



WP(C) NO. 19315 OF 2025

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2025:KER:80541

IN THE HIGH COURT OF KERALA AT ERNAKULAM

PRESENT

THE HONOURABLE MR.JUSTICE MOHAMMED NIAS C.P.

WEDNESDAY, THE 29th DAY OF OCTOBER 2025 / 7TH KARTHIKA, 1947

WP(C) NO. 19315 OF 2025

PETITIONER:

N J JOSEPH, AGED 63 YEARS,
SON OF SRI. N.J JOHN. NELLIPILLI HOUSE,
KAKKANADI, MANNARKAD, PALAKKAD, PIN - 678582

BY ADVS. SRI.ANIL S.RAJ
SMT.K.N.RAJANI
SMT.RADHIKA RAJASEKHARAN P.
SMT.ANILA PETER
SMT.SIMI S. ALI
SMT.SARITHA K.S.

RESPONDENTS:

1 NATIONAL INSURANCE COMPANY LTD.,
REPRESENTED BY ITS MANAGER, DIVISIONAL OFFICE,
MYDDHILY MANDIRAM, JANTHA JUNCTION,
PALARIVATTOM P.O, PIN - 682025

2 THE INSURANCE OMBUDSMAN,
OFFICE OF THE INSURANCE OMBUDSMAN,
10TH FLOOR, LIC BUILDING, JEEVAN PRAKASH,
M.G ROAD, KOCHI, PIN - 682011

BY ADV SHRI.KIRAN PETER KURIAKOSE
SMT. SURYA BINOY, SR. GP

THIS WRIT PETITION (CIVIL) HAVING COME UP FOR HEARING
ON 21.08.2025, THE COURT ON 29.10.2025 DELIVERED THE
FOLLOWING:

**CR****JUDGMENT**

The petitioner challenges the Ext.P4 order dated 22.08.2024 issued by the 1st respondent, National Insurance Company Limited, repudiating his insurance claim, and the Ext.P7 Award dated 08.04.2025 passed by the 2nd respondent, Insurance Ombudsman, confirming the rejection of the claim.

2. The petitioner's son, late Mr. Aneesh Joseph, purchased a two-wheeler bearing registration No. KL-07-CJ-3027, on 21.09.2023, which was originally owned by Mr. Rajeev D. Prabhu. He submitted an online application to the Transport Department for the transfer of ownership on the same day, as evidenced by Ext.P2. The vehicle was insured with the 1st respondent, vide Ext. P1 policy bearing No. 57160031226260003655, which covers the vehicle along with a personal accident cover ('PAC' for short) for the Owner/Driver for the period from 5.1.2023 to 4.1.2024. On



27.09.2023, while driving the vehicle, Mr. Aneesh sustained fatal injuries in an accident and succumbed to the same.

2.1. The petitioner, as legal heir, lodged a claim for compensation of Rs.15,00,000/- (Rupees Fifteen Lakhs Only) under Ext.P3 claim form. The 1st respondent, however, repudiated the claim under Ext.P4 on two grounds: (i) that the claim was intimated after a delay of 237 days, and (ii) that, as on the date of the accident, the insured continued to be Mr. Rajeev D. Prabhu and there was no privity of contract between the deceased and the insurer.

2.2. The petitioner asserts that the delay in intimation is immaterial, since a claim under the policy can be validly preferred within one year, and the accident is not in dispute. It is further urged that once the vehicle was transferred on 21.09.2023, he became entitled to the benefits of PAC. The issue, according to the petitioner, is no more res integra, as this Court has held in **Kunjila v. Mary** [2024 KHC 219] that once the vehicle is transferred, the benefits of the subsisting policy follow the transferee-owner.



2.3. On the 1st respondent's refusal, the petitioner issued Ext.P5 lawyer's notice dated 2.09.2024 and thereafter preferred Ext.P6 complaint dated 04.09.2024 before the Insurance Ombudsman. The 2nd respondent, however, by Ext.P7 Award dated 08.04.2025, dismissed the complaint, holding that ownership of a motor vehicle depends solely on the registration certificate and, since the RC transfer was effected only on 29.09.2023, two days after the accident, Aneesh Joseph could not be treated as the insured. The petitioner contends that the Ombudsman's finding is perverse, mechanical, and contrary to binding judicial precedents.

2.4. It is the further case of the petitioner that the respondents, being public functionaries, were bound to act fairly and reasonably, and the arbitrary denial of indemnity amounts to a violation of Article 14 of the Constitution of India. Accordingly, the petitioner seeks quashing of Exts.P4 and P7 and a direction to the 1st respondent to honour Ext.P3 claim and indemnify him for Rs.15,00,000/-. The petitioner places reliance on **Surendra Kumar**



Bhilawe v. New India Assurance Company Ltd. [2020 (18) SCC 224];
Ramkhiladi and Another v. United India Insurance Company and Another [2020 (2) SCC 550] and ***Commissioner of Central Excise v. M/s Sai Service Station Ltd., Edappally*** [2017 KHC 630].

3. The 1st respondent in the counter-affidavit contends that the writ petition is misconceived and not maintainable, since the repudiation of the claim and the Award of the Ombudsman are in strict conformity with the statutory provisions and the terms of the policy.

3.1. The insurer contends that though the deceased purchased the vehicle on 21.09.2023, he did not become the “owner” within the meaning of Section 2(30) of the Motor Vehicles Act, 1988, until the registration certificate was transferred in his name on 29.09.2023. It is submitted that under Section 2(30), “owner” means a person in whose name a motor vehicle stands registered, and where such person is a minor, the guardian of such



minor, and in relation to a motor vehicle which is the subject of a hire-purchase agreement, or an agreement of lease or an agreement of hypothecation, the person in possession of the vehicle under that agreement. This marks a conscious departure from the definition in Section 2(19) of the 1939 Act which defines owner as the person in possession of the vehicle. Hence, mere possession or an agreement of sale does not constitute ownership until registration is effected. According to the insurer, the provisions of the Sale of Goods Act, 1930, cannot override this statutory definition, and transfer of a motor vehicle is valid only upon compliance with the requirements of the Motor Vehicles Act.

3.2. It is further submitted that compulsory personal accident cover is available only to the “owner-driver” as defined under General Regulation 36-A of the Indian Motor Tariff. The said provision requires that the registered owner of the insured vehicle, holding an effective driving license, alone is entitled to such cover. It is argued that the expression “owner-driver” cannot be read



disjunctively as “owner or driver”. A driver who is not the registered owner will not be entitled to the benefit of compulsory PA cover.

3.3. The respondents also rely on General Regulation 17 of the Indian Motor Tariff, which mandates that upon transfer of ownership, the transferee must seek transfer of the policy in his name by surrender of the old certificate of insurance and payment of the prescribed fee. Only upon the issue of a fresh certificate in the name of the transferee can he claim rights under the policy. No such transfer was effected in this case.

3.4. The insurer highlights that the conditions stipulated for availing personal accident cover were not satisfied by the petitioner’s son. The three mandatory conditions are:

- (a) the owner-driver must be the registered owner of the vehicle insured herein;
- (b) the owner-driver must be the insured named in the policy; and



(c) the owner-driver must hold an effective driving license in accordance with the provisions of Rule 3 of the Central Motor Vehicles Rules 1989 at the time of the accident.

3.5. Since these conditions were not fulfilled, the petitioner's son was not entitled to coverage under Ext.P1. It is further contended that the insurance contract is personal in nature, and in the present case, the premium towards the personal accident cover was paid by the previous owner. There was thus no privity of contract between the deceased and the insurer.

3.6. The insurer also points out that the policy schedule specified a nominee, namely, Smt. Divya R. Prabhu, the wife of the previous owner, who alone would be entitled to claim personal accident benefits in the event of the death of the insured. The petitioner has no *locus standi* to maintain the claim.

3.7. It is contended that the repudiation is justified and in accordance with law. The petitioner is not without remedy, since he may avail compensation under Section 166 of the Motor Vehicles



Act, but not under the personal accident cover of Ext.P1. Reliance is placed on ***Kuttappan K.R. and Another v. Anandakkuttan and Others*** [2022 KHC OnLine 2671] and ***Vidhu Krishna @ Vidya R. Vijayan v. Harikrishnan*** [2025 KHC OnLine 10323].

4. Heard Sri. Anil S Raj, learned counsel for the petitioner, Sri. Kiran Peter Kuriakose, the learned Standing Counsel appearing for the 1st respondent, and Smt. Surya Binoy, the learned Senior Government Pleader.

5. It is a common case, evidenced by Exhibit P2 E-receipt, that the application for transfer of ownership was submitted on the very same day on which the vehicle was purchased, namely, on 21.09.2023. The fact that the said application was subsequently allowed and that the certificate of registration was issued on 29.09.2023 clearly indicates that the application was one liable to be allowed as there were no defects, discrepancies, or deficiencies in the particulars furnished therein. The enquiry undertaken by the



Motor Vehicles Department in such matters is only to verify the correctness of the particulars and entries furnished by the applicant, and when the application is ultimately allowed, it necessarily implies that all particulars were found in order. In such circumstances, the transfer application must be treated as having been allowed with effect from the date of its filing, applying the *Doctrine of Relation Back/date-back*.

6. The said doctrine, as explained in Black's Law Dictionary, denotes that "*an act done at a later time is, under certain circumstances, treated as though it occurred at an earlier time.*" The underlying principle is that once the later act validates the earlier step, the effect in law dates back to the initial act, to ensure substantive justice and avoid technical defeat of rights.

7. Applying the same principle to the present case, once the transfer of ownership was found valid and was approved by the Registering Authority, the effect of such approval must relate back



to the date of the original application, i.e., 21.09.2023. The issuance of the registration certificate on 29.09.2023 only evidences the factum of transfer already completed and cannot be construed as conferring ownership prospectively. The deceased could not have filed the transfer application before the date of purchase, and hence, the delay between application and issuance of the certificate is purely procedural.

8. Moreover, even from a practical standpoint, the insurance endorsement on the registration certificate dated 29.09.2023 could not have been issued in the name of the deceased unless the authority recognised him as the lawful owner of the vehicle. Thus, by both legal and factual reasoning, the transfer of ownership must be held to have taken effect from 21.09.2023, the date of application, and all consequential rights and liabilities flowing therefrom must be reckoned with reference to that date.

9. There is no provision of law making registration a *sine*



qua non for transfer of ownership, nor does the absence of registration render the transfer void or ineffective. The certificate of registration is not a document of title but merely evidence of the ostensible owner for statutory purposes, such as payment of tax or obtaining insurance. Endorsement of transfer on the certificate is not a condition precedent for a valid sale, and its absence does not invalidate the transaction. A change of registry under Section 50 of the Motor Vehicles Act, 1988, is not a condition precedent to ownership transfer; non-compliance with the duty to intimate, does not nullify an otherwise valid transfer. Section 50 itself presupposes a completed transfer before intimation to the registering authority, and registration under the Act is not an ingredient of ownership. This position is further fortified by Rule 55 of the Central Motor Vehicles Rules, 1989.

10. Having so found as regards ownership, it follows that the transfer of the insurance policy occurs simultaneously with the transfer of ownership of the vehicle. The vehicle, being movable



property capable of transfer by sale or gift, is governed by the provisions of the Sale of Goods Act, 1930 (Chapters II and III) or the Transfer of Property Act, 1882 (Chapter VII). Under these provisions, the essence of ownership transfer lies in the transfer of property in the goods, which is determined by the terms of the contract, the intention of the parties, and/or delivery. As the subject matter of the insurance contract is the vehicle itself, once ownership is transferred, the indemnity under the policy necessarily follows the vehicle. The insurer cannot claim that the transferee forfeits indemnity merely for want of formal policy transfer, since the insurance attaches to the vehicle and, by implication, to its new owner. [See: *P.K. Panda v. Premalata Choudhary* [AIR 1980 Ori 102]; *South India Insurance Company v. Lakshmi and Others* [1971 ACJ 122] (Madras High Court); *Phul Bus Service (Regd.), Rampura v. Financial Commissioner, Taxation, Punjab and Others* [1968 ACJ 57] and *Tarachand Shrawanji Shambharkar v. Prashant, National Insurance Co. Ltd*



[MANU/MH/0228/2014] (Bom HC)].

11. The further contention of the petitioner is that the insurance of the vehicle continued to subsist and stood automatically transferred to the transferee from the date, placing reliance on Section 157(1) of the Motor Vehicles Act, 1988.

12. Section 157 of the Motor Vehicles Act reads as follows:

“157. Transfer of certificate of insurance

(1) Where a person, in whose favour the certificate of insurance has been issued in accordance with the provisions of this Chapter, transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

Explanation.--For the removal of doubts, it is hereby



clarified that such deemed transfer shall include transfer of rights and liabilities of the said certificate of insurance and policy of insurance.

(2) The transferee shall apply within fourteen days from the date of transfer in the prescribed form to the insurer for making necessary changes in regard to the fact of transfer in the certificate of insurance and the policy described in the certificate in his favour, and the insurer shall make the necessary changes in the certificate and the policy of insurance in regard to the transfer of insurance."

13. The statutory scheme under Section 157 of the Motor Vehicles Act, 1988, makes it abundantly clear that once the ownership of a motor vehicle stands transferred, the certificate of insurance and the policy described therein are deemed, by operation of law, to be transferred in favour of the transferee with effect from the date of transfer itself. The transferee, by virtue of such ownership, acquires an immediate insurable interest in respect of the vehicle and all the benefits that flow from the subsisting policy.



14. It is true that Section 157 of the Motor Vehicles Act, 1988, as interpreted by the Supreme Court in ***Complete Insulations (P) Ltd. v. New India Assurance Co. Ltd.***, [(1996) 1 SCC 221], and reaffirmed in ***Balwant Singh And Sons v. National Insurance Company Limited and Another*** [(2020) 11 SCC 745], confines the deeming fiction of transfer to the statutory third-party risks contemplated under Chapter XI of the Act. The Court in those cases held that the fiction under Section 157 operates only to ensure continuity of third-party coverage and does not extend, by itself, to other forms of insurance such as own-damage or personal accident cover, which are purely contractual in nature and depend upon an agreement between the insurer and the transferee. The rationale behind such a limitation was that Chapter XI, as enacted, concerns itself exclusively with compulsory third-party insurance and does not mandate any other cover.

15. However, the Indian Motor Tariff Regulations have been incorporated through *IRDAI Circulars* No.



IRDAI/NL/CIR/MOTP/158/09/2018 and IRDAI/NL/CIR/MOTP/200/12/2018, which deal with the provision and enhancement of the Compulsory Personal Accident cover for owner-drivers under all motor insurance policies. General Regulation 36 (GR.36A) of the Indian Motor Tariff states as follows:

“Compulsory Personal Accident Cover shall be applicable under both Liability Only and Package policies. The owner of insured vehicle holding an ‘effective’ driving license is termed as Owner-Driver for the purposes of this section. Cover is provided to the Owner-Driver whilst driving the vehicle including mounting into/dismounting from or travelling in the insured vehicle as a co-driver.

16. In ***Bindhu Varghese and Ors. v. The Divisional Manager, New India Assurance Company Ltd.*** [MANU/KE/2416/2025], it was held that the compulsory personal accident cover was introduced by the Insurance Regulatory and Development Authority of India (IRDAI) as a statutory and social security measure, made mandatory for every vehicle owner at the time of obtaining or renewing an



insurance policy. Virtually, the owner of the vehicle had no option but to take a policy that included personal accident cover, for which a separate premium was also payable.

17. The regulatory intervention of the Insurance Regulatory and Development Authority of India, in every motor policy, now compulsorily carries personal accident cover for the owner-driver, transforming what was once a matter of contract being elevated into a statutory, non-derogable and social security measure. The personal accident cover, therefore, travels along with the policy under Section 157 in the same manner as third-party protection under Sections 146 and 147 of the Motor Vehicles Act, and its character as a statutory entitlement cannot be diluted by technical or procedural objections.

18. Where an accident resulting in the death of the transferee occurs within the 14-day statutory period/window prescribed for endorsement of the policy in its favour, the requirement of endorsement cannot be set up as a bar, for the law



does not compel the performance of an impossibility. The doctrine of *lex non cogit ad impossibilia* squarely applies, ensuring that the insurable interest already vested in the transferee does not perish with his inability to complete the formality rendered impossible by his untimely death. That insurable interest survives for the benefit of his estate and legal heirs, who stand entitled to enforce the statutory cover.

19. It is pertinent to note that the factum of change of ownership is not something that affects the liability of the insurer, in view of the fact that the insurer had already collected the premium. Once the premium is collected, the insurer assumes the risks in relation to the subject matter of the policy, as contemplated under section 64-VB of the Insurance Act, 1938. It is a settled proposition that the insurer's liability can be lawfully avoided only upon proof of breach of the terms and conditions of the policy. In the present case, no such breach is either pleaded or established.

20. When it comes to the question of transfer of vehicle, it



is to be noted that such a transfer as such is not a fact that amounts to breach of policy, but only when such transfer is not intimated to the insurer within the time specified in the policy, it amounts to breach of policy. In this case, the policy contemplates a period of 14 days for the party to intimate the transfer. The accident occurred, and the transferee died before the expiry of the said period. In this regard, it is also relevant that the deceased applied for the transfer of the vehicle on the same date on which the sale was effected as well. Therefore, so long as the period fixed for such intimation has not expired as on the date of the accident, there cannot be any breach of conditions, as any other view would be compelling performance of an impossibility.

21. In these circumstances, repudiation of liability on the sole ground of non-endorsement within the 14-day window would not merely defeat the statutory deeming provision of Section 157, but would also strike at the very foundation of the social security character of the compulsory personal accident cover. The law does



not permit substantive statutory rights to be nullified by procedural formalities, and the defence advanced by the insurer must, therefore, fail.

22. For the foregoing reasons, Ext.P4 communication issued by the 1st respondent and Ext.P7 award passed by the 2nd respondent are hereby quashed. In consequence of the above declaration, the 1st respondent is directed to forthwith allow Ext.P3 claim and extend to the petitioner all consequential benefits flowing therefrom, within one month from the date of receipt of a copy of this judgment.

The writ petition is allowed as above.

Sd/-

MOHAMMED NIAS C.P.

JUDGE

DMR/-

APPENDIX OF WP(C) 19315/2025

PETITIONER'S EXHIBITS

Exhibit P1	TRUE COPY OF THE INSURANCE POLICY NO. 57160031226260003655 DATED 5.1.2023 ISSUED BY THE 1ST RESPONDENT.
Exhibit P2	TRUE COPY OF THE E-RECEIPT DATED 21.9.2023 EVIDENCING PAYMENT OF FEE OF RS.230/- BY LATE MR. ANEESH TO TRANSPORT DEPARTMENT, GOVERNMENT OF KERALA FOR TRANSFER OF VEHICLE TO HIS NAME.
Exhibit P3	TRUE COPY OF THE CLAIM FORM SUBMITTED BY THE PETITIONER TO THE 1ST RESPONDENT.
Exhibit P4	TRUE COPY OF THE LETTER DATED 22.8.2024 ISSUED BY THE 1ST RESPONDENT TO THE PETITIONER.
Exhibit P5	TRUE COPY OF THE LAWYER'S NOTICE DATED 2.9.2024 ISSUED ON BEHALF OF THE PETITIONER TO THE 1ST RESPONDENT.
Exhibit P6	TRUE COPY OF THE COMPLAINT DATED 4.9.2024 BUT SUBMITTED ON 5.11.2024 BY THE PETITIONER TO THE 2ND RESPONDENT.
Exhibit P7	TRUE COPY OF THE AWARD NO: IO/KOC/A/G1/0007/2025-2026 DATED 8.4.2025 PASSED BY THE 2ND RESPONDENT.
Exhibit P8	TRUE COPY OF THE COVERING LETTER NO: IO/KOC/A/G1/0007/2025-2026 DATED 8.4.2025 ACCOMPANYING EXHIBIT P7.
APPLICATION TO RTO	TRUE COPY OF THE APPLICATION DATED 27.07.2025 BEFORE THE INFORMATION



WP(C) NO. 19315 OF 2025

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2025:KER:80541

OFFICER, REGIONAL TRANSPORT OFFICE,
KAKKANAD.

INFORMATION RECIEVED TRUECOPY OF THE INFORMATION RECEIVED
FROM RTO FROM THE THE INFORMATION OFFICER,
REGIONAL TRANSPORT OFFICE, KAKKANAD
DATED 31.07.2025.

RESPONDENTS' EXHIBITS

Exhibit R1(a)	INSURANCE	POLICY	NO.
	57160031226260003655	ALONG WITH THE	
	TERMS AND CONDITIONS		

// TRUE COPY //

P.A. TO JUDGE