THE MAHARASHTRA STATE CONSUMER DISPUTE REDRESSAL COMMISSION OF AT MUMBAI

ORIGINAL COMPLAINT NO: CC/23/ 2013

RBT No: RBT/CC/1021/2018

Mr. Ravikant S. Patil **Complainant**

Civil Lines, Saat Rasta,

Solapur-413003, Maharashtra

Versus

The United India Insurance Co Limited **Opposite Party**

and head having its registered a and head office at

24, Whites Road, Chennai 600 014

And also having its Divisional Office at

Janta Shopping Centre, 1st Floor, Navi Peth,

Solapur-413 007, Maharashtra.

BEFORE:
Ms. Poonam V. Maharshi, Hon'ble Presiding Member.
Dr. Nisha Amol Chavhan, Hon'ble Member.

APPEARANCE:
For complainant: Adv. Sidhesh Biradar

For Opponents: Adv. Jagruti Thakkar

ORDER

(16/09/2026)

PER – Dr. Nisha Amol Chavhan, Hon'ble Member

1. The present Consumer Complaint has been filed by the Complainant under the provisions of the Consumer Protection Act, alleging deficiency in service and unfair trade practice against the Opposite Party (Insurance

Company) for the wrongful repudiation of his motor vehicle insurance claim.

2. This matter has a prolonged procedural history, having travelled to the Hon'ble National Consumer Disputes Redressal Commission (NCDRC). Vide order dated 11.10.2018 in First Appeal No. 1695 of 2017, the Hon'ble NCDRC restored the complaint, granting the Complainant a final opportunity to present his case on merits subject to payment of a Rs. 25,000/- cost, which has been duly complied with. The matter is now taken up for final adjudication.

FACTS OF THE CASE: -

3. The Complainant submitted that he had got his vehicle being BMW Car MH-13/AF-5050, (Hereinafter referred to as "the said car") insured with the Opposite Party, the particulars of which are the vide Policy No. 161200/31/11/01/00004301 valid from 22/12/2011 to 21/12/2012. The Insured Declared Value (IDV) was Rs. 70,00,000/-, for which a premium of Rs. 1,65,996/- was paid.
4. The Complainant outlines the events of 8th and 9th March, 2012, where their BMW car suffered a late-night tyre puncture on the highway. Due to the late hour, the driver locked and safely parked the car on the roadside and returned to Solapur in another vehicle. The next morning, the car was found completely burnt, and the incident was subsequently documented by local police and the fire department.

5. The Complainant submitted that he informed the Opposite Party (the insurance company) that a repair estimate was impossible because the authorized dealer deemed the car totally damaged. The Complainant also promptly responded to the insurer's subsequent requests for clarification.
6. The Opposite Party formally registered the claim as a major "Total Loss" and informed the Complainant that the settlement authority rested with their Managing Director in Chennai.
7. The Complainant sent a follow-up letter to the Managing Director in Chennai, requesting expedited processing of the claim given the total destruction of the vehicle.
8. The Opposite Party officially rejected the claim, citing a breach of Condition 4 of the insurance policy. The insurer argued that leaving the vehicle unattended on the road without proper precautions violated the policy terms and led to the fire.
9. The Complainant established his legal standing as a "Consumer" under the Consumer Protection Act and asserts that the insurance company repudiated the claim constitutes a clear "deficiency in service."
10. The Complainant submitted that the insurer violated the principle of "utmost good faith." The premium of Rs. 1,65,996/- was collected before the specific terms and conditions of the policy were disclosed, now the insurer cannot unfairly rely on hidden exclusion clauses to reject the claim.

11. The Complainant counters the accusation of a policy breach by arguing that a true breach requires wilful infringement. Given the midnight circumstances, locking and parking the car on the roadside was the maximum possible safety precaution, and the fire was an unforeseen mishap, not a result of wilful negligence.

12. The Complainant contends that exclusion clauses must be interpreted in favour of the insured. Emphasizing that there was no mala fide intent or careless abandonment of the near-new car, the Complainant accuses the insurer of shirking its responsibility. The complaint concludes with a prayer directing the Opposite Party to pay Rs. 99,00,000/- along with 18% annual interest

13. Upon admission of the complaint, notice was duly issued to the Opposite Party. The Opposite Party appeared through legal counsel and filed Written Version. The pleadings of both sides have been taken on record.

Contention of Opposite Party

14. The Opposite Party acknowledges the existence of the insurance policy and summarizes the complainant's version of events: the car suffered a puncture, was left unattended on the highway overnight, and was found burnt the next morning.

15. The Opposite Party justified rejecting the claim due to multiple policy violations. Specifically, the complainant failed to immediately notify the police and the insurer in writing, and breached Condition No. 4 by

leaving the vehicle unattended on the road without taking proper precautions to prevent further loss.

16. The Opposite Party argued that this was a minor breakdown (a tyre puncture), not an accident. The complainant or his driver should have either stayed with the vehicle or moved it to a safer nearby location (such as a local village or Dhaba) rather than abandoning it.

17. The Opposite Party questions the complainant's common sense and diligence. They question why the car's spare tyre (stepney) was not used, or why the vehicle was not simply towed back to Solapur using the second car that was called to the scene. Reiterating the core defence, the insurer stated that the complainant miserably failed to attend to a highly prestigious vehicle, clearly violating the policy condition that mandates the insured to take all reasonable steps to safeguard the car.

18. The Opposite Party provided the details about the prolonged history of the litigation, noting that the case and subsequent appeals were dismissed multiple times due to the complainant's repeated failure to appear in court or file evidence, highlighting a pattern of delay.

19. The Opposite Party further pointed out that the complainant’s own statement to the Zalki police confirmed that he and his driver left the car unattended overnight and only discovered the fire the next day. This police statement acts as an admission of leaving the car unattended.

20. The insurer disputes the claim that the car caught fire from nearby burning grass. The spot panchnama revealed that the burnt grass was

approximately 50 meters away from the car, making the cause of the fire highly suspicious. Furthermore, the complainant failed to inform the insurer in time to appoint a spot surveyor.

21. The Opposite Party contested the true value of the car. Citing previous insurance policies and a gap year where the car was uninsured, The Opposite Party i.e. the insurer calculated that after depreciation, the vehicle's value should not exceed Rs. 59,00,000/-. Therefore, The Opposite Party concluded that the complainant (a wealthy ex-MLA with multiple vehicles) had the resources to secure the car but failed to do so. They deny any deficiency in service, accuse the complainant of filing a mala fide complaint to harass the company, and argue that the case involves complex facts that should be tried in a Civil Court rather than a Consumer Commission. That the present complaint may be dismissed with cost.

22. After perusal of record, the points for determination along with our findings there on are as for follows

Sr. No.	**Points**	**Findings**
1	Did the Complainant breach Condition 4 of the insurance policy by leaving the vehicle on the highway at night?	Negative
2	Is the repudiation of the claim by the Opposite amount to a deficiency in service?	Affirmative
3	What relief is the Complainant entitled to?	As per final Order

REASONS

As to Point No. 1:

23. After perusal of the record, this commission observed that, the Opposite Party's entire defence and justification for repudiating the claim rests on the interpretation of Condition No. 4 of the Insurance Policy. The clause mandates that in the event of a breakdown, the insured vehicle shall not be left unattended *"without proper precautions being taken to prevent further damage or loss."* The Opposite Party contends that by locking the car and returning to Solapur, the Complainant and his driver abandoned the vehicle, thereby committing a fundamental breach of this condition.

24. We have carefully perused the wording of Condition 4. The policy does not absolutely prohibit leaving a broken-down vehicle; rather, it prohibits leaving it unattended without proper precautions. What constitutes a "proper precaution" is not rigidly defined in the policy schedule and must be interpreted based on the specific facts, circumstances, and ground realities of each case. The evidence on record clearly establishes that the driver did not recklessly abandon the vehicle in the middle of the highway. The car was deliberately moved to the side of the road near a landmark (Chacha Dhaba), its windows were rolled up, and the vehicle was securely locked. These actions demonstrated that the Complainant exercised the standard of care expected of a reasonable and prudent owner under the given circumstances.

25. Further, this Commission must evaluate the incident through the lens of practicality rather than clinical hindsight. The puncture occurred late at night on a state highway. The undisputed facts reveal that no tyre repair mechanisms or mechanics were available at that late hour at Dhulkhed. Stranded in the dark with a luxury vehicle, the Complainant was faced with an unforeseen emergency. Seeking an alternative vehicle to safely return to Solapur, while leaving the locked car parked on the roadside, was a practical and necessary decision, not a negligent one.

26. The Opposite Party has vehemently argued that the Complainant should have instructed his driver to remain inside the stationary vehicle overnight to "safeguard" it. We find this argument not only hyper-technical but fundamentally flawed and insensitive. A vehicle parked on the shoulder of a highway at night is highly vulnerable to high-speed collisions and criminal elements. The law does not and cannot compel an insured individual or their employee to jeopardize their physical safety or risk their life merely to guard a depreciating material asset. Insisting that a human being should have been stationed in a disabled car in the dead of night to validate an insurance claim is an unreasonable expectation that this Commission cannot endorse.

27. It is a well-settled principle of insurance jurisprudence that to repudiate a claim based on a policy breach, there must be a direct nexus between the alleged breach and the cause of the loss. The vehicle in question was destroyed by a fire, the exact origin of which (whether from nearby dry

grass or unknown miscreants) remains undetermined, as per the Police Panchnama and Fire Brigade report. Leaving the vehicle locked by the roadside did not proximately cause it to catch fire. The Opposite Party has failed to place any forensic evidence on record to prove that the Complainant's absence directly triggered the peril, or that the fire was an act of deliberate arson by the Complainant.

28. The Opposite Party raised an objection regarding why the driver did not simply change the tyre using a stepney. While changing a tyre might seem trivial in daylight under normal conditions, expecting a driver to execute this task on a pitch-dark highway is not a mandatory prerequisite for an insurance claim. Furthermore, the inability or failure to change a tyre does not grant the insurer the right to summarily dismiss a total-loss claim resulting from a completely unrelated peril (fire).

29. This commission having opinion that, exclusion clauses in insurance contracts must be read down to align with the main purpose of the policy, which is to indemnify the insured against unforeseen losses. The Complainant took whatever precautions were practically at his disposal in the dead of night. There is no evidence of wilful infringement, gross negligence, or mala fides on his part. Therefore, we hold that the Complainant did not violate Condition No. 4 of the policy. The Opposite Party's reliance on this clause to repudiate a genuine claim is unjustifiable, arbitrary, and constitutes a clear deficiency in service. In view of our finding given as to have point No.1 in Negative.

As to Point No.2

30. An insurance contract is based on the principle of *uberrimae fidei* (utmost good faith), which applies equally to the insurer. The Opposite Party accepted a hefty premium to cover unforeseen perils, including fire. Summarily dismissing a genuine claim of a total loss by misinterpreting an exclusion clause to escape liability squarely amounts to a deficiency in service. In view of our finding given as to have point No.2 in affirmative.

As to Point No.3

31. In the present consumer case, the Opposite Party contended in its written version that the true value of the car, after depreciation, should not be more than Rs. 59,00,000/-. However, it is a well-settled principle of law that once the Insured Declared Value (IDV) is agreed upon and the premium is charged accordingly by the insurer, the IDV becomes the binding value for the settlement of a total loss claim. The Opposite Party cannot unilaterally depreciate the value at the time of claim settlement without a statutory basis. The IDV of Rs. 70,00,000/- must be honoured.

32. In view of our findings as to point no.1 in negative & point no. 2 in Affirmative, it is clear that the opposite party have committed deficiency in service towards the complainant. Therefore, this commission came to the conclusion that complaint is hereby needs to be partly allowed. Hence, in an answer to point no. 3 we pass the following order.

ORDER

1. The Consumer Complaint No. RBT/CC/1021/2018 is partly allowed.

2. The Opposite Party is directed to pay the Complainant the Insured Declared Value (IDV) of the vehicle, i.e., Rs. 70,00,000/- Interest: 7% per annum calculated from the date of repudiation (23/11/2012) till its actual realization.

3. The Opposite Party is directed to pay a lump sum compensation of Rs. 50,000/- towards mental agony and harassment suffered by the Complainant.

4. The Opposite Party is directed to pay the sum of Rs. 25,000/- to the Complainant towards the costs of this litigation.

5. Copies of the order be supplied to both parties free of cost.

Ms. Poonam V. Maharshi
Presiding Member

Dr. Nisha Amol Chavhan
Member