

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION
CHANDIGARH DISTRICT COMMISSION
CONSUMER COMPLAINT NO. DC/AB1/44/CC/20/2021**

Sukhvir Singh

PRESENT ADDRESS - S/o Sh. Tarlochan Singh R/o Village Mianpur Changer P.O. Kubaheri,
District Mohali, PunjabCHANDIGARH,CHANDIGARH.

.....Complainant(s)

Versus

United India Insurance Company Limited

PRESENT ADDRESS - Having its Registered office at Floor no.2, DOV, S.C.O. No.1 49-150,
Madhya Marg, Sector 8-C, Chandigarh-160008CHANDIGARH,CHANDIGARH.

.....Opposite Party(s)

BEFORE:

**AMRINDER SINGH SIDHU , PRESIDENT
BRIJ MOHAN SHARMA , MEMBER**

FOR THE COMPLAINANT:

FOR THE OPPOSITE PARTY:

DATED: 16/01/2026

ORDER

**DISTRICT CONSUMER DISPUTES REDRESSAL COMMISSION-II
U.T. CHANDIGARH**

Consumer Complaint No.	:	CC/20/2021
Date of Institution	:	06/01/2021
Date of Decision	:	16/01/2026

Sukhvir Singh s/o Sh.Tarlochan Singh r/o Village Mianpur Changer P.O.
Kubaheri, District Mohali, Punjab.

... Complainant

V E R S U S

United India Insurance Company Ltd., having its registered office at Floor No.2,
DO V, S.C.O. No.149-150, Madhya Marg, Sector 8C, Chandigarh 160008.

.... Opposite Party

BEFORE: **SHRI AMRINDER SINGH SIDHU** **PRESIDENT**

SHRI B.M. SHARMA **MEMBER**

ARGUED BY: Sh.Raman Sihag, Counsel for complainant (on VC)

 Sh.Sukaam Gupta, Counsel for OP

ORDER BY AMRINDER SINGH SIDHU, M.A.(Eng.),LLM,PRESIDENT

1. Complainant has filed the present consumer complaint pleading that he is owner of truck bearing registration No.PB-65AN-0251 (hereinafter referred to as “truck in question”) and got the same insured with the OP for the period from 18.8.2018 to 17.8.2019 vide policy (Annexure C-2) by paying the requisite premium.

On 9.7.2019, the truck in question, while being driven by Sh.Gurcharan Singh, met with an accident near light point of Sector 25/38 (West), Chandigarh and he was holding a valid driving licence. In the said accident, the truck in question suffered damage and was sent to agency/workshop for repair which raised bill dated 27.9.2019 (Annexure C-4) of 3,07,790/-. Complainant raised claim with the OP but it kept on lingering the same and ultimately the claim was illegally and arbitrarily rejected by the OP vide letter dated 1.7.2020 on the ground that the vehicle in question was being driven within limits of UT Chandigarh whereas the route permit was for State of Punjab. Alleging the aforesaid act amounts to deficiency in service and unfair trade practice on the part of OP, complainant has filed the instant consumer complaint seeking reimbursement of claim amount alongwith interest, compensation and litigation expenses.

2. In its written version, OP admitted that it issued a GCV Public carried package policy for the period from 18.8.2018 to 17.8.2019 for IDV of 26,00,000/-. It is further admitted that after receiving intimation with regard to accident, answering OP immediately deputed surveyor who after doing necessary inspections submitted respective report. It is averred that after going through the survey report it was pointed out that the loss occurred within jurisdiction of Chandigarh however, the complainant was not having route permit to enter Chandigarh and, therefore, the claim was rightly repudiated vide letter dated 1.7.2020. It is stated that if the present

consumer complaint is allowed, the maximum liability of the OP is 2,31,854/- only. Remaining allegations have been denied being false. Pleading that there is no deficiency in service or unfair trade practice on its part, OP prayed for dismissal of the consumer complaint.

3. In replication, complainant controverted the stand of the OP and reiterated his own.

4. Parties led evidence in support of their case.

5. We have heard the learned Counsel for the parties and have gone through the documents on record, including written arguments.

6. Admittedly, the truck in question, which was insured with the OP/insurer for the period from 18.8.2018 to 17.8.2019, as is also evident from the copy of insurance policy (Annexure C-2/Annexure R-2), had met with an accident at UT, Chandigarh on 9.7.2019 and suffered damage. It is also admitted case of the parties that the OP had deputed surveyor who assessed the loss, as is also evident from the motor survey report dated 19.10.2019 (Annexure R-4). It is further admitted case of the parties that the claim of the complainant was repudiated by the OP vide its letter dated 1.7.2020 (Annexure C-5) on the ground that the vehicle in question did not have a valid route permit for plying in Chandigarh. Relevant portion of the repudiation letter is reproduced below for ready reference :-

*“In reference to above mentioned claim, please note that your file stands repudiated on account of below mentioned reason :
- Route Permit is not valid for plying vehicle in Chandigarh.”*

In such circumstances, we now proceed to examine if the OP/insurer was unjustified in repudiating the claim of the complainant on the said ground and the present consumer complaint deserves to succeed or if the OP had rightly repudiated the claim.

7. At the very outset, it is relevant to note that there is difference between not having a route permit at all and having a route permit, but not having the relevant route permit at a point of time. In the present case also, it is not the defence of OP that the vehicle in question did not have the route permit at all. Otherwise also, whether or not the vehicle in question had route permit had nothing to do with the accident and the damage caused to it thereby. Here we are fortified by the judgment of the Hon'ble Punjab and Haryana High Court at Chandigarh in the case of *National Insurance Company Ltd. Vs. Paramjit Kaur & Ors.*, decided on 15.2.2016, wherein it was held as under :-

“8. In view of the consistent ratio of law laid down in the cases referred above, mere this fact that the truck in question was being operated in the State of Punjab, though it has route permit only for the State of Himachal Pradesh will not constitute the violation of the condition of the permit as the insurance Company has not been able to establish that the vehicle in question was being used for a purpose not allowed by the permit.”

Similarly, the Hon'ble National Commission in *United India Insurance Co. Ltd. Vs. Singhla Engineers & Contractors Pvt. Ltd. & Anr., III (2020) CPJ 184 (NC)*, while dealing with analogous facts, held as under :-

“9. Admittedly, the vehicle did not have a valid route permit for Haryana. While OPI has found in this a fundamental violation of the terms and conditions of the insurance policy, as it is in violation of Section 66 of the Motor Vehicles Act, and on that basis, has repudiated the claim entirely, the complainant’s case is that an inadvertent error on its part, without any intent, cannot be adjudged to be a fundamental breach. I am inclined to agree with the complainant.

10. There is a huge distinction between not having a route permit at all and having a route permit but not having the relevant route permit at a point of time. Latter is the situation in the case at hand. The very fact that the complainant had a route permit for Punjab, it was surely not a problem to have one for Haryana also. As argued by the Counsel, the vehicle wandered into Haryana without realizing the fact, a reasonable proposition given the contiguity of the two states. The error in not having a route permit was admitted; that this was an error of such seriousness is hard to digest.

11. There is also the fact that whether or not the vehicle had a route permit had nothing what so ever to do with the fact of the accident and the damage caused thereby. The insurance cover was taken for damage due to unforeseen events. The accident was unforeseen and unexpected. No mala fide on the part of the complainant with a view to gain pecuniary advantage from the Insurance Company has been alleged. The conduct of the complainant has not been called in question. In such circumstances, OP is bound to provide insurance cover and honour the cover, in the instant case involving what can at best be called a technical irregularity and not a fundamental breach.”

8. Moreover, in support of his case, complainant has also placed on record statement of Sh.Rajesh Sharma, Clerk o/o RTA Patiala Punjab dated 27.2.2020 (Annexure C-7) in the pending claim petition before the learned MACT Tribunal Chandigarh, to state that vehicle having route permit for the State of Punjab are permitted to ply in the area of U.T. Chandigarh

also, being capital of Punjab, and the relevant portion of the same is reproduced below for ready reference :-

“... I have brought the summoned record i.e. attested copy of route permit Sr.No.85125/PB-11/ GV/2017 of vehicle No.PB-65-AN-0251 in the name of Sukhvir Singh s/o Sh.Tarlochan Singh r/o Village Mainpur Changer Kubaheri, Teh Kharar, SAS Nagar PB. Valid from 04/08/2017 to 03/08/2022.....”

As Chandigarh is capital of Punjab therefore route permit Ex.R4 is valid in Chandigarh also.”

9. Needless to mention here that the purpose of obtaining insurance policy is not for any luxury but to cover up for some unforeseen eventuality . However, it is usual with the insurance companies to show all types of green pastures to the customer at the time of selling insurance policies, and when it comes to payment of the insurance claim, they invent all sorts of excuses to deny the claim. In the facts of this case, ratio of the decision of Hon’ble Apex Court in case of ***Dharmendra Goel Vs. Oriental Insurance Co. Ltd., III (2008) CPJ 63 (SC)*** is fully attracted, wherein it was held that, Insurance Company being in a dominant position, often acts in an unreasonable manner and after having accepted the value of a particular insured goods, disowns that very figure on one pretext or the other, when they are called upon to pay compensation. This ‘take it or leave it’, attitude is clearly unwarranted not only as being bad in law, but ethically indefensible. It is generally seen that the insurance companies are only interested in earning premiums and find ways and means to decline

claims.

10. In view of the foregoing discussion and the ratio of law laid down above, it can be safely concluded that the OP/insurer was unjustified in repudiating the claim of the complainant and the said act certainly amounts to deficiency in service on its part and the present consumer complaint deserves to succeed.

11. Resultantly, present consumer complaint succeeds and the same is hereby partly allowed. OP is directed as under :-

- (i) to reimburse the claim amount of 3,07,790/- to the complainant alongwith interest @ 9% per annum w.e.f. 1.7.2020 (i.e. date of repudiation) till the date of its actual realization.
- (ii) to also pay 25,000/- to the complainant as compensation for the harassment caused as well as litigation expenses.

12. This order be complied with by the OP within 60 days from the date of receipt of its certified copy.

13. The pending application(s), if any, stands disposed of accordingly.

14. Certified copy of this order be sent to the parties, as per rules. After compliance file be consigned to record room.

16/01/2026

[AMRINDER SINGH SIDHU]

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PRESIDENT

[B.M. SHARMA]

MEMBER

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AMRINDER SINGH SIDHU
PRESIDENT

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BRIJ MOHAN SHARMA
MEMBER