said the claim of insurance amount be dismissed if there is a fundamental breach of the terms and conditions of the policy.

What is important is this Court's opinion of the law, that when an insurable incident that potentially results in liability occurs, there should be no fundamental breach of the conditions contained in the contract of insurance, said the bench also comprising Justices S Ravindra Bhat and Bela M Trivedi.

The observations were made during the hearing an appeal filed by United India Insurance Co Ltd challenging an order of the National Consumer Disputes Redressal Commission which dismissed the company's revision petition that challenged the order of the Rajasthan State Consumer Disputes Redressal Commission, Circuit Bench at Bikaner.

As per the case, Rajasthan resident Sushil Kumar Godara obtained an insurance policy from the insurer for his Bolero car, somewhere in Punjab, though he was a resident of Sri Ganganagar, Rajasthan.

The vehicle, whose insured sum was 6.17 lakh, had a temporary registration which expired on July 19, 2011.

As the complainant was a private contractor, for business purposes he had to be outside the city.

On July 28, 2011, the complainant went to Jodhpur on business and stayed in a Guest House at night where his vehicle was parked outside the premises. He found in the morning that the car had been stolen.

He lodged an FIR at Jodhpur alleging commission of offences under Section 379 (theft) of the Indian Penal Code.

However, on November 30, 2011 the police lodged a final report stating that the vehicle was untraceable.

The top court noted that on the date of theft, the vehicle had been driven/used without a valid registration, amounting to a clear violation of Sections 39 and 192 of the Motor Vehicles Act, 1988.

This results in a fundamental breach of the terms and conditions of the policy, as held by this Court in Narinder Singh (supra), entitling the insurer to repudiate the policy.

This court is of the opinion that the NCDRC's order cannot be sustained, the bench said.

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