

Reasons for Wrongful Repudiation of Claims in Motor Insurance

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Abstract

Motor insurance is one of the most marketed insurance products. While all other insurance policies like Marine, Fire, Engineering, Health are not mandatory, in India and in many other countries, it is mandatory for a vehicle owner to buy motor insurance policy. A Motor insurance policy covers not just own damage (damage to the owner's vehicle), but also covers third party damage (damage to third party due to owner's fault). There are many insurance companies in India which sell motor insurance policies such as The Oriental Insurance Co. ltd, The New India Assurance Co. ltd, Bajaj Allianz General Insurance Co. ltd and Tata AIG General Insurance Co. ltd, etc. The process of applying for a motor insurance policy has also become very simple. These days, one can buy motor insurance online. The premium rates also are very competitive in market, giving an added advantage to the insured. However, the insured's are facing one problem these days. While Insurers are very kind and approachable while selling the policies, they do not keep up the same approach while settling the claims. There are numerous court cases and consumer forum cases, which point out that, the insurers wrongfully, repudiate the claims. The reasons for repudiation, as they quote, can be breach of any of the terms of the Indemnity contract or breach of any of the principles of Insurance. The study is a sincere attempt to understand the reasons for wrongful repudiation of motor insurance claims by Insurance companies. The data used has been gathered from Ombudsman office and claims less than thirty lakh rupees for the period of April 2017 to March 2018 have been investigated in detail.

Keyword - Motor Insurance, Claim settlement, Repudiation, Indemnity Contract, Principles of Insurance

I. Introduction

Insurance Business in India has been a roller coaster ride. From Privatization to Nationalization and then again Privatization with an FDI limit of 49%, it has been changing quickly and with every change, new regulations and compliances emerged. IRDA the regulator acts as a police officer monitors the insurers and ensures the rights of the insured are protected. However, with more competition and with a need to be in business with huge underwriting losses, the insurers are not able to satisfy their policyholders. IRDA, on the other hand, has fewer audit mechanisms to keep a check on companies. Thus, grievances are on a rise. In the year 2015, 15, 680 grievances were reported for General Insurance against Public Insurers and 44,828 grievances were reported against private insurers. The annual reports of IRDA depict that over the years there is a decline in the rate of grievances. This rosy picture may deceive a common person. The grievances shown under the annual reports are made up of Personal line grievances and Company/Industry grievances. The database of General Insurance Council, which manages the Ombudsman offices in India in its internal reports shows an increase in grievances. In the year 2015, there were 7145 complaints; it rose to 8920 complaints in 2016 and 10883 in the year 2017. The grievances reported in the Ombudsman office are of the nature of personal lines. This means that individual policyholders (personal lines) still suffer and that too a great deal.

IRDA has repeatedly agreed that companies do not solve the complaints of customers and the neither do they report to IRDA properly. IRDA started an online Customer Grievance Redressal system. However, the system is not used widely. Compared to an online grievance system customer find it easy to call the Insurance Company or to send a post, mail or walk-in person. As of now, the Grievance Redressal Process in India consists of multiple stages. In the first stage, the customer approaches the Company's in-house grievance cell, if the company does not respond he writes to IRDA. If the company hears the complaint but the insured is not satisfied with the solution, he may approach the Ombudsman, then the Consumer forum, and then the civil courts. Ombudsman is a quasi-judicial entity, which does not charge any fee from the insured, and thus it is easy for the insured to approach him. However, across India, there are only 19 Ombudsman offices only. For entire Karnataka, there is only one Ombudsman office and that is in Bangalore. Ombudsman solves all type of complaints, Life and Non-Life for personal lines within the limit of thirty lakh Rupees as the upper limit of the claim.

Motor Insurance policies are highest sold policies in India followed by health insurance policies. In India, it is mandatory for every individual who owns a motor vehicle to purchase a motor vehicle insurance policy, which automatically includes the third-party liability insurance. This is to ensure that during an accident, the person who is driving a vehicle his motor vehicle if damaged is indemnified, not only that the opposite person who has been injured, damages are being paid to that person also. However, sometimes the claims not settled amicably between the insurance companies and insureds. Thus, we can see that amongst the personal lines of the insurance number of cases registered with ombudsman the maximum number of cases are for motor insurance claims, in those claims also most is motor theft insurance claims.

2. Literature review

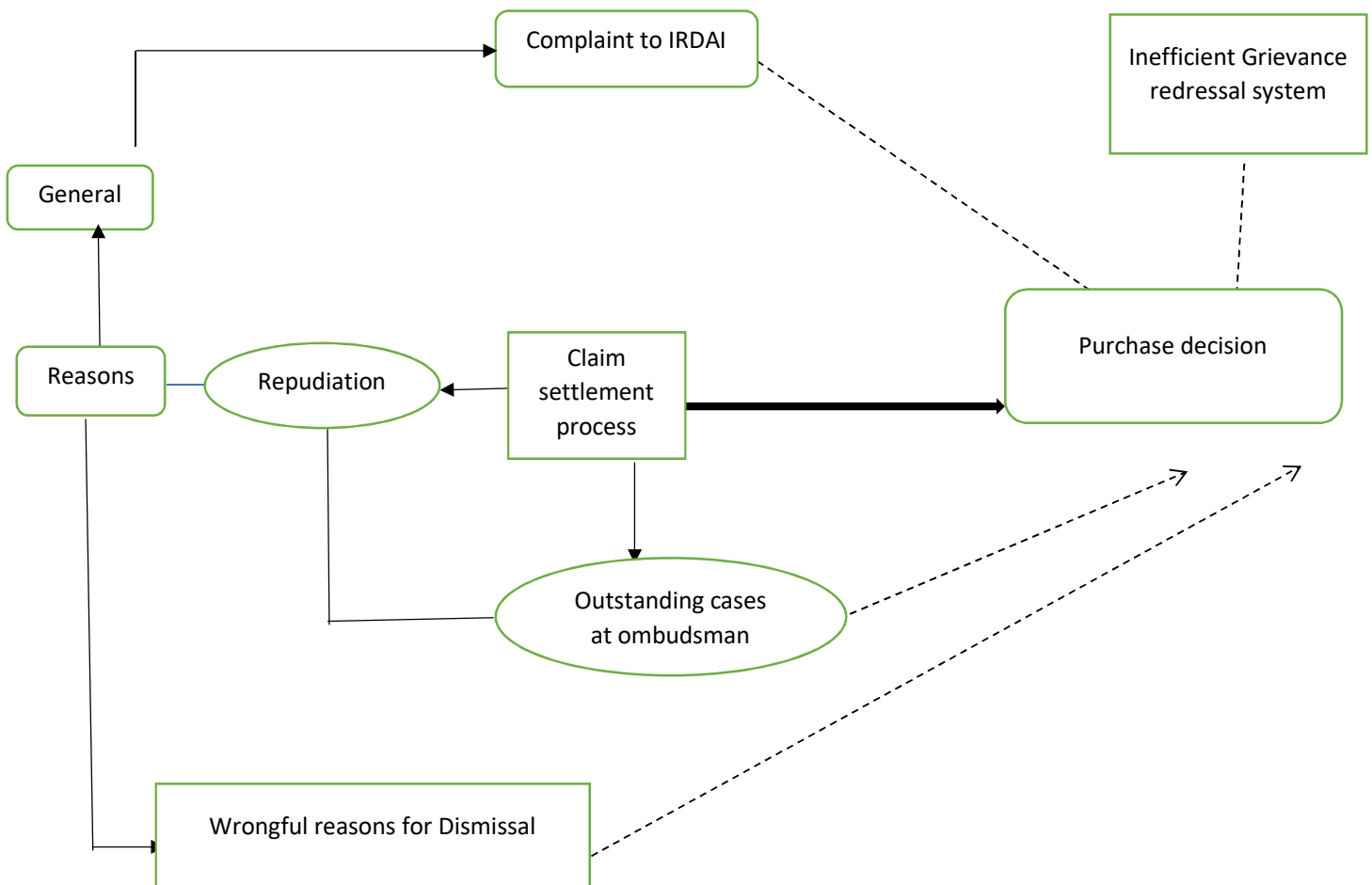
Repeatedly IRDA has been pointing out that the complaints from policy holders are not looked at properly giving rise to customer dissatisfaction and escalation to higher authorities. IRDA has been sending constant circulars in this regard to Insurance companies. (Hindu Business line, 2013). In a frank comment, the Finance Secretary pointed out that the current insurance grievance redressal system is inadequate and urged IRDA and the industry to not betray the trust of a common person. He also pointed out that, poor, illiterate country such as ours is not able to go to Ombudsman to get queries solved, and so grievances are lost. (Insurance grievance redress is heavily against the common person: Finance Secretary, money life 2016) Evaluating the performance of general insurers regarding the solution of grievances it was found that public companies are better than private companies (Bawa 2014) many authors have written in general about the redressal mechanism and how it is followed in India. IRDA reports classify the nature of the grievance into nine categories Claim, Cover Note related, Coverage, Policy related, Premium, Product, Proposal, Refund and others. These consumer complaints in simple words become grievances. One of the reasons Grievances arise is due to repudiation of claim. Indemnity becomes the cause of disagreement between the Insured and Insurer. The study points out how the size of the claim could be a factor for repudiation (Daniels 1974). Claim settlement process effects the grievances in a paramount way. In addition, claim settlement process is a very important factor that affects the purchasing decision of every insurance consumer. A customer who has faced a claim settlement process should be asked questions on level of satisfaction at each stage of the process namely Initial Contact, Progressing of the claim, and Appointment of the surveyor, outcome of the claim and overall satisfaction of settlement of claim. This will help in understanding where exactly the grievance is arising. (Central Bank of Ireland, 2010). Each Complaint/Grievance is of a different kind. However, what makes the complaint truly distinct is the type of the policy. A Motor Insurance policy grievance will be completely different compared to a Fire Insurance policy. A research report released by Central Bank of Ireland in 2017 throws light on the issues faced by policyholders in getting their claims settled. 218 customers were surveyed from three insurance companies. Most claimants whose claim was accepted were satisfied with the settlement offered, however many said they were not informed of aspects relating to no claims bonus, the terms of the settlement and certification of the value of the claim. Over 53% of the customers were not happy. Some of the grievances were related to appointment of loss assessor and repair work, outcome of the claim, reporting of motorcar damage and processing of the claim. Claim settlement process plays a major role in customer retention. There are quite a few studies, which bring out the dimensions of this process. (Yadav etal, 2017). Performance

of insurance ombudsmen and its effect on number of policies issued in life and non-life insurance sector in India. Objective is to find the relationship between complaints and number of policies issued. Growth rate and simple correlation / using seven ombudsman data. Shows that growth in outstanding number of complaints hardly effect the growth in number of policies (Ritu Priya). The moderate increases in the mean age of suspects in general and property crime was not evident among MVT suspects. The longer the judicial process, and the lower the conviction rate, the greater the chances of non-recovery. (Hedyeh, 2008). Motivations for theft are varied, a crude indicator of whether a vehicle is stolen for short or long-term gain is recovery status and Farm vehicles stolen from regional and remote areas have shorter recovery times than those from major cities. (Herzog, 1990-97). All vehicle owners have to maintain third-party-liability coverage, which means you cannot legally drive a car without it. This is the least way for those who owns cars that aren't worth insuring but want to protect themselves from being hit by an expensive bill for damage caused to someone else's property. In the event of theft, it is wise to get as much information from witnesses as possible. (Malay Mail Sdn, 2005).

3. Research gap

The available literature on claim settlement process talks about the claim settlement process, complaint to IRDAI, Inefficient Grievance redressal system, general reasons for repudiation of the claim, the efficiency of companies in handling the claim settlement process, the effect of outstanding claims on policies issued the effect of claim settlement process on renewal rates of policies, however a root cause analysis of the reasons for wrongful repudiation of claims and dismissal of claims for personal lines of insurance has not been done so far.

4. Conceptual model



Settlement of Claims has always been a cause of disagreement between the Insurance Company and the policyholders. There have been instances where the claims have been repudiated by the Insurance Companies for invalid reasons. It has also been observed that lack of understanding of the policy also has led to claim related grievances from the Insured's side. While the large companies and high net worth individuals can afford the judicial system and knock the door of the court, the middle-class policyholders who insure personal lines of insurance, small, and medium enterprise owners turn to quasi-judicial mechanisms. Ombudsman centres and District Consumer Forum are two such avenues for such people to get their grievances addressed.

Prima facie, such a system seems to be working. Studies show that the number of grievances resolved by Ombudsman has been increasing year on year, which in turn means that public has faith in the grievance addressable mechanism. Studies also appreciate the fact that the local Ombudsman is able to solve the disputes very effectively and in a short time. However, there are two questions, which need to be answered.

- How can an Insurance company who is in complete control of the situation, who knows his product, his policy and his subject matter go wrong in evaluating the claim, resulting in a wrongful repudiation and a lost case in the Ombudsman office after being confronted by the policyholder?
- What are the grey areas in a policy, which the policyholder fails to understand while taking the policy or during the tenure of the policy, which makes him, believe that he will get a claim whereas to his surprise the Insurance company declines or partially settles it?

If the grievances go on increasing, and the effort is on how to solve them rather than doing the root cause analysis of these grievances, slowly consumers will lose faith in Insurance as an Industry.

5. Objectives

1. To identify the reasons for wrongful repudiation of motor insurance theft claims
2. To identify the reasons for dismissal of motor insurance theft claims

6. Methodology

To attain the above-mentioned objectives an analytical study was conducted on cases registered with the ombudsman office for Motor insurance particularly theft cases. The access to the database was gained with prior consent, the cases were analysed and interpreted, and further findings were drawn. In total there were 600 motor cases registered in two years out of that, 70 were theft cases, out of those, investigation was done on 50 cases and findings were drawn.

7. Discussion

The following table clearly explain the reasons and judgement of the vehicle theft cases

Date of award	Name of the case	Awards in Rs	Why repudiated?	Judgement
14.07.2017	Mr. Rajesh K. Parmar V/s Oriental Insurance Co. Ltd	18,750	The claim was repudiated by the Respondent under Condition No. 1 of the policy. After review of the claim on receiving appeal in Grievance Redressal Deptt., the higher authorities had considered to settle the claim on sub-standard basis for Rs.18,750/- (i.e. 75 %) after deducting Rs.6250/-. The scooter was stolen on 10.05.2016. The complainant had lodged the FIR on 25.06.2016.	The complainant had failed to give intimation of theft immediately to the insurance company and police authority as per policy Condition No. 1. The insurance company, after receipt of grievance appeal, had gracefully settled the claim on sub – standard basis by paying 75 % claim amount and paid it to the complainant.
:13.07.2017	Mr. Hitesh K. Khusalani v/s Iffco Tokio General Ins.Co.Ltd	NO CLAIM	Claim for theft of two-wheeler vehicle was rejected on the ground that the intimation of the theft was not given to the insurer in time. The vehicle was stolen on 25.09.2016. FIR was lodged with the police on 14.10.2016 and the insurer was intimated on 17.10.2016	The intimation was late by 22 days and it deprived the insurer of the opportunity to trace the vehicle. Therefore, the claim was repudiated. Repudiation was upheld
8th May, 2017	SHRI CHANDRU KUMAR V/s RELIANCE GENERAL INS CO LTD	CLAIM SETTLED	Claim was repudiated for the delay of 7 days in reporting the Claim to the Respondent Insurer and a delay of 15 days in reporting to the Police.	The theft was informed to the Police on the day of theft and the same was recorded in their records which did not result any delay in reporting to the Police, the Respondent Insurer settled the claim
10.05.2017	Shri PRASHANT KUMAR V/s ICICI LOMBARD GENERAL INS CO LTD	CLAIM SETTLED	The Insurer repudiated the claim on the ground of delay.	The Complainant was for the theft of Motor cycle and there was a delay of 49 days in lodging FIR. But with the intervention on forum claim was settled amicably.
:17/04/2017	Mr.Mohd. Shabbir Khan v/s ICICI Lombard Gen.Ins.Co.Ltd.,	NO CLAIM	repudiated on the grounds of violation of policy condition of immediate intimation to police and to the respondent. The FIR was lodged after 6 days with the police and intimated after 9 days of theft of motor cycle.	On perusal of papers on record and submission made during hearing is clear that there was a delay on the part of complainant in filing FIR as well as intimation to the Company.
17/04/2017	Mr.Gaurav Bhale V/s United India Insu.Co. Ltd., Indore	NO CLAIM	The respondent company repudiated the claim on the ground of delay of FIR by 6 days and intimation to the respondent company after 11 days of the theft.	There was a delay in intimation to police and Insurance Company. Accordingly, the complaint filed by the complainant is hereby (dismissed) disposed off
17.04.2017	Mr. Dinesh Parmar V/s IFFCO Tokio Gen.Ins.Co.Ltd.	NO CLAIM	The repudiation of vehicle claim on the ground of delayed intimation and FIR.	The records & circumstances and the fact that there is an abnormal delay in filing the claim and Accordingly, complaint stands dismissed.
23.05.2017	Sri Brajabandhu Jena Vrs ICICI	CLAIM SETTLED	The claim was repudiated due to 15 days delay in intimation to the police	the Insurer is hereby directed to process the claim and release the

	Lombard General Insurance Co. Ltd.		and 6 days delay in intimation with insurer regarding theft of motor cycle. But actual fact was that the FIR was filed immediately and police delayed to file it on time.	amount of IDV less policy excess of Rs.100/-to the complainant at the earliest.
24.05.2017	Mr Musasar Nazaer Khan vrs Reliance General Insurance Co. Ltd	8,98,500	The repudiation of truck claim on the ground of delayed intimation and FIR. Here Insured filed FIR immediately but there was delay to receive final report from police. Thus, the insurer rejected the claim.	The complainant is entitled to get the IDV under the policy towards the claim and the Insurer is hereby directed to release Rs.9,00,000/- less policy excess of Rs.1500/- to the complainant as early as possible
23.05.2017	Mr.Manoj Kumar Sahoo Vs. United India Insurance Co. Ltd.	2,79,500	The insurer repudiated the full claim amount and settled on sub-standard basis as the insured along with his friend was travelling in the van.	non-standard settlement of the claim is not contemplated under the policy terms and conditions and as such, the Insurer is liable for the full IDV as the theft occurred during the policy period. Therefore, the Insurer is hereby directed to settle the claim and pay the balance amount of Rs.70,000/- to the complainant at the earliest.
24th May., 2017	Mr. Soumya Ranjan Pattanaik Vs. National Insurance Co. Ltd.	NO CLAIM	Claim was repudiated for the delay of 12 days in reporting the Claim to the Respondent Insurer and a delay of 2 days in reporting to the Police.	The complainant had, presumably, no reasons to explain the delay in intimating the police after the theft of the Motor Cycle. Therefore, the Insurer is justified in rejecting the claim and as such, no intervention is required in the decision of the Insurer.
14th July, 2017	Mr. Rashmi Ranjan Sahoo Vs. Reliance General Insurance Co. Ltd.	61,737	The full claim was repudiated for the delay in intimation and claim was settled in sub-standard basis. But the insured filed FIR immediately after the theft of bike i.e. on 06/08/2016 but police filed it on 11/08/2016.	the Insurer is directed to settle the claim for Rs.61,737/- i.e. IDV less Compulsory excess of Rs.100/- and the complainant is also directed to submit all relevant documents before the Insurer for settlement of the claim at an early date.
17th July, 2017	Mr. Bhagaban Gouda Vs. Royal Sunderam Alliance Insurance Co. Ltd.	5,33,070	The claim was neither settled nor repudiated but pending for statement of the last driver of the tractor. Because the complainant failed to produce driver in front of investigator.	The Insurer is hereby directed to settle the claim at IDV less policy excess of Rs. 2930/- at an early date, as the vehicle was stolen during the policy period.
17.04.2017	Mr. Rajwinder Singh Vs Iffco Tokio General Insurance Co	CLAIM SETTLED	The claim was denied on the grounds of delay in lodging the FIR and late intimation to the insurance company. The car was stolen on 17.10.2014 and FIR was lodged on 03.11.2014. The claim was stated to have been intimated to the insurance company on 29.10.2014. But he immediately intimated to police by calling 100.	The insurance company to pay 80% of the admissible claim as per terms and conditions of the policy subject to completion of usual formalities.
13.02.2017	Mr. Satish Gupta v.	50,220	The Insurance Company had rejected his theft claim on the ground that the	The Insurance Company was directed to treat the claim as

	National Insurance Company Ltd.		insured had not taken sufficient care of the car by not locking it properly, which constitutes violation of policy condition no. 4. The company again rejected the Damage claim on the ground that "once the claim for the theft, which is the primary reason, has been repudiated by the company, the subsequent loss cannot be accepted/ validated by the company	admissible and settle the claim as per policy terms and conditions within 30 days from the date of receipt of the Award. There is no further relief to be granted to the complainant.
15.02.2017	Mr. Shubham Bansal Vs National Insurance Company Ltd.	CLAIM SETTLED	The claim was rejected on the grounds that the keys submitted by the complainant were different and one of the key was of local make. As per the forensic report submitted by the TRUTH LABS FORENSIC SERVICES, the keys were found to be different from each other.	Accordingly, Insurance Company is directed to settle the claim on substandard basis @ 75% of IDV within 30 days of receipt of the Award.
11.08.2017	Mr. R. Nitin Joseph VS. The New Indi Assurance Company Ltd.	NO CLAIM	The insurer rejected the claim invoking condition No. 4 of the policy. The bike was parked in front of the gate and forgot to collect the key and the bike was stolen from parking place.	the insured violated the condition No. 4 of the policy. Therefore, there is no scope for this forum to intervene in favour of the complainant.
11.08.2017	Mrs. N. Shailaja VS. ICICI Lombard Gen. Ins. Co. Ltd	SETTLED	The respondent insurer rejected the claim stating that there was unreasonable delay in giving intimation to the Police (11 days) and to the Company (18 days).	The vehicle was traced by Kushaiguda Police officials on 07.07.2017 and it was surrendered to the Hon'ble XX Metropolitan Magistrate Court, Cyberabad at Malkajiri. The complaint is treated as resolved and closed
17/04/2017	Mr.Mohd. Shabbir Khan v/s ICICI Lombard Gen.Ins.Co.Ltd.,	NO CLAIM	The claim was repudiated on the grounds of violation of policy condition of immediate intimation to police and to the respondent. The complainant lodged FIR with police after 6 days of loss and intimated to them after 9 days of loss, which is a violation of policy condition no.1	On perusal of papers on record and submission made during hearing is clear that there was a delay on the part of complainant in filing FIR as well as intimation to the Company. Therefore, there is no reason to interfere with the decision of the Insurance Company.
17/04/2017	Mr.Gaurav Bhale V/s United India Insu.Co. Ltd., Indore	NO CLAIM	The claim was repudiated the claim on the ground of delay of FIR by 6 days and intimation to the respondent company after 11 days of the theft.	On perusal of papers on record and submission made during hearing, I find that there was a delay in intimation to police and Insurance Company. Accordingly, the complaint filed by the complainant is hereby (dismissed) disposed off.
17.04.2017	Mr. Dinesh Parmar V/s IFFCO Tokio Gen.Ins.Co.Ltd.	NO CLAIM	Repudiation of vehicle claim on the ground of delayed intimation and FIR. The insured has not informed immediately to the Insurance Company and FIR was lodged after 15 days.	In view of records & circumstances and the fact that there is an abnormal delay in filing the claim. I am of the considered view that decision taken by the respondent company is

				justified. Accordingly, complaint stands dismissed.
: 20.09.2017	Shaper pal singh vs bharti axa general insurance company ltd	CLAIM SETTLED	Repudiated the claim as insured did not reveal the material fact i.e. he had taken three OD Claims from previous insurer, instead he had opted 20% no claim bonus	This was a case of contributory negligence and lapses on both sides. The repudiation of claim by the insurer was not valid. Therefore, the case was settled on sub-standard basis at 75% of the admissible claim amount.
03.10.2017	SH. R K JAIN V/S NATIONAL INSURANCE CO. LTD	CLAIM SETTLED	The claim was repudiated on the ground of delay in intimation to the insurer and submission of only one key of the vehicle which was said to be badly rusted. The lock of the bike was changed in 2015 and insured failed to submit the second key.	The claim should have been settled on sub-standard basis instead of repudiation. Hence, the Insurance Company is directed to settle the claim on sub-standard basis (75% of IDV) within 30 days under intimation to this forum.
26.10.2017	MR. ABHAY KUMAR GARG V/S NATIONAL INSURANCE COMPANY LIMITED.	1,99,093	The insurance company kept on delaying settlement of his claim on one or other lame excuse even after intimating police and insurer on time and submitted all required document.	The insurance company is directed to pay the claim along with 6% interest for the period of delay.
29/06/2016	Mr. Bhupendra Singh Gurjar V/S Cholamandlam MS Gen.Ins.Co.Ltd. Gwalior	4,10,000	The respondent has repudiated the claim on the ground of delayed intimation and FIR. Insured has immediately informed to police authority on dial 100 scheme, at 3.20 am. Photocopy obtained through RTI has been submitted for record. (1) FIR was registered after about 40 days and intimation to Insurance Co. was after 40 days. (2) Original Keys were not available with the claimant.	The claim of should be considered on Sub-Standard basis by the respondent Cholamandlam MS General Insurance Company Ltd. and the claim should be settled as per Terms & Condition of the policy as full and final settlement of the grievance complaint.
11/07/2016	Mr.Babu Ram Bhati V/S National Insurance Co.Ltd., Bhopa	NO CLAIM	The claim was repudiated stating the reasons that the vehicle was not registered with RTO at time of theft and the vehicle was not registered as per the requirement of sec. 39 of MV Act, the claim is not payable hence repudiated.	it just, fair & equitable to dismiss the complaint as not justifiable. A copy of the award may be sent to the Complainant and the Respondent Insurance Company for information.
2016-17	M. Loganathan V/s Reliance General Insurance Co. Ltd.	ADMITTED	The claim was rejected due to delay of 44 days in intimation and 6 days in filing FIR. The insurer's representative mentioned about the delay in intimation and as per their Policy Condition No.1 the insured should give immediate intimation of loss. Hence their repudiation of the claim is in order.	The Forum has objected to the insurer's non-compliance of IRDAI's clear cut circular dated 20/09/2011 for such delayed intimation. The insurer's representative was asked whether they are considering settlement now. He requested the forum to pass the necessary order.
2016-17	P. Jayachandran Vs Reliance	ADMITTED	The claim was rejected due to delay of 24 days in intimation and 12 days in FIR	The insurer needs to ensure the guidelines of IRDA is followed and such cases are not reported to the

	Genl. Insurance Co. Ltd		of his claim as per their Policy Condition No.1.	forum, otherwise the forum will be forced to inform the Regulator for necessary action. The complaint is treated as "ADMITTED".
2016-17	K.S. Gokulnath Premchand Vs Reliance Genl. Insurance Co.Ltd.	ADMITTED	The insurer repudiated his claim mentioning that he has violated their Policy condition No.1 which deals with immediate intimation of claim. But the insured gave written complaint on 30.11.2015 for which the Police issued a receipt No.229/2015 and issued the FIR on 29.01.2016 after a huge struggle.	The act of Insurer is highly condemnable. The delay on the part of insurer will also attract the "Protection of Policy holders Right 2002" and the forum has in its earlier cases also has clearly advised the particular insurer and in spite of that they are continuing to resort to the same practice is highly objectionable.
2016-17	T. Anandavelu vs Reliance Genl. Insurance Co. Ltd.	ADMITTED	Rejected the claim on the ground of delayed intimation of 13 days and 30 days of receipt of FIR. It was delay because of network issues at the time of Chennai flood.	The IRDA has issued a clear-cut circular dated 20.09.2011 on delay in intimation. The Forum has in its earlier cases also has clearly advised the particular insurer and in spite of that they are continuing to resort to the same practice is highly objectionable. The complaint is treated as "ADMITTED"
27.07.2016	Sh. Zeeshan Ali Vs Bajaj Allianz General Insurance Company Ltd.	28,220	The Insurance Company had settled the claim for an amount of Rs. 22,820/- only. He sought the relief of Rs. 5500/- from this forum. The representative from Insurance Company had stated that the claimant had signed the satisfaction voucher and agreed for an amount of Rs. 22,820/- in full and final settlement of claim, which the complainant did not refute during the course of hearing.	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim and pay the admissible amount as per policy terms and conditions to the complainant.
22.07.2016	Mr. Gopender Singh Meena Vs The ICICI Lombard General Insurance Company Ltd.	CLAIM SETTLED	The claim was rejected by the Company on the ground that ignition key was left in the vehicle, which had contributed to the theft of vehicle. Hence claim was rejected under condition no. 04 of the policy which states that "insured should take all reasonable steps to safeguard his vehicle.	The Insurance Company is directed to settle the claim as per terms and conditions of the policy after submission of the required documents by the complainant.
22.08.2016	Mr. Mahendra Aggarwal Vs The ICICI Lombard General Insurance Company Ltd.	CLAIM SETTLED	Insurer rejected the claim on the plea of parking the vehicle by leaving the ignition key with vehicle. The gross negligence act of leaving the vehicle unattended with the key led to the incidence of insured asset being stolen	An award was passed with the direction to the Insurance Company to settle the claim of the complainant on sub-standard basis (75% of IDV of the vehicle) as per the terms and conditions of the policy.
08.08.2016	Ms. Sushila Gupta Vs The HDFC ERGO General	CLAIM SETTLED	The Insurance Company had rejected the claim on the ground that as per forensic verification both the keys submitted by the complainant were	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim on sub-

	Insurance Company Ltd.		found to be different. Hence this had been considered as a case of misrepresentation of material facts and hence claim was denied.	standard basis @75% of IDV of the vehicle.
21.06.2016	f Sh. Nahar Singh Vs National Insurance Company Ltd.	CLAIM SETTLED	The Insurance Company had rejected the claim vide their letter dated 28.01.2016 under the policy condition no. 1 which speaks as under: "Notice shall be given in writing to the Company immediately upon the occurrence of any accident immediately upon the occurrence of any accidental loss or damage and in the event of any claim and thereafter the Insured shall give all such information and assistance as the Company shall require"	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim on sub-standard basis at 75% of the IDV of the vehicle.
08.08.2016	f Mr. Raj Kumar Jain Vs The National Insurance Company Ltd.	2,02,500	The vehicle was stolen between nights of 30th June-1st July 2015. The complainant had stated that in spite of the completion of all the formalities no response was coming from the Insurance Company. The representative of Insurance Company had contended that the actual market value of the vehicle is much lower than the IDV being an obsolete model of 2009, but they fixed wrong IDV of Rs. 2,02,500/- instead of actual value of Rs. 1,10,000/-	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim (IDV of vehicle-Excess clause) and pay the admissible amount to the complainant.
29.09.2016	Sh. Rajesh Vs National Insurance Company Ltd.	CLAIM SETTLED	claim was denied by the Insurance Company on the ground that wrong declaration of NCB i.e. 45% instead of 25% was submitted at the time of taking policy from the Insurance Company.	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim of the complainant as admissible.

12.07.2016	f Sh. Amit Kr. Mishra Vs The Bharti AXA General Insurance Company Ltd.	CLAIM SETTLED	claim was repudiated on the ground that there was a gross negligence on the part of complainant who failed to safeguard his vehicle. The vehicle was left unattended without any proper precaution, which contributed primarily for stealing of said vehicle and there was a gross negligence on the part of the complainant. Thus, he had violated the policy condition no. 04	CLAIM Accordingly, an award is passed with the direction to the Insurance Company to settle the claim of the complainant as admissible.
25.07.2016	Mr. Sompal Singh Vs The Bharti AXA General Insurance Company Ltd.	CLAIM SETTLED	claim was repudiated by the Insurance Company on the ground of wrong declaration of NCB submitted to the Insurance Company at the time of taking insurance policy.	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim and pay the admissible amount as per policy terms and conditions to the complainant.
29.07.2016	f Mr. Vikas Mehta Vs The TATA AIG General Insurance Company Ltd.	CLAIM SETTLED	claim was denied by the Insurance Company on the ground of wrong declaration of NCB at the time of taking the policy.	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim and pay the admissible amount as per policy terms and conditions to the complainant.
24.08.2016	Sh. Bipin Sharma Vs Tata AIG General Insurance Company Ltd.	NO CLAIM	claim was denied by the Insurance Company on the ground of late intimation of theft to them.	the intimation of theft of vehicle was given after inordinate delay of 124 days by the complainant to the Insurance Company. The claim was denied after giving an opportunity to the complainant to explain the reason for delay by the Insurance Company. The claim was denied as per policy terms and conditions and no reason to interfere with the decision of the Insurance Company. Accordingly, the complaint filed by the complainant is hereby disposed of.
17.08.2016	Mohd. Rashid Vs The Oriental Insurance Company Ltd.	CLAIM SETTLED	the Company had rejected the claim on the ground of 50% No claim bonus was wrongly claimed by him as the previous policy was in the name of Ms. Rabia Karim. The claim is not tenable as the Insured had availed NCB without entitlement. This tantamount to misrepresentation and concealment of material facts.	No reason to interface with the decision of the Insurance Company. Accordingly, the complaint filed by the complainant is hereby disposed off.

05.09.2016	Sh. Bal Ram Vs Oriental Insurance Company Ltd.	CLAIM SETTLED	Rejected the claim on the ground that the insured Mr. Balram had already sold the vehicle on 07.08.2012 to Mr. Mubarak Ali. Mr. Bal Ram had already sold the vehicle on 07.08.2012 to Mr. Mubarak Ali. As the policy and RC is still in the name of Mr. Balram, Mr. Mubarak Ali does not have any insurable interest in the insured vehicle who had lodged the claim as claimant	Accordingly, an award is passed with the direction to the Insurance Company to settle the claim on sub-standard basis (75% IDV of the vehicle) and pay the admissible amount as per policy terms and conditions to the complainant.
20.07.2016	MR. ARVIND KUMAR GUPTA VS ORIENTAL INS. CO. LTD	CLAIM SETTLED	The company rejected the claim on the ground of lack of insurable interest of the complainant in the vehicle.	The vehicle was stolen on the same day, when he had applied for transfer of Registration Certificate in his name, hence the decision of the company for rejection of claim is not justified.
01.03.2017	SHRI PARTHA SARATHI PANDA v/s ICICI LOMBARD GENERAL INSURANCE CO LTD	NO CLAIM	The claim was repudiated as the Respondent Insurer for a Forensic examination sent keys and it was found that one of the keys was manmade without usage marks.	the Complainant mis-represented the fact and did not make a fair attempt for the claim. Hence, this Forum was not inclined to interfere with the decision taken by the Respondent Insurer in repudiating the claim. Hence, the Complaint was DISMISSED.
23-01-2017	Mr. Manjeet Singh Vs Bajaj Allianz General Insurance Company Ltd.	CLAIM SETTLED	Repudiated the claim saying that insurable interest was in existence as the ownership of vehicle was not transferred in the name of insured person till the date of loss. The representative of Insurance company had stated that the vehicle was not in the name of the complainant hence he had not acquired insurable interest till the date of loss/theft of vehicle.	The Insurance Company is directed to settle the claim on substandard basis @75% of IDV of the vehicle less policy excesses the complainant failed to give the claim intimation to Insurance Company immediately on occurrence of loss as the vehicle was stolen in the night of 6/7th Jan, 2016, whereas the theft claim was reported through post on 09-01-2016 thereby delay of 2 days. An Award is passed with the directions to settle the claim as above within 30 days of receipt of the same.
23.02.2017	Mrs. Manjoo Mohan Vs The New India Assurance Company Ltd.	NO CLAIM	The Insurance Company had repudiated the claim on the grounds that the ownership in the Registration certificate of vehicle was not transferred in the name of the complainant.	no reason to interfere with the decision of Insurance Company and I uphold the decision of the Insurance Company for repudiation of claim in view of the no insurable interest exist in favour of the complainant. Accordingly, the complaint of the complainant is disposed off.

8. Findings and conclusion

8.1. Insurer fault:

Repudiated due to delay in intimation

The insurance company denied the claim as there is a postponement in implication of theft instantly to the police and also an insurance company and safeguarded neglected to present the FIR copy and reports. In specific situations, insured would have been implied quickly after theft however, the police make a deferral in documenting FIR and giving a report. For example, COMPLAINT NO- BHU-G-020-1718-0005 Sri Brajabandhu Jena Vs. ICICI Lombard General Insurance Co. Ltd. Date of Order 23.05.2017 The complainant is the owner of Hero HF Deluxe Motor Cycle no. OD 25 1285 which has been insured by the present Insurer for the period from 21 10 2015 to 20 10 2016 with IDV of Rs.26068/- . Unfortunately, on 02.02.2016 when he had parked his vehicle in the Bhubaneswar court premises it was stolen. On the same day, he lodged FIR in the Badagada PS, Bhubaneswar. The police registered the FIR only on 16.02.2016, investigated into the matter and submitted Final Report no.102 dated 30.06.2016 as FRT No Clue U/S 379 IPC. On 06.02.2016, the complainant intimated the claim to the insurer. He submitted all the relevant documents before the Insurer but it made the claim 'No Claim' although the delay in FIR was not intentional. From the above case, we see that the insurance company have wrongfully repudiated the claim.

Repudiated due to the absence of insurable interest

The insurance company renounced the case as at the time of claim because of theft, the insurable interest is missing for the sake of the insured. At the time of transferring the ownership of the vehicle from one person to another, if vehicle lost due to theft, the insurance company cannot deny the claim expressing the nonappearance of insurable interest. For example, In the matter of Mr Manjeet Singh Vs Bajaj Allianz General Insurance Company Ltd. (New Delhi), The Complainant had purchased a car from M/S. J.S Enterprises on 03.01.2016, which was insured by Bajaj Allianz General Insurance Company Ltd. in favour of J.S. Enterprises until 30.01.2016. The said vehicle was stolen on 07.01.2016 the complainant gave intimation of claim to police and insurance company on seventh & eighth Jan.2016 respectively. The Previous owner J.S. Enterprises had given NOC for transfer of insurance policy in favour of the complainant. The complainant had applied for transfer of the ownership of the vehicle in RTO on 05.01.2016 vide their receipt no. ND377417/DL/16010000165336 dated 05/01/2016 for a car bearing regn. Number DL 2CV1327. The Complainant had also submitted cash receipt towards the proceeds of purchase of a car for Rs. 47,000/- only, whereas as per the policy, the IDV of the vehicle was fixed for Rs. 82,420/-. As per the complaint of the complainant, the Insurance Company had not settled the loss so far.

The insurance company cannot repudiate the claim saying that insurable interest was in existence, as the ownership of the vehicle was not transferred in the name of insured person until the date of loss. But the complainant had pleaded that as per the Provision of Motor Tariff GR-17 "The transferee shall apply within fourteen days from the date of transfer in writing under-recorded delivery to the insurer who has insured the vehicle, with the details of the registration of vehicle, the date of transfer of the vehicle, the previous owner of the vehicle and the number and date of the insurance policy so that the insurer may make the necessary changes in his record and issue fresh certificate of Insurance."

The self-contained note was submitted by the Insurance Company, whereby stated that as per the Motor Tariff there should be the existence of insurable contract at the time of taking policy as well as at the time of loss and in this particular claim the same was not in position.

Judgement- The Insurance Company is directed to settle the claim on substandard basis @75% of IDV of the vehicle less policy excess as the complainant failed to give the claim intimation to Insurance Company immediately on occurrence of loss as the vehicle was stolen in the night of 6/7th Jan 2016, whereas the theft claim was reported through post on 09-01-2016 thereby delay of 2 days. An Award is passed with the directions to settle the claim as above within 30 days of receipt of the same.

8.2. Partial claim:

Repudiated due to negligence in non-removal of the key after parking from the vehicle.

The insurance company denied the claim as there is carelessness in evacuating the vehicle key after parking. However, it is not deliberately done by the insured. Accordingly, the claim ought to be made on the sub-standard basis. For example, On the matter of Mr Mahendra Aggarwal Vs the ICICI Lombard General Insurance Company Ltd. The complainant had purchased the above motor insurance policy wherein ICICI Lombard General Insurance Company Ltd. insured a two-wheeler. The said vehicle was stolen on 24.08.2015. The complainant had lodged the FIR on 25.08.2015. The IDV of the vehicle is Rs. 46,000/-. The Insurance Company had rejected the claim on the plea of parking the vehicle by leaving the ignition key with the vehicle. The gross negligence act of leaving the vehicle unattended with the key led to the incidence of the insured asset being stolen. This is a violation of the terms and conditions of an insurance policy issued which states “the insured shall take all reasonable steps to safeguard the vehicle from the loss or damage.” COURT VERDICT “leaving off the key in the ignition of the car on all occasions cannot be termed as so serious breach to disentitle the insured from seeking claim under the insurance policy. Whether or not there is, a breach of the condition will always depend upon the facts of the case. Accordingly, an award is passed with the direction to the Insurance Company to settle the claim of the complainant on the sub-standard basis (75% of IDV of the vehicle) as per the terms and conditions of the policy”.

8.3. Insured fault:

Repudiated due to keys submitted by the complainant were different.

The insurance company denied the case as the insured presented the copy key or unused key or diverse formed key i.e. not the first key of the vehicle. It is a blame of insured for not being faithful to an insurance company. For example, On the matter of Mr Shubham Bansal Vs National Insurance Company Ltd. The complainant alleged that his vehicle was stolen, on 05/06.09.2015 (night) FIR was lodged on 07.09.2015 and claim intimation was given to the company same day in spite of completing all the formalities, the Insurance Company had rejected the claim The Insurance Company had repudiated the claim due to non-submission of satisfactory keys by insured. The keys submitted by the insured were quite different in shape and size and cannot belong to the same vehicle. In addition, the insured could not submit any satisfactory explanation regarding the keys.

Repudiated due to non-disclosure of material fact and No claim bonus.

The insurance company appropriately repudiated the claim in view of non-disclosure of material fact and No claim bonus (NCB). It is the obligation of the insured to unveil all material fact and deliberately pick No Claim Bonus. For example, On the matter of Mohd. Rashid Vs the Oriental Insurance Company Ltd.

The complainant alleged that his vehicle was stolen on 31/12/2014 from E-471, First Floor, Block-E, Khadda Colony, and Jaitpur Extn. (Part-2), Badarpur, New Delhi-44. He had lodged the FIR in this regard at Police Station Jaitpur, Delhi vide FIR no.968 dated 31.12.2014. He had submitted all the necessary papers of the claim to the Insurance Company but the Company had rejected the claim on the ground of 50% No claim bonus was wrongly claimed by him as the previous policy was in the name of Ms Rabia Karim. The IDV of the vehicle was Rs. 1,35,000/-. He had sought the relief of Rs. 1,35,000 from this forum. The Insurance Company vide its letter dated 31.12.2015 had rejected the claim on the ground that the Insured had availed 50% NCB in the current policy, but the previous policy was in the name of Ms Rabia Karim. The claim is not tenable, as the Insured had availed NCB without entitlement. This tantamount to misrepresentation and concealment of material facts.

Court verdict- It was found that the Insurance Company had rightly rejected the claim and I see no reason to interface with the decision of the Insurance Company. Accordingly, the complaint filed by the complainant is hereby disposed of.

9. Scope for the research

As in this particular study, we have taken only motor insurance cases pertaining to theft cases there are many other claims such as accidental claims, vehicle damage, third party claims that can be further researched. In addition, company wise overturn rates can be found which would highlight which insurance company is wrongfully repudiating the claims. IRDA should on a regular basis conduct such studies on the personal lines grievances so that such grievances reoccur.

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