

C.M.A.No.187



IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED : 23.06.2026

CORAM

THE HONOURABLE MR. JUSTICE C.V. KARTHIKEYAN
And
THE HONOURABLE MR. JUSTICE K.RAJASEKAR

C.M.A. No.1874 of 2026
and C.M.P. No.14999 of 2026

M/s. ICICI Lombard GIC Ltd.,
No.29-35, Narayanasamy Layout,
P.N. Palayam,
Coimbatore – 641 037.

... Appellant/ 3rd Respondent

-vs-

1. S. Barkathulla
2. Sajithabanu
3. B. Sailabanu

... Respondents 1 to 3/ Petitioners

4. K. Ramprasath
5. Jayandhi K.

... Respondents 4 & 5/ Respondents 1 & 2

Prayer: This Civil Miscellaneous Appeal is filed under Section 173 of Motor Vehicles Act, 1988, to set aside the order dated 21.07.2025 passed by the Motor Accident Tribunal, V Additional District Judge, Coimbatore in M.C.O.P. No.947 of 2021.

For Appellant : Mr. D. Harikrishnan



JUDGMENT

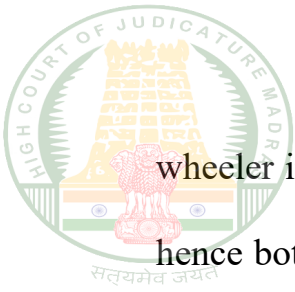
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[Judgment of the Court was delivered by K. RAJASEKAR, J.]

This Civil Miscellaneous appeal has been filed by the insurance company challenging the liability fixed on the appellant/ insurance company, to pay the compensation, awarded in M.C.O.P. No.947 of 2021 dated 21.07.2025 on the file of the Motor Accident Tribunal, V Additional District Judge, Coimbatore.

2. For the sake of convenience, the parties are referred herein according to their litigative status and rank before the Tribunal. The brief facts leading to filing of this appeal are as follows:

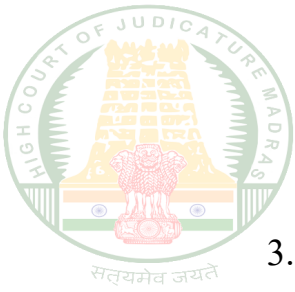
2.1 The respondents 1 to 3, as claimants have filed a claim petition, seeking compensation for a sum of Rs.30,00,000/- for the death of one Rahamathulla. According to them, the accident was taken place on 11.11.2020, near Thirubuvanam on the Madurai – Ramanathapuram Highway, while he was travelling as a pillion rider in a two wheeler bearing Registration No.TN-99-Q-3305, which was driven by his friend namely Ramprasath, who is the fourth respondent herein. It is further stated that the said Ramprasath had driven his two



wheeler in a rash and negligent manner, hit on the reflector board kept on the road, hence both deceased Rahamathulla and Ramprasath fell down and sustained severe injuries, subsequently Rahamathulla succumbed to injuries. Since Rahamathulla is the rider, the fifth respondent herein is the owner and the appellant herein is the insurer of the said two wheeler, the liability were cost upon them to pay the compensation.

2.2 The appellant/ Insurance Company had contested the claim petition on the ground that the insurance policy issued for the offending vehicle is only an 'Act Only Policy', though it is named as 'Bundled Policy'. It was also contended that the occupants of the two wheeler could not be covered under the 'Act Only Policy', hence the insurance company is not liable to pay the compensation.

2.3 The Tribunal has considered the above aspects and held that, since there is a violation of policy condition, the appellant insurance company is directed to pay the compensation and recover the same from the fifth respondent herein, who is the owner of the vehicle. Aggrieved over the order of pay and recovery, the insurance company has come forward with this appeal.

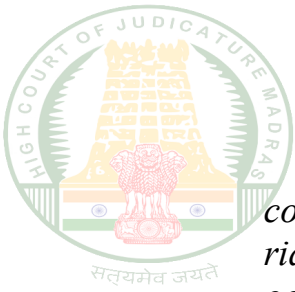


3. The learned counsel appearing for the appellant/ insurance company relied on the judgment of the Apex Court in *National Insurance Company Ltd. vs. Balakrishnan and Another [Civil Appeal No.8163 of 2012, dated 20.11.2012]* and contended that, since the policy issued is an ‘Act Only Policy’, the pillion rider could not be considered as a third party and therefore, he is not covered under the policy, hence the owner of the vehicle alone is liable to pay the compensation and the insurance company is not liable to indemnify the owner.

4. We have considered the submissions made by the learned counsel for the appellant and perused the materials available on record.

5. The judgment of the Apex Court cited supra by the learned counsel for the appellant/ insurance company, wherein the position regarding the ‘Standard Motor Package Policy’ also called ‘Comprehensive Policy’ was discussed based on the circular issued by the IRDA dated 16.11.2009 and the Apex Court has held as follows:

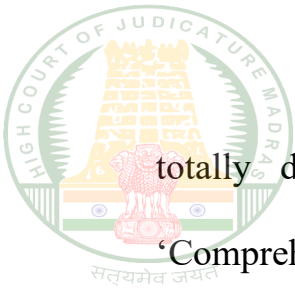
“20. It is also worthy to note that the High Court, after referring to individual circulars issued by various insurance companies, eventually stated thus:-



“In view of the aforesaid, it is clear that the comprehensive/package policy of a two wheeler covers a pillion rider and comprehensive/package policy of a private car covers the occupants and where the vehicle is covered under a comprehensive/package policy, there is no need for Motor Accident Claims Tribunal to go into the question whether the Insurance Company is liable to compensate for the death or injury of a pillion rider on a two-wheeler or the occupants in a private car. In fact, in view of the TAC’s directives and those of the IRDA, such a plea was not permissible and ought not to have been raised as, for instance, it was done in the present case.”

21. *In view of the aforesaid factual position, there is no scintilla of doubt that a “comprehensive/package policy” would cover the liability of the insurer for payment of compensation for the occupant in a car. There is no cavil that an “Act Policy” stands on a different footing from a “Comprehensive/Package Policy”. As the circulars have made the position very clear and the IRDA, which is presently the statutory authority, has commanded the insurance companies stating that a “Comprehensive/Package Policy” covers the liability, there cannot be any dispute in that regard. We may hasten to clarify that the earlier pronouncements were rendered in respect of the “Act Policy” which admittedly cannot cover a third party risk of an occupant in a car. But, if the policy is a “Comprehensive/Package Policy”, the liability would be covered. These aspects were not noticed in the case of Bhagyalakshmi (supra) and, therefore, the matter was referred to a larger Bench. We are disposed to think that there is no necessity to refer the present matter to a larger Bench as the IRDA, which is presently the statutory authority, has clarified the position by issuing circulars which have been reproduced in the judgment by the Delhi High Court and we have also reproduced the same.”*

6. Whereas in this case, a new policy regime, which was introduced by the Insurance Company from the year 2018 onwards and as per the ‘Bundled Insurance Policy’ is concerned, the coverage and the terms and conditions are



totally different from the policy, which were in vogue in the name of
'Comprehensive Policy' or 'Act Only Policy'

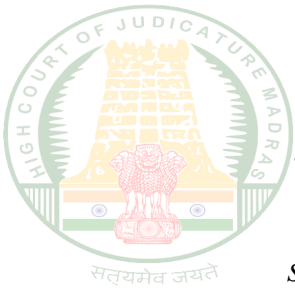
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7. We have also elaborately considered the very same question raised herein, in *C.M.A.No.3882 of 2026 dated 25.03.2026*, wherein the following discussions were made by us:

“8. The policy in the instant case is a Two-wheeler Bundled Policy. It was also brought to our knowledge that such policies do not contain terms and conditions which are ordinarily found in standalone policies. The terms and conditions are very rarely brought to the notice of the Tribunals and quite often Tribunals are denied the opportunity of examining whether the policy covers payment of compensation be it for injury or for death, and the circumstances under which the insurance company would be liable.

9. The two-wheeler Bundled Policy as a concept was introduced in the year 2018 by Insurance Companies. This type of policy was introduced owing to a proactive steps taken by the judiciary, particularly this Court, which noticed that insurance policies were often not renewed in time and thereby the Insurance Companies are given a small leverage and a small window to escape liability, owing to which, injured or legal representatives of the deceased, suffer due to the lack of immediate payment of compensation by the Insurance Companies.

10. In a Liability Only Policy, as distinct from Two-wheeler Bundled Policy, the insurer was legally liable in respect of the following cases.



“LIABILITY TO THIRD PARTIES

1. Subject to the Limit of liability as laid down in the schedule hereto, the Company will indemnify the insured in the event of accident caused by or arising out of the use of the Motor Vehicle anywhere in India against all sums including claimant's costs and expenses which the insured shall become legally liable to pay in respect of

i. death of or bodily injury to any person so far as it is necessary to meet the requirements of the Motor Vehicles Act.

ii. damage to property other than property belonging to the insured or held in trust or in the custody or control of the insured up to the limit specified in the schedule.”

11. In a Two-wheeler Package Policy, the liability extended to third parties under Section II and was as follows:

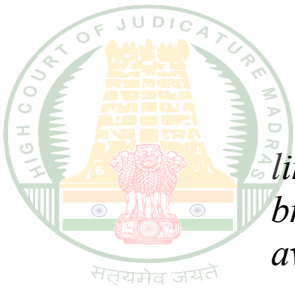
“SECTION II - LIABILITY TO THIRD PARTIES

1. Subject to the limits of liability as laid down in the Schedule hereto the Company will indemnify the insured in the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of:-

(i) death of or bodily injury to any person including occupants carried in the vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet the requirements of Motor Vehicles Act, the Company shall not be liable where such death or injury arises out of and in the course of the employment of such person by the insured.

(ii) damage to property other than property belonging to the insured or held in trust or in the custody or control of the insured.

Provided always that the Company shall not be liable in respect of death, injury or damage caused or arising, beyond the



limits of any carriageway or thoroughfare in connection with the bringing of the load to the vehicle for loading thereon or the taking away of the load from the vehicle after unloading therefrom.”

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12. In a Two-wheeler Bundled Policy, Liability to third parties is covered again under Section II and the Provision was as follows:

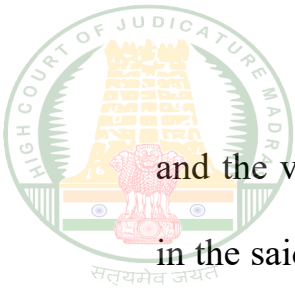
“SECTION II - LIABILITY TO THIRD PARTIES

1. Subject to the limits of liability as laid down in the Schedule hereto the Company will indemnify the insured in the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of:-

(i) death of or bodily injury to any person including occupants carried in the insured vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet the requirements of Motor Vehicles Act, the Company shall not be liable where such death or injury arises out of and in the course of the employment of such person by the insured.”

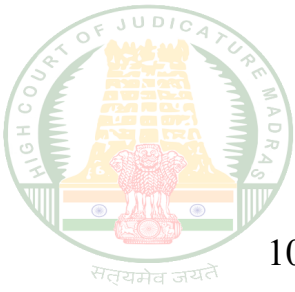
13. The salient feature in a Two-wheeler Bundled Policy is that, in cases of death or bodily injury to any persons including occupants travelling in the insured vehicle, compensation for their injuries or death would be borne by the insurance companies, subject to the limits of liability and in accordance with the policy terms prevailing at the time of the accident. This distinction has to be kept in mind while deciding whether, under a particular policy, the Insurance Company would be liable to pay compensation.”

8. In the present case, the policy issued by the insurance company has been marked as Ex.B.1, which has been named as ‘Bundled - Two Wheeler Policy’



and the very same 'Section II – Liability to Third Parties' has been incorporated in the said policy. The Third Party Liability Coverage is for a period of 5 years and the premium has also been paid for that particular period. Further the accident had taken place within the Third Party Coverage period, hence the insurance company is liable to pay the compensation. As we have elaborately discussed regarding the scope of Section II – Liability of Third parties in the 'Two-Wheeler Bundled Policy' in the earlier judgment made in *C.M.A.No.3882 of 2026 dated 25.03.2026*, wherein it has been held that a Two-wheeler Bundled Policy also covers, payment of compensation to the occupants in the two-wheeler, including the pillion rider. Therefore, the insurance company cannot escape their liability by contending that the Two-wheeler Bundled Policy does not cover the pillion rider.

9. In view of the above discussions and the judgment rendered by us in the earlier proceedings in *C.M.A.No.3882 of 2026 dated 25.03.2026*, the question raised therein also squarely applicable to the present case, hence we are of the view that the appeal does not have any merits and the same is liable to be dismissed. The direction given by the Tribunal that the appellant/ insurance company should pay and recover it from the tortfeasor is hereby set aside.



10. As far as the quantum of compensation granted by the Tribunal is concerned, there is no challenge made and no arguments were advanced, hence we are not inclined to interfere with the quantum of compensation granted by the Tribunal.

11. In the result, the Civil Miscellaneous Appeal is dismissed. The Award and Decree dated 21.07.2025, passed in M.C.O.P.No.947 of 2021, by the Motor Accident Claims Tribunal, (V Additional District Court), at Coimbatore that the insurance company should pay and recover it from the tortfeasor is hereby set aside. The appellant/Insurance Company is directed to deposit the amount as awarded by the Tribunal along with interest and costs, less the amount already deposited, if any, within a period of six weeks from the date of receipt of a copy of this judgment to the credit of M.C.O.P.No.947 of 2021 on the file of the Motor Accident Claims Tribunal, (V Additional District Court), at Coimbatore. On such deposit, the claimants are permitted to withdraw the award amount as awarded by the Tribunal along with interest and costs, less the amount if any, already withdrawn, as per the apportionment fixed by the Tribunal. The Tribunal shall disburse the award amount by crediting in to the Savings Bank Account of the claimants. There shall be no



order as to costs in the present appeal. Consequently, the connected miscellaneous petition is closed.

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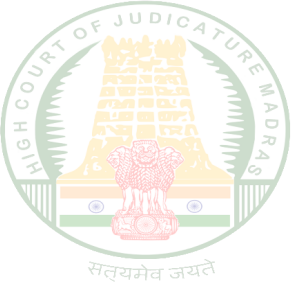
(C.V. KARTHIKEYAN, J.) (K.RAJASEKAR, J.)

23-06-2026

Index : Yes/No
Internet: Yes/No
Speaking order/Non-Speaking order
Neutral Citation : Yes/No
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To

1. The V Additional District Judge,
Motor Accident Tribunal, Coimbatore.
2. The Section Officer,
V.R. Section,
High Court of Madras.



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C.M.A.No.1874



C.V. KARTHIKEYAN, J.
AND
K.RAJASEKAR, J.
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and C.M.P. No.14999 of 2026

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