2026 INSC 793

REPORTABLE

IN THE SUPREME COURT OF INDIA
CIVIL APPELLATE JURISDICTION

CIVIL APPEAL NO. 14369 OF 2025

NATIONAL INSURANCE CO. LTD. …. APPELLANT(S)

Versus

SMT. THUNGALA DHANA LAXMI & ORS. …. RESPONDENT(S)

J U D G M E N T

SANJAY KAROL, J.

1. In the present appeal, this Court had proceeded on primarily two issues, which arose for consideration. The first being, the lack of compliance of Section 146 of the Motor Vehicles Act, 1988[1] which requires all vehicles to have a valid insurance policy covering third-parties. Secondly, whether there should be a uniform motor-vehicle policy structure covering all occupants of a vehicle, in addition to the statutorily mandated coverage of third-party risks.[2]

[1] Hereinafter 'MVA'.
[2] Order dated 18.11.2025.

2. *Vide* Order dated 18.11.2025, we had framed the above two issues and summarized the procedural history of the case at hand as follows:

> "*4. We had issued notice in the present matter on 24.03.2025. Vide Order dated 09.09.2025, this Court had impleaded twenty two insurance companies as party respondent, given the nature of the issue before this Court*:
>
> > "*We are of the considered view that larger issue of issuance of various policies by the different Insurance Companies covering the motor vehicles is pending consideration before us, in this view of the matter, we implead the following insurance companies*."
>
> *5. Thereafter on 13.10.2025, after hearing the learned counsel for the insurance companies, this Court impleaded the Insurance Regulatory and Development Authority (hereinafter 'IRDA') constituted under the IRDA Act, 1999. The Ministry of Road Transport and Highways was added as party respondent vide Order dated 30.10.2025.*"

3. *Vide* the very same order, this Court had sought the response from the Ministry of Road Transport and Highways[3], the Insurance Regulatory Development Authority of India[4], the General Insurance Council of India, and all the insurance companies having business in India, on the abovementioned issues. We reiterate some pertinent observations, made in the order:

> "7… The ignorance of a statutory mandate results in motor accidents involving uninsured vehicles, which directly cause innocent victims having to run from pillar to post for compensation. Therefore, in furtherance of public interest, this Court seeks the response of the Ministry of Road Transport and the IRDA, on what steps can be taken to ensure that all vehicles have a valid insurance policy. Valuable suggestions have been made by counsel for all other parties during the course of the hearings. Therefore, they are also permitted to file their suggestions/responses in this regard.

[3] Hereinafter 'MoRTH'.
[4] Hereinafter 'IRDA'.

> 9. From a reading of the above, it is clear that the IRDA has been tasked with the protection of consumer interest when it comes to matters involving insurance."

4. Thereafter, on 09.12.2025, we had asked the abovementioned stakeholders to sit amongst themselves, discuss all these issues and file a supplementary affidavit. We have heard the learned counsel for the parties. We have also perused the affidavits on record, filed by the respective parties. In our view, it is appropriate for certain directions to be issued, in the public interest.

Statutory Framework

5. At the outset, before proceeding to the directions, it is imperative to discuss the statutory scheme concerning the issues at hand. The IRDA Act, 1999, was enacted to "*protect the interests of holders of insurance policies, to regulate, promote and ensure orderly growth of the insurance industry and for matters connected therewith or incidental thereto*." The IRDA came to be established under Section 3 of the Act. As per Section 4, the IRDA is to consist of one Chairperson, not more than five whole-time members and not more than four part-time members.

6. Section 14 of the Act, spells out the duties, powers and functions of the Authority. Section 14 (2)(b) states that the powers and functions of the Authority extends to "*protection of the interests of the policy-holders in matters concerning assigning of policy, nomination by policy-holders, insurable interest, settlement of insurance claim, surrender value of policy and other terms and conditions of contracts of insurance*." Section 26 empowers the Authority to make regulations consistent with this Act, to carry out the purposes of the Act.

7. The purported intent behind enacting the Insurance Act, 1938, was to consolidate and amend the law relating to the business of insurance. Section 64C, constituted the General Insurance Council of India. Section 64L spells out the functions of the General Insurance Council, as:

> *"(a) to aid and advise insurers, carrying on general insurance business, in the matter of setting up standards of conduct and sound practice and in the matter of rendering efficient service to holders of policies of general insurance;"*

8. The MVA mandates an insurance policy covering third-party risks under Section 146 under Chapter XI – Insurance of Motor Vehicles against Third Party Risks. No person is allowed to use a vehicle in the absence of such policy. Section 147 spells out the requirements of a policy and limits of liability. Section 149 of the Act mandates the duty of insurers to satisfy awards against persons in respect of third-party risks. Section 207 empowers a police officer or authorized person by the Government to seize and detain vehicles which do not possess valid registration or permit etc.

9. In this backdrop, we proceed to examine the suggestions given by the respective parties. We have heard Mr. N. Venkataraman, learned Additional Solicitor General; Mrs. Archana Pathak Dave, learned Additional Solicitor General; Mr. Joy Basu, learned Senior Counsel; Ms. Meenakshi Midha, learned counsel and other learned counsels at length. On 09.12.2025, during the deliberations in Court, the following issues came to be discussed:

- **a.** Road safety is an often-discussed but still unaddressed issue. On average, there are more than four lakh road accidents in India every year.
- **b.** In India, more than half of the vehicles plying do not possess a valid insurance policy. Additionally, there are a large number of vehicles that do

not possess active or valid registration. There is a stark gap between the statutory mandate and enforcement mechanism on the ground.

c. When it comes to purchase of insurance, there is a lack of uniformity of clauses contained in different insurance policies. Moreover, there is scope for improvement when it comes to customer awareness about the different coverage of insurance policies.

10. In furtherance of our order dated 09.12.2025, the IRDA, after consulting all stakeholders *vide* a meeting on 12.12.2025, including the General Insurance Council, and twenty-four insurance companies, has made the following suggestions:

On uninsured vehicles

a. The *mParivahan App* can be deployed by State Law Enforcement Agencies, to identify uninsured vehicles and take appropriate punitive action in line with the MVA.

b. Uninsured vehicles can also be identified by using Automatic Number Plate Recognition[5] by cameras that are already installed at highways, toll plazas and city roads.

c. Enforcement through hand-held devices with the Traffic Police will enable challans for this purpose under Section 196 of the MVA. The fine enumerated thereunder is Rs. 2,000/- for the first violation and Rs. 4,000/- for subsequent violations, which is not having the desired effect, as such, the same may be enhanced. Section 207 also permits seizure of the vehicle

[5] Hereinafter 'ANPR'.

in question, if being driven without permits. The Database of Insurance Information Bureau (*established under IRDA*) and VAHAN portal can be deployed for identification of uninsured vehicles.

<u>On insurance policies</u>

d. Third-Party Only Policy is the mandatory cover as per the MVA. For add-on covers, covering pillion riders, occupants etc. the IRDA will draft uniform policy wordings for these heads, while the coverage and pricing will be left to the insurance companies.

e. Customer Option Form would be made mandatory before purchasing a new vehicle, through distributors. A consumer-friendly information sheet will also be given to the prospective customers outlining who is covered under mandatory and optional covers, specifically highlighting the option for coverage of the occupants, pillion rider and driver of the vehicle in question.

f. Extended mandatory covers will not be in the larger public interest. The premium rates are revised at regular intervals depending upon claims ratio, and fixing a longer tenure for insurance will prevent this revision, increasing premiums.

11. The General Insurance Council has agreed with the IRDA and made the following suggestions, on affidavit, before this Court:

On uninsured vehicles

a. A comprehensive, technology-enabled framework for consumer awareness on motor insurance is necessary. Efforts such as digital education and local outreach may be implemented.

b. A handheld-digital device or digital application be provided to the traffic police to monitor real-time insurance status of vehicles and impose challans for violations. The platform will be based upon data from the Vahan Parivahan Portal, integrated with the Insurance Information Bureau of India, which already possesses the insurance status of vehicles.

On insurance policies

c. For the insurance companies, each insurer shall host on its website a section that explains the importance of obtaining insurance, so as to make sure that prospective policyholders are well-informed. Along with websites, digital media and social media platforms will be used to amplify this information.

d. Since intermediaries such as agents and brokers are directly in contact with the public, their education should be conducted through structured training modules and materials developed by the General Insurance Council.

e. Lastly, long-term policies in the past have not brought down the percentage of uninsured vehicles plying on the road. Moreover, long-term policies will only add to the financial burden for the vehicle owners.

f. Modify and adopt Forms VI, XIII & XIV as uniform claim application forms across India. Frequency of Lok Adalats may be increased, where around 40-50% of matters are settled.

12. We now proceed to examine the affidavit on behalf of the MoRTH. The following submissions have been made *qua* uninsured vehicles:

a. On the aspect of use of ANPR cameras, it is submitted that a SOP for Electronic Monitoring and Enforcement of Road Safety, duly vetted by the Supreme Court Committee on Road Safety, has been issued to States on 28.10.2025.

b. In 7 states, e-detection has been initiated for identification and penalizing of uninsured vehicles. They are Odisha, West Bengal, Rajasthan, Gujarat, Himachal Pradesh, Chhattisgarh and Uttarakhand.

c. Awareness campaigns are being conducted such as "*Sadak Suraksha Abhiyaan*" is being launched to create awareness on programs and policies related to road safety.

d. 22% road accidents involve uninsured vehicles as per data from e-DAR Accident Data.

e. The Ministry has requested States to use eDAR to verify the insurance status of vehicles involved in accidents and issue challans under Section 196 for uninsured vehicles.

f. ANPR cameras may be integrated with VAHAN data for issuance of challans, when a vehicle is found uninsured on the roads.

g. Uninsured vehicles may be impounded to create a strong deterrent.

h. Uninsured vehicles can be flagged as '*not to be transacted with*' in the VAHAN portal to prevent them from availing any transport-related services till such time the insurance for such vehicles is renewed.

i. Amendment to Section 196 of the MVA, which is yet to be notified, imposed progressive fines on driving uninsured vehicles. For the first offence, a fine of three times the basic premium of the vehicle or five thousand rupees, whichever is higher, has been imposed. For subsequent infractions, a fine of five times the basic premium or ten thousand rupees, whichever is higher, has been imposed.

j. The Ministry has started adoption of barrier-less tolling, also called Multi Lane Free Flow Tolling. This involves the use of ANPR cameras and other advanced equipment which reads the FASTag along with the vehicle number, and thereafter deducts the applicable fee from the wallet attached with the FASTag. This eliminates the need for the vehicle to stop at the Toll Plaza. The current average waiting time is 40 seconds. Moreover, the manpower involved, costs 12-15% of the toll collection. For testing of this system, bids have been invited for 20 – 25 plazas across India. Two have already been commissioned and made operational.

13. The various insurance companies before us have submitted that insurance policies can broadly be categorized as follows:

i. Third-Party Liability Insurance

This insurance covers liability for injury, death or damage to property of third-parties. This type of insurance is mandatory under Section 146 of the MVA and is commonly referred to as Act Only Policy. It does not cover damage to the insured vehicle itself.

ii. Comprehensive Insurance Policy

This type of insurance covers liability for injury, death, or damage to the property of occupants of both vehicles concerned. For instance, pillion riders of two-wheelers and other occupants of a four-wheeler are also covered under this insurance.

iii. Own – Damage Cover

This is an optional standalone policy which covers damage to the insured vehicle due to accidents, fire, theft etc., depending on the terms of the policy.

iv. Commercial Vehicle Insurance Policy

This policy covers vehicles which are used for commercial/business purposes. It covers third-party liability as well as damage to the goods being carried/occupants of the vehicle/damage to the vehicle itself.

14. In addition to the above, there are various add-on covers that are offered by the insurance companies. It has further been submitted that pursuant to the directions of this Court in ***S. Rajaseekaran v. Union of India***[6], at the time of registration of new vehicles, a three-year third-party liability only policy for private cars, a five-year third-party liability only policy for new two-wheelers, to be bundled with a one-year Own Damage cover, has been made mandatory.

[6] 2025 SCC OnLine SC 2555.

15. In view of the nature of the issue involved, Mr. J.R. Midha, learned senior counsel, has also put forth certain submissions regarding the motor accident claims process. It has been submitted that:

a. On a conjoint reading of Sections 159 [formerly Section 158(6)] and Section 166 of the MVA reveals that the object behind their enactment was to allow the Motor Accident Claims Tribunal[7] to take cognizance of a claim directly on the basis of the accident information report of the police, without the formal requirement of a separate claim petition. The form of such report is prescribed under Form 54 of the Central Motor Vehicles Rules.

b. The non-compliance of Section 159 [formerly Section 158(6)] of the MVA, requiring the police to forward the accident information report to the MACT, was noticed by this Court in ***General Insurance Council v. State of Andhra Pradesh***[8] and directions were passed to all State Governments and Union Territories to ensure strict compliance. The same were reiterated by this Court in ***Jai Prakash v. National Insurance Company***[9].

c. In ***M.R. Krishna Murthi v. New India Assurance Company Limited***[10], this Court reiterated that earlier directions issued by this Court for speedy disposal of motor accident claims, within a period of 90/120 days of the accident, are not being complied with.

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[7] Hereinafter 'MACT'.
[8] (2007) 12 SCC 354
[9] (2010) 2 SCC 607.
[10] (2020) 15 SCC 493.

d. The abovementioned directions are summarized as follows:

i. In respect of motor accidents, the police have to carry out complete investigation and submit a *Detailed Accident Report (DAR)* before the MACT within 30 days of the accident.

ii. In cases pending for the service on the driver, owner or eye witness, the Police shall ensure their service and production before the concerned MACT.

iii. The Insurance Company shall compute the compensation within 30 days of DAR and submit their report to the Tribunal.

iv. If the amount offered is fair and acceptable to the claimant, consent award shall be passed, and compensation be paid within 30 days thereafter.

v. If the offer is not acceptable or the Tribunal finds it unfair, then the Tribunal shall pass an award within 30 days thereafter.

e. It has been submitted that a number of these directions have been incorporated in the scheme of the Central Motor Vehicles Rules, notified on 28.02.2022, which came into force on 01.04.2022.

f. However, with respect to accidents before 31.03.2022, there are a number of cases where claim petitions are pending due to service being pending on some witnesses or non-production of relevant documents. In view thereof, it has been submitted that the above directions must be implemented *qua* those accidents.

Our View

16. An unfortunate reality of road safety in India is that despite the existence of a statutory framework mandating third-party motor vehicle insurance, the compliance thereof is found to be lacking. Consequently, victims or families affected by motor accidents often have to run pillar to post in order to receive compensation. Recently, in ***Shishu Pal @ Shish Ram & Ors v. Surjeet & Ors***[11], this Court had pointed out a pendency of over four years in more than 50% of motor accident claim cases.

17. This situation is compounded when the vehicle in question has no valid insurance policy. It is shocking to learn that nearly 56% of vehicles plying on Indian roads remain uninsured as per the Report of the Standing Committee on Finance 2024–25, titled '*Action taken by the Government on the Observations/Recommendations contained in Sixty Sixth Report on the subject - Performance Review and Regulation of Insurance Sector*', dated December 2024. In absolute terms, the stark figure of uninsured vehicles stands at 16.54 crore vehicles out of 30.48 crore vehicles.[12] The consequent effect is that the statutory safeguard of victim compensation is often delayed, if not defeated. The object behind mandatory insurance under Section 146 of the MVA is not just that victims of road accidents are compensated, it is also that they are not drawn into prolonged litigation.

18. The result of vehicles remaining uninsured is that the victims of the accident and their families have no recourse to adequate compensation, within a reasonable time period. They often have to enter into prolonged litigation concerning the quantum as well as liability for compensation. The consequence is even more severe for families where the victim is deceased or has suffered permanent disability, as the financial impact on the family is significantly heightened.

[11] 2026 INSC 634.
[12] Answer of the Government of India to Lok Sabha Unstarred Question No. 3211 on 20.03.2023; except vehicles from Madhya Pradesh, Andhra Pradesh and Lakshadweep.

19. This is further compounded by a number of vehicles not possessing valid or active registration. Therein, the process of tracing the identity of the driver/owner involved in the accident becomes improbable and time-consuming. Such circumstances defeat the very purpose and statutory mandate behind the MVA.

20. The number of road accidents in India also points towards the scale of this problem. As per response to Unstarred Question No. 1227 of the Rajya Sabha, answered on 10.12.2025, the number of road accidents for 2024 stood at 4,87,705; 2023 stood at 4,80,583 and 2022 stood at 4,61,312. Recently, this Court in the case of ***In Re: Phalodi Accident v. National Highways Authority of India and Ors.***[13] had recognized the linkage between Article 21 of the Constitution and the road safety of a commuter. It was observed:

> "5. It is seen that National Highways constitute approximately 2% of India's total road length but account for nearly 30% of all road fatalities. A road, particularly a high-speed Expressway, must not become a corridor of peril due to administrative lethargy or infrastructural gaps. The loss of even a single life to avoidable hazards like illegal parking or blackspots etc., represents a failure of the State's protective umbrella. <u>The 'Right to Life' enshrined under Article 21 of the Constitution of India is not merely a guarantee against the unlawful taking of life, but a positive mandate upon the State to ensure a safe environment where human life is preserved and valued. Therefore, recognizing the safety of the commuter as an integral facet of the right to live with dignity as a constitutional obligation under Article 21 of Constitution of India, it is necessary in the interest to address the systematic root causes that these interim directions are issued in exercise of powers under Article 142 of the Constitution of India.</u> We reiterate that no pecuniary or administrative constraint can outweigh the sanctity of human life, and the strict timelines provided herein reflect the urgency of this constitutional obligation."
>
> (emphasis supplied)

[13] 2026 SCC OnLine SC 646. See also: Abhijeet

21. Similarly, the High Court of Judicature at Patna in ***Abhijeet Kumar Pandey v. State of Bihar***[14] had recognized the intrinsic relationship between Article 21 of the Constitution and the right to safe travel. It was observed:

> "**110.** We hold, that a right to safe travel is inherent to the right to free movement under article 19(1)(d) and the right to life and liberty under Article 21 of the Constitution of India."

22. Considering the submissions discussed above, it is apparent that integration of the enforcement system with technology is the need of the hour. Existing offline technology for issuance of challans and road-safety management is required to be integrated with e-models, specifically when it comes to ensuring compliance with statutorily mandated insurance. There is a consensus of all stakeholders on the above aspects.

23. Therefore, in the interest of justice, we issue the following directions, to be enforced through the MoRTH and IRDA:

23.1. Currently, ANPR Cameras deployed on highways and roads are equipped with a mechanism to catch and penalize road safety violations such as high speed, red light jumping, driving on the wrong side of the road, etc. Carrying this forward and as already deployed by the MoRTH in certain states, ANPR Cameras are to be integrated with data from the Insurance Information Bureau (*established under IRDA*) and the VAHAN portal for issuance of automatic e-challans to uninsured vehicles, in furtherance of the SOP for Electronic Monitoring and Enforcement of Road Safety.

23.2. This Court is informed that as on date, there is no uniform mechanism in place with State Police to verify insurance status on

[14] 2023 SCC OnLine Pat 279.

the ground. It is directed that State Police be provided with handheld devices or downloadable apps, linked with the data from Insurance Information Bureau (*established under IRDA*) and VAHAN portal be supplied to the State Police. This is to monitor real-time insurance status of vehicles and impose challans for violations, ensuring compliance with mandatory insurance on the ground.

23.3. Upon notification of the amendment to Section 196 of the MVA, strict compliance thereof is to be ensured.

23.4. As submitted by the IRDA, for private vehicles, a broad four-layer structure is to be implemented for private vehicles. This would bring clarity to various policy options for the vehicle-owner so as to allow them to make an informed choice. The structure is as follows:

I. Third Party only policy – this policy shall be a base policy and minimum cover as required by Section 146 of the MVA. The pricing thereof will be fixed by a consultative process between the IRDA and the Central Government.

II. Additional optional cover for the occupant(s)/pillion rider (other than owner, driver and family of the insured) – this add-on will be optional and available at an additional premium, covering occupant(s)/pillion riders of the insured vehicle. The pricing thereof will be determined by the respective insurance companies.

III. Personal accident cover for the owner, driver and any occupant(s)/pillion rider – this add-on will cover personal accident i.e. death and/or permanent disability of the occupant(s)/pillion riders of the insured vehicle including owner, driver and family of the insured. The pricing thereof will be determined by the respective insurance company.

IV. Own damage cover – This add-on cover will cover liability for loss or damage to the insured vehicle itself.

Consequently, every customer, at the time of purchase of insurance, will be issued a '*customer option form*', whether offline or online, whereby they may 'opt in' *via* check box to the add-on options. A broad template of which is as under:

S.No.	**Nature of cover**	**Brief coverage details**	**Choice of cover which the customer wishes to opt for**	**Premium payable**
1.	Mandatory Third-Party Only Policy	Coverage of third party liability as per Section 146 of the Motor Vehicles Act	✓	Rs._____/-
2.	Optional Cover I Legal Liability Cover	Coverage of liability for occupant(s)/pillion rider (other than owner, driver and family of the insured)	☐	Rs._____/-
3.	Optional Cover II Personal Accident Cover	Coverage of liability for the owner, driver and any occupant(s)/pillion rider	☐	Rs._____/-
4.	Optional Cover III Own Damage Cover	Coverage for loss/damage to the insured vehicle	☐	Rs._____/-

The IRDA is at liberty to modify this template, if the need so arises.

23.5. The IRDA in consultation with GIC and insurance companies, shall formulate uniform policy wordings for the above optional covers. Needless to add, that the insurance companies may innovate the coverage and determine the pricing of the Own Damage covers, in consonance with market forces.

23.6. The suggestion of the IRDA for a consumer-friendly customer information sheet will also have to be given to the prospective customers outlining the above four-layered structure, i.e., who is covered under mandatory and optional covers, is made mandatory for the sale of motor-vehicle insurance, whether offline or online.

23.7. Another aspect to be considered is that this Court in ***S. Rajaseekaran v. Union of India***[15] on 12.07.2018, while noting the large number of vehicles plying without third-party insurance, had issued directions mandating purchase of third-party insurance for three years for new cars and five years for two wheelers, at the time of purchase/registration of new vehicles.

We notice that despite eight years having passed from the said direction, a large number of vehicles remain uninsured. While the IRDA and GIC have recommended that this period not be enhanced, we are of the view that it is in the interest of road safety that the period be enhanced by one year.

Therefore, it is directed that henceforth, third-party insurance for four years for new cars and six years for new two wheelers be required to be purchased. IRDA to immediately issue necessary directions.

[15] (2018) 8 SCC 447.

23.8. The benefits of obtaining comprehensive motor-vehicle insurance policies to be displayed in easy-to-read format on the websites of the insurance companies.

23.9. Based upon the deliberations in Court, a pilot-project be implemented allowing citizens to verify insurance status, and ultimately assist with the implementation of the statutory mandate under the MV Act. The insurance status to specify the kind of insurance, whether mandatory (third party only) insurance or comprehensive policy. The benefit is two-fold. At first, it will allow citizens to know whether the vehicle they are travelling in or sending goods in or transporting employees has valid insurance. Secondly, it will allow for prompt reporting of uninsured vehicles.

23.10. As deliberated upon in Court, the IRDA in consultation with the MoRTH, to deliberate and evolve a pilot-project whereby fuel for vehicles to be linked with valid insurance status. In the absence thereof, the vehicle concerned would be refused fuel at petrol pumps, until such time that valid insurance is obtained. The benefit therein is two-fold. Firstly, it will assist in identification of uninsured or unregistered vehicles. Secondly, it will prompt the owners of these vehicles to ensure that they have valid insurance status. Such projects would ensure ground-level compliance with the statutory mandate of Section 146 of the MVA. This may be done through the use of ANPR cameras. The Ministry of Petroleum and Natural Gas, has in principle, no objection to the same.

23.11. Lastly, based upon the deliberations in Court, and as rightly submitted by the Ministry, we are cognizant of the number of road accidents on national highways[16] and also the effect that long queues at toll plazas have on road accidents. Consequently, the MoRTH is to implement the said pilot projects as submitted above on certain corridors, substituting the process of stopping at toll plazas with automatic detection of vehicles passing through toll points.

24. Having already noticed above the average pendency of MACT cases as observed in ***Shishupal (supra)*** and directions issued in ***General Insurance Counsel (supra)*** and ***M.R. Krishna Murthi (supra)***, on the submissions put forth by Mr. J.R. Midha, learned senior counsel, we pass the following directions:

24.1. The State Police to promptly file DAR along with relevant documents such as FIR, MLC, post-mortem report, insurance policy, permit, etc. before the concerned MACT, in pending cases relating to accidents prior to 31.03.2022.

24.2. The State Police to assist with prompt service and production of relevant witnesses before the concerned MACT, to ensure speedy disposal of cases relating to accidents prior to 31.03.2022.

The above directions be forwarded by the registry of this Court to the Secretary, High Court Legal Services Authority of all High Courts, to be forwarded to the respective State Police.

25. We thank the learned senior counsels and all counsels for their invaluable assistance in this matter.

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[16] Out of 4,80,583 road accidents in India in 2023, nearly 1/3rd i.e. 1,50,177 took place on national highways as per Report of the MoRTH on Road Accidents in India, 2023.

26. Lastly, despite the larger public interest involved, we cannot lose sight of the genesis of the appeal. This appeal is directed against the judgment and order dated 30.07.2024 passed in Motor Accident Civil Miscellaneous Appeal No. 1659 of 2012 by the High Court of Telangana at Hyderabad, which, in turn, was preferred against the order dated 08.12.2009 in M.V.O.P. No. 9 of 2003 by the MACT, L.B. Nagar, Hyderabad.

27. The brief facts giving rise to this appeal are that on 13.07.1996, the deceased, namely Mr. T. Ramu, was returning from Tirupathi to his village Venkanur in his Maruti 800 vehicle bearing registration number AP 21A 1666. Near, Singarayakonda at about 5:00 AM, an unknown lorry being driven in a rash and negligent manner struck the car of the deceased from the back side. As a result of the said accident, he suffered injuries and passed away during treatment.

28. An application seeking compensation was filed by the claimant-respondents, being the legal representatives of the deceased, before the Tribunal under Section 166 of the MVA (later amended to Section 163-A), to the tune of Rs. 10,00,000/. It was stated therein that the deceased was in the business of seafood and was earning at least Rs. 1,00,000/- per annum. He was the sole breadwinner of his family. The appellant insurance company was the insurer of the Maruti 800 car, in which the deceased was travelling.

29. The Tribunal, *vide* its order dated 08.12.2009, held the claimant-respondents not to be entitled to any compensation. The Tribunal relied upon the testimony of the Assistant Manager of the appellant insurance company and observed that no extra premium was paid to cover the personal risk of the owner's vehicle.

30. Aggrieved thereof, the claimant-respondents preferred an appeal before the High Court. It was stated therein that the Tribunal had erroneously absolved the insurance company of its liability to pay compensation to the claimant-respondents.

31. The High Court, *vide*, the impugned judgment, allowed the appeal and awarded a compensation of Rs. 10,00,500/- to the claimant-respondents along with 7.5% interest per annum. The Court observed that the policy in question is a *comprehensive policy* and would cover the owner of the vehicle as well, who was travelling in the car as a passenger. In the absence of any evidence *qua* the monthly income of the deceased, the Court assessed his monthly income as Rs. 4,500/- on a notional basis.

32. Dissatisfied, the appellant insurance company is now before us. The significant ground of challenge taken is that the Court below has erred in holding the insurance company liable.

33. We have perused the submissions of the parties on this aspect.

34. It is well settled that in matters concerning motor accident claims, Courts should not adopt a hyper-technical approach.[17] As rightly submitted by the claimant-respondents, in accordance with the circular of the IRDA dated 16.11.2009, insurance companies are liable to compensate for any occupant in the vehicle under a *comprehensive/package policy*. Consequently, we find no reason to disagree with the reasoning adopted by the High Court. The present Civil Appeal is dismissed to that extent.

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[17] See: Surekha and Ors. v. Santosh and Ors. [(2021) 16 SCC 467].

35. All stakeholders to comply with the above directions and file responses before 14.08.2026. Appeal stands disposed of accordingly. For perusal of affidavits of compliance, list on 18.08.2026 at 2 PM. Pending application(s), if any, shall also stand disposed of.

…..………………………………J
(SANJAY KAROL)

……………….…………………….J
(PRASHANT KUMAR MISHRA)

New Delhi,
August 04, 2026