



2026:DHC:687



* **IN THE HIGH COURT OF DELHI AT NEW DELHI**

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Reserved on : 09th January 2026
Pronounced on : 29th January 2026
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+ **MAC.APP. 13/2026 & CM APPL. 1041/2026 (stay)**

UNITED INDIA INSURANCE CO LTDAppellant

Through: Mr. Brijesh Kumar Sharma, Adv.

versus

DHIRAJ TRAHANRespondent

Through:

+ **MAC.APP. 14/2026 & CM APPL. 1044/2026 (stay)**

UNITED INDIA INSURANCE CO LTDAppellant

Through: Mr. Brijesh Kumar Sharma, Adv.

versus

GEETA TREHANRespondent

Through:

CORAM:

HON'BLE MR. JUSTICE ANISH DAYAL

JUDGMENT

ANISH DAYAL, J.

1. These appeals have been filed under Section 173 of Motor Vehicles Act, 1988 (*'MV Act'*) by the Insurance Company challenging impugned award dated 08th October 2025 passed by Motor Accidents Claims Tribunal [hereinafter, *'Tribunal'*], North West, Rohini Courts, Delhi in MACT Case no. 449556/2016 titled as *'Dhiraj Trehan v. United India Insurance Co. Ltd & Anr'* and in MACT Case No.



450066/2016 titled as '*Geeta Trehan v United India Insurance Co. Ltd & Anr*'.

2. Appellant/United India Insurance Company ('*Insurance Company*') has preferred this challenge essentially on the grounds that both *Dhiraj Trehan* and *Geeta Trehan* (hereinafter, "*claimants*") who were occupants of the car driven by *Kamal Trehan*, father of *Dhiraj Trehan* and husband of *Geeta Trehan*.

3. The only contention raised by Insurance Company was that compensation could not be awarded to claimants, since after the death *Kamal Trehan*/driver and owner of the vehicle, claimants being legal heirs of the deceased became co-owners of the vehicle and stepped into the shoes of *Kamal Trehan*, who was the insured.

The Accident

4. On 05th October 2013, at about 05:40 A.M., *Geeta Trehan*, wife of late *Kamla Trehan* and *Dhiraj Trehan*, son of late *Kamal Trehan*, along with other co-passengers, *Basanti*, *Sushila*, *Deepika* and *Kaushalya Devi* were travelling in a *Maruti Van*, bearing registration no. DL-5CC-0255 (hereinafter, "*offending vehicle*") going to Village Jatkhori, Delhi to attend a *Sangat*.

5. It was alleged that the offending vehicle was being driven at a high speed and in a rash and negligent manner by *Kamal Trehan*/driver and when they reached in front of Village Ladpur, offending vehicle collided against divider of the road and as a result of the impact; claimants



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sustained grievous injuries. *Kamal Trehan*/Driver sustained fatal injuries and was declared brought dead.

6. Detailed Accident Report (*'DAR'*) was registered and the offending vehicle was found to be insured with appellant/Insurance Company.

Impugned Award

7. The two claim petitions were decided by a common order. *Dhiraj Trehan* was examined as PW-1, *Geeta Trehan* was examined as PW-2, *Rajeev*, Technician, Medical Record Department from *Primus Super Speciality Hospital*, Chanakyapuri was examined as PW-3, *Sapna*, Medical Record Technician from *Saroj Super Speciality Hospital*, Madhuban Chowk, Delhi was examined as PW-4, *Dr. Adarsh Kishore Singh*, Senior Orthopaedic, BSA Hospital was examined as PW-5.

8. On appreciation of evidence adduced by parties, Tribunal came to the conclusion that in view of unrebutted testimonies of PW-1 and PW-2, corroborated by criminal case record, *Kamal Trehan*/driver of offending vehicle was responsible for causing the accident due to the rash and negligent driving in which the claimants sustained grievous injuries.

9. Compensation was awarded by Tribunal to *Geeta Trehan*, in the following manner:



Sl. No	Compensation	Award amount
1.	Pain and suffering	Rs. 50,000/-
2.	Special diet & Conveyance	Rs. 1,00,000/-
3.	Attendant Charges	Rs. 50,000/-
4.	Medical Expenses	Rs. 3,53,420/-
5.	Loss of income	Rs. 4,36,644/-
6.	Loss of amenities of life	Rs. 50,000/-
7.	Loss of future earning capacity	Rs. 93,926.97/-
	Total	Rs. 11,33,990.97/-

10. Compensation was awarded by Tribunal to *Dhiraj Trehan*, in the following manner:

Sl. No	Compensation	Award amount
1.	Pain and suffering	Rs. 30,000/-
2.	Special diet & Conveyance	Rs. 50,000/-
3.	Attendant Charges	Rs. 25,000/-
4.	Medical Expenses	Rs. 3,65,133/-
5.	Loss of income	Rs. 98,020/-
	Total	Rs. 5,68,153/-

11. Liability was imposed on the Insurance Company, as it was not their case that any of the terms and conditions of insurance policy had been breached or violated by the insured, namely, deceased driver.

Submissions on behalf of Appellant

12. *Mr. Brijesh Kumar Sharma*, counsel for appellant/Insurance Company has raised a novel argument wherein he contended that, since the father/husband of claimants viz. late *Kamal Trehan* died in the accident due to his own negligence and him being the insured, the claimants i.e. *Dhiraj Trehan* and *Geeta Trehan* being legal heirs of deceased stepped into the shoes of owner/insured and therefore, could



not claim compensation from insurer/Insurance Company, since the claimants could not be treated as third parties.

13. He fairly admitted that this argument had not been raised before the Tribunal and he had chosen to raise this new argument before the Appellate Court on behalf of the Insurance Company.

14. Essentially, counsel for appellant stated that claimant and payer *i.e. Dhiraj Trehan and Geeta Trehan*, (as legal heirs of deceased) could not be the same person. Reliance was placed on Section 149 of MV Act which provides that, “*duty of insurers to satisfy the judgments and awards against persons insured in respect of third party.*”

15. He contended that the insurance company has no direct liability, but only indemnifies the owner insured and the owner could not claim compensation from himself.

16. He stated that therefore, the insurance company is not liable under its third-party liability to cover the owner of insured vehicle, which post the death of *Kamal Trehan* would effectively be the claimants. He relied on *New India Insurance Company Ltd. v. Sadanand Mukhi and Ors.* (2009) 2 SCC 417, where it was stated that the insurance company was not liable to indemnify the owner of vehicle being driven by his deceased son, who did not qualify as a third party.

17. He also relied on *New India Insurance Co. Ltd. v. Sri Rachaiah* 2025:KHC:26804 where a claim filed under Section 163A of MV Act and compensation was initially awarded having proved no fault liability,



however, on appeal, the same had been denied by the High Court of Karnataka on the basis that the rider of insured vehicle met with an accident due to his own negligence.

18. Further reliance was placed on *Oriental Insurance Company v. Rajni Devi and Ors* (2008) 5 SCC 736, where the Supreme Court held that the liability under Section 163A of MV Act is on the owner of vehicle and claimant being legal heirs of deceased owner could not have maintained a claim petition in terms of Section 163A of MV Act, as they could not also be recipients.

Analysis

19. It is an admitted position by insurance company that the offending vehicle was insured at that relevant time *i.e.* on 5th October 2013 with a policy valid from 20th April 2013 till 19th April 2014 in the name of *Mr. Kamal Trehan*. Insurance Company gave a legal offer of Rs. 46,000/- for each of the claimants *i.e.* *Dhiraj Trehan* and *Geeta Trehan*.

20. Claim petitions were filed on behalf of *Dhiraj Trehan* and *Geeta Trehan* claiming compensation as a result of an accident caused by insured offending vehicle basis the negligence of driver and owner, considering that they were occupants of the car and would be covered under the statutory third-party liability under Section 149 of MV Act.

21. In this regard, reference may be made to *Yashpal Luthra v United India Insurance. Co. Ltd & Anr.* 2009:DHC:5275. The issue before Single Judge of this Court was, whether under a



comprehensive/package policy, insurance company was liable to compensate for death or injury of a pillion rider on a two-wheeler or the occupants in a private car.

22. Court noted that terms and conditions of insurance policy were regulated by Tariff Advisory Committee (*'TAC'*) under the Insurance Act, 1938 till 31st December 2006 and, thereafter, by Insurance Regulatory and Development Authority (*'IRDA'*) under the Insurance Regulatory Development Authority Act, 1999.

23. TAC issued a circular dated 18th March 1978 to all Insurance Companies to cover the occupants in a private car under a comprehensive policy. On 2nd June 1986, TAC directed all Insurance Companies to cover pillion riders on a two-wheeler under the comprehensive policy. Despite this, the Insurance Company denied their liability and pleas were repeatedly being raised on this issue in Courts all over the country.

24. The Court noted that, a meeting of CEOs of all Insurance Companies was convened under the auspices of IRDA on 26th November 2009 and this meeting was attended by CEOs of all 17 Insurance Companies including, United India Insurance Company Limited (*appellant/insurance company herein*). The Court noted that “*after deliberations, all insurance companies admitted their liability in respect of occupants in a private car and a pillion rider on a two-wheeler under the comprehensive /package policy*”.



25. Insurance Companies further agreed to withdraw all appeals filed by them before various High Courts raising this plea, and also to concede the liability in respect of appeals filed by claimants before the High Courts on the above aspect.

26. On 03rd December 2009, IRDA issued a circular to all Insurance Companies stating that, basis the unanimous decision taken by representatives of general insurance companies to comply with the circular issued by IRDA on 16th November 2009 restating the position relating to liability, in respect of occupants in a private car and pillion rider on a two-wheeler, under the comprehensive/package policies.

27. This Court in its order dated 26th November 2009, therefore noted the position as it emerged, as under:

“27. In view of the aforesaid, it is clear that the comprehensive/package policy of a two wheeler covers a pillion rider and comprehensive/package policy of a private car covers the occupants and where the vehicle is covered under a comprehensive / package policy, there is no need for Motor Accident Claims Tribunal to go into the question whether the Insurance Company is liable to compensate for the death or injury of a pillion rider on a two-wheeler or the occupants in a private car. In fact, in view of the TAC’s directives and those of the IRDA, such a plea was not permissible and ought not to have been raised as, for instance, it was done in the present case.

.....

30. It is also hoped that large number of pending cases all over the country shall come to an end, and the claimants who have been denied compensation on this



ground, shall ultimately get the compensation legitimately due to them.”

(emphasis added)

28. This Court having categorically, clearly and extensively clarified the position in ***Yashpal Luthra*** (*supra*), appellant/Insurance Company ought to have been better advised so as to not prefer this appeal.

29. It is quite clear that this not a case where legal heirs of deceased owner of offending vehicle are claiming compensation, it is a case where occupants injured in the offending vehicle are claiming compensation.

30. As stated above in ***Yashpal Luthra*** (*supra*) Insurance Companies are obliged to cover the risk of death/injury to occupants in the car. Therefore, claims made by occupants of the car *i.e.* *Dhiraj Trehan* and *Geeta Trehan* cannot be set aside, ignored or rendered untenable.

31. This decision was further approved by the Supreme Court in ***National Insurance Co. Ltd. v. Balakrishnan*** (2013) 1 SCC 731, which noted that a comprehensive/package policy would cover the liability of an insurer towards the occupants in a car. Relevant observations made by the Court are extracted as under:

“24....Before the High Court, the competent authority of IRDA had stated that on 2-6-1986, the Tariff Advisory Committee had issued instructions to all the insurance companies to cover the pillion rider of a scooter/motorcycle under the “comprehensive policy” and the said position continues to be in vogue till date. It had also admitted that the “comprehensive policy” is presently called a “package policy”. It is the admitted position, as the decision would show, the earlier



Circulars dated 18-3-1978 and 2-6-1986 continue to be valid and effective and all insurance companies are bound to pay the compensation in respect of the liability towards an occupant in a car under the “comprehensive/package policy” irrespective of the terms and conditions contained in the policy. The competent authority of IRDA was also examined before the High Court who stated that the Circulars dated 18-3-1978 and 2-6-1986 of the Tariff Advisory Committee were incorporated in the Indian Motor Tariff effective from 1-7-2002 and they continue to be operative and binding on the insurance companies. Because of the aforesaid factual position, the Circulars dated 16-11-2009 and 3-12-2009, that have been reproduced hereinabove, were issued.”

(emphasis added)

32. From the insurance policy, which forms part of the record of appeal, it is quite clear that it is a ‘*Private Car Package Policy*’ and does not possess any limitations relating to occupants of the car. Clearly, the terms of insurance policy are in line with what had been issued as an instruction and directed by IRDA as noted above and therefore, claim made by counsel for appellant/Insurance Company would not survive.

33. For the sake of completeness, it will be important to deal with the decisions relied upon by counsel for appellant/Insurance Company is absolutely untenable.

34. In ***Rajini Devi*** (*supra*), claim was made for compensation of death of one, *Janak Raj* who was riding on a motorcycle with one, *Sukhdev Raj*. It was not known as to who was actually driving the said vehicle.



Insurance Company resisted the claim contending that owner of the vehicle deposited an extra amount of Rs.50/- covering his personal insurance, but the same could not cover the case of a pillion rider, since, in any event, owner of vehicle was not a third party within the meaning of Section 147 of MV Act. Tribunal therein had noted that as per the First Information Report (*FIR*), it was not clear as to who was driving the motorcycle, but proceeded to determine the issue under Section 163(A) of MV Act holding *Janak Raj* as the tort-feasor.

35. Tribunal held that if deceased was the tort-feasor, question of reimbursement of amount of compensation would not arise. The Supreme Court then, held that it was a well settled principle of law in case where a third party is involved, liability of Insurance Company would be unlimited. However, in cases where compensation is claimed for death of the owner or another passenger of the vehicle, the contract of insurance being governed by a contract, claim made to Insurance Company would depend on the terms thereof.

36. It was held that Section 163A of MV Act would not have any application where owner of the motor vehicle was involved himself. The Apex Court assessed Section 163A of MV Act carefully and since, liability under the said provision was on owner of the vehicle, claim on behalf of owner of the vehicle could not be entertained.

37. In *Sadanand Mukhi* (*supra*), the issue concerned owner of a motorcycle, who had insured it with the Insurance Company. As per the



factual matrix, son of the insured met with an accident and passed away, while driving the motorcycle because of a stray dog coming in front of the motorcycle.

38. Insurance Company raised an issue that owing to the relationship between deceased and owner of the motor vehicle being that of father and son, the claimant was not a third party. An issue in that regard was framed as to, whether the insurer of vehicle is liable to indemnify insured owner of the vehicle. Supreme Court analysed Section 146 and 147 of MV Act and stated that the respective provisions provide for two kinds of insurance, being statutory and contractual in nature.

39. While the Insurance Company is bound to compensate owner or driver of the vehicle in case any person dies or suffers injury as a result of the accident; however, in cases involving owner of the vehicle, an additional premium is required to be paid for covering the life and property.

40. Amount of premium required to be paid is governed by the Insurance Act, 1939. By referring to various decisions covering different categories of the claim, Supreme Court drew a clear distinction between statutory liability and contractual liability and held that the Insurance Company was not liable to compensate the owner of insured vehicle.

41. In *Rachaiiah* (*supra*), the case involved claim petition filed by legal heirs of deceased- *Somasekhara @ Sony*, who had borrowed the



vehicle from the owner and while riding motorcycle, he fell down and sustained grievous head injuries, ultimately, succumbing to his death

42. Claim for compensation was filed under Section 163A of MV Act and the Insurance Company claimed that accident took place due to self-negligence of rider of motorcycle who had borrowed the vehicle from the owner (*respondent no.1 therein*) and therefore, stepped into shoes of the owner of vehicle. His legal heirs therefore, cannot claim compensation against the owner, as well as, the insurer of offending vehicle, as he cannot be the claimant and recipient together.

43. The Tribunal held that since rider of the vehicle was not the owner and a third party, the claim petition was held to be maintainable. However, upon perusing the material on record, Karnataka High Court held that when a claim petition is filed under section 163A of MV Act, Tribunal first has to decide the involvement of alleged vehicle in the accident. Thereafter, if the owner or borrower of the vehicle is responsible for the accident, insurance company is not liable to pay compensation.

44. The Court held that borrower of the vehicle stepped into shoes of owner of the vehicle. While, the insurance policy covered risk of third parties, the legal heirs of borrower of the vehicle would not become third party, since they cannot both be recipient and payer of compensation.

45. In *National Insurance Company Limited v Ashalata Bhowmik and Ors*, (2018) 9 SCC 801, the case concerned *Dilip Bhowmik* who was



driving his vehicle, met with an accident, sustained grievous injuries and was ultimately succumbed to them. His legal heirs filed a claim petition seeking compensation which was resisted by the insurer on the basis that the deceased himself was owner-cum-driver of the offending vehicle and not a third party within the meaning of MV Act and the accident had occurred due to the negligence of deceased.

46. This contention was accepted by High Court. However, the insurance company was directed to pay compensation, against which an appeal was filed before the Supreme Court, where it was noted that since no other vehicle was involved in the accident and deceased himself was responsible for the accident, being owner of offending vehicle, he was not a third party within the meaning of MV Act. The deceased was a victim of his own action of rash and negligent driving; therefore, a claim could not be maintained by legal representatives under Section 166 of MV Act.

47. Reliance in this regard was placed by the Supreme Court on a previous case of *Oriental Insurance Co. Ltd v Jhuma Saha & Ors.*, (2007) 9 SCC 263.

48. Counsel for appellant has sought to rely upon all these decisions which relate to claims made on behalf of injured or deceased owner/insured of the insured vehicle.

49. These are not relatable to claims which are made on behalf of occupants of the car or third parties. Therefore, reliance on these



decisions is untenable and misplaced. The present appeal is not a case where claimants being, *Dhiraj Trehan* and *Geeta Trehan* have raised claims on behalf of their deceased father/husband late *Kamal Trehan*.

50. Claims have been filed by them on account of them being third parties/ occupants of car which was being driven by the insured/owner/ driver of offending vehicle and it was found that the car was being driven rashly and negligently.

51. Having proved causation, they were entitled to compensation under the insurance policy of the vehicle, which would cover third-party liability and would also include occupants of the vehicle.

52. It would be an absurd situation to accept the contention of Counsel for appellant/Insurance Company. In a scenario where occupants of the vehicle are *not related* to driver/ owner of the vehicle, the presumption would therefore be that they would be entitled to claim as third parties, whereas, if members of a family suffer injuries and driver/owner of the vehicle dies in the process, family members will not be entitled to compensation on account of them representing the estate of driver/owner.

53. Once liability has been fastened on driver/owner of the vehicle who has since passed away, the natural corollary is that liability of Insurance Company kicks in against all injured or deceased third parties, which would include occupants of the car. This is certainly the mandate under Section 146 of MV Act, which provides as under:



“146. Necessity for Insurance against Third Party Risks

(1) No person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force, in relation to the use of the vehicle by that person or that other person, as the case may be, a policy of insurance complying with the requirements of this Chapter”

54. Accordingly, it would be well advised that Insurance Companies do not give permission to file appeals of such nature, when issues of liability regarding occupants of a vehicle are very well established as noted by this Court in *Yashpal (supra)*.

Conclusion

55. Accordingly, the Appeals are dismissed. Pending applications are rendered infructuous.

56. In view of the above, compensation awarded be released as per the impugned award.

57. Statutory deposit, if any, be refunded to appellant/Insurance Company.

58. Judgment be uploaded on the website of this Court.

**ANISH DAYAL
(JUDGE)**

JANUARY 29, 2026/RK/sp