

(2005) 06 KAR CK 0090
In the Karnataka High Court
Case No : M.F.A. No's. 5541 and 5542 of 2003

New India Assurance Co. Ltd.

APPELLANT

Vs

Padmavathi and Others

RESPONDENT

Date of Decision : 29-06-2005

Acts Referred:

Citation : (2006) 1 KCCR 276

Hon'ble Judges : K. Sreedhar Rao, J

Bench : Single Bench

Advocate : K. Suryanarayana Rao, for the Appellant; B.M. Siddappa, for the Respondent

Final Decision : Allowed

Judgement

K. Sreedhar Rao, J.—The two appeals pertain to M.V.C. Nos. 296 and 435 of 1998. The petitioners in both the cases are the injured. They have been granted compensation by the Tribunal and directed that appellant insurer shall pay compensation.

2. The appellant insurer had taken up the plea before Claims Tribunal that there is no coverage of insurance and sought for exoneration of the liability. The insurance policy issued is marked at Exh. R1. The policy is issued for 1 month from 4.8.1997 to 3.9.1997. The accident occurred on 2.12.1997. Therefore, on the date of the accident there was no policy issued by the appellant.

3. The Tribunal in para 36 of the judgment has held that issuance of policy for a period of one month, instead of one year is bad and that the insurer has not offered any special reasons for issuance of such a policy.

4. The view taken by the Tribunal is bad in law. The Tariff Advisory Committee Regulations do permit issuance of policy for a period of one month and the premium shall be 25 per cent of the annual rate. In this case, the policy issued for a period of one month is sound and proper and no special reasons need be given by the insurer for issue of such a policy. It is issued at the request of the

insured. Therefore, the award made against the appellant insurer is set aside. The compensation award shall be payable by the respondent Nos. 2 and 3, who are owner and driver. The amount deposited by the appellant at the time of filing of appeal returned to the appellant.