



**COMPETITION COMMISSION OF INDIA**

**Case Nos. 75 of 2014**

**In Re:**

**Mr. Mohan Dharamshi Madhvi  
House No. 10, Plot No. 31,  
Ayodhya Nagar, Dabda Road,  
City: Anjar, Pin: 370210,  
Kachchh, Gujarat.**

**....Informant**

**And**

**Chairman and Managing Director,  
Royal Sundaram Alliance Insurance Company Ltd.  
Regd Office: 21, Patullos Road,  
Chennai 600002, Tamil Nadu**

**Opposite Party No. 1**

**Mr. Hitesh R. Raval,  
Surveyor and Loss Assessor,  
Office No. 117, Sunder Park,  
Plot No. 95, Sector 8,  
Gandhidham 370 201  
Kachchh, Gujarat.**

**Opposite Party No. 2**

**CORAM**

**Mr. Ashok Chawla  
Chairperson**



**Mr. Sudhir Mittal**  
(Member)

**Mr. U. C. Nahta**  
(Member)

**Order under Section 26(2) of the Competition Act, 2002**

1. The present information is filed by Mr. Mohan Dharamshi Madhvi (hereinafter referred to as the “**Informant**”) under section 19(1) (a) of the Competition Act, 2002 (hereinafter referred to as the “**Act**”) against CMD of the Royal Sundaram Alliance Insurance Company Ltd. (**OP 1**) and Mr. Hitesh R. Raval, surveyor and loss assessor (**OP 2**) alleging formation of cartel by the Opposite Parties in violation of section 3 of the Act in the matter.
2. Facts of the case, as stated in the information, may be briefly noted:
  - 2.1 As per the information, the Informant is stated to have purchased a Prime Mover Vehicle bearing Registration No.GJ-12-Z-2669 (make TATA Model LPS 4018 TC) on 30/06/2008 for a total consideration of Rs.14,13,827 alongwith a new Trailer with 12 wheels for an amount of Rs.8,18,120 (hereinafter referred to as the “ said vehicle”). It is submitted that the said vehicle was registered on 18/07/2008 with Regional Transport Office (RTO), Kachchh, at Bhuj under the provisions of Motor Vehicles Act, 1988. The said vehicle alleged to have been insured with OP 1 for which the Informant paid Rs.47,264 towards premium for the comprehensive insurance policy. The amount insured under the said policy was alleged to be Rs.21,02,350 (95% of the consolidate value for the said vehicle) as Insured’s Declared Value (IDV) in terms of the policy norms of OP 1.



2.2 It is alleged that the said vehicle met with an accident on 26/11/2008 as a result of which it was extensively damaged. The Informant stated to have submitted his claim to the underwriter for the damage who in turn appointed OP 2 for the assessment of the loss suffered by the Informant. OP 2 recommended following three modes of settlement in his final survey report:

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|--------|---|
| Mode 1 | Item wise repair based settlement, where Insurer's liability may come to Rs.16,55,000.  |
| Mode 2 | On total loss basis, Insurer's liability may come to around Rs. 15,50,850 (If Insurer's liability is more than 75% of IDV, claim would be considered as total loss).                  |
| Mode 3 | If the Prime Mover is replaced, Insurer's liability may come to Rs. 10,99,000 (this option is made by surveyor, as per terms and conditions of policy as well as Motor Vehicles Act.) |

2.3 The Informant alleged that the third mode of assessment, which was accepted by OP 1, is neither practical nor permissible under the policy as well as under the Motor Vehicles Act. He is stated to have drawn the attention of OP 1 as to how OP 2 has failed to render his duties as impartial surveyor and loss assessor. The Informant alleged that the Prime Mover and Trailer was registered with RTO as one vehicle and OP 1 accordingly insured Prime Mover and Trailer as one vehicle. The OP 1 informed the Informant through e-mail dated 28.2.2009 that the insurance proposal made by the surveyor is fair. Thereafter, the Informant alleged to have approached OP 1 as well as its Regulatory Authority for the appointment of another impartial surveyor. Aggrieved by no response from OP 1, the Informant approached the Hon'ble High Court of Gujarat. The Court stated to have directed the underwriter to appoint a second surveyor. Accordingly, Mr. P. J. Malkan was appointed as new surveyor in his case who stated to have submitted his report considering the loss suffered by the Informant as 'Total Loss'. But the said report of the second surveyor was not accepted by the OP 1.



OP 1 alleged to have finally offered the Informant a sum of Rs.11,20,000 against his alleged claim of Rs.21,02,350.

2.4 Based on the above allegations, Informant has alleged that the conduct of the Opposite Parties is in contravention of the provisions of Sections 3 of the Act.

2.5 The Informant has prayed, *inter alia*, for safeguarding his interests by issuance of direction to the underwriter (OP 1) to make the payment of claim amount of Rs.21,02,000/- to the Informant.

3. The Commission considered all the information, additional written submissions dated 24.11.2014 and the material placed on record by the Informant. It is observed that the Informant has availed the services of General Insurance for his said vehicle from OP 1 who is based in the District of Kutch of Gujarat. Thus, the market related to the services of General Insurance provided in Kutch District of Gujarat appears to be the relevant market in the present matter.

4. Based on the information available in public domain, it transpires that there are a large number of companies who are offering General Insurance and have their branches in Kachchh District like Tata AIG, United India Insurance Company Ltd., National Insurance Company Limited, Reliance, Royal Sundaram General Insurance, ICICI Lombard, HDFC ERGO etc. Apart from these branches of General Insurance companies in Kutch, consumers can also avail the services of General Insurance from other Insurance Companies situated at any part of the country which does not have physical branch in Kutch such as SBI, Shriram, Bharti AXA, Cholamandalam MS, The New India Assurance, Future Generali India and Universal Sompo and are providing this service through online.

5. Insurance Regulatory and Development Authority (IRDA) also provides the list of individual surveyors in Kutch which shows that there are a number of surveyors in Kutch such as Raval Hitesh Rajubhai, Prakash Jayantilal Malkan, Prakash



Induray Trivedi, Kailash Chander Sharma, Jeet Hitesh Goswami, Shah Rajendra Bhogilal, Rajesh P.Ganatra, Kukad Anwar Yusuf, Mehta Sanjaykumar Rasiklal Kunjan D. Vyas and Devmurari Anand P., etc.

6. The above information and data of Insurance Companies offering General Insurance indicates that OP 1 does not possess substantial market power. The Informant had several options for availing the services of General Insurance. As far as OP 2 is concerned, he is an independent surveyor appointed by the OP 1 for assessment of damage caused to the said vehicle on account of accident. The dispute between the Informant and OP 1 appears to be a consumer dispute and the impugned conduct of the Opposite Parties cannot be termed as cartelisation and in violation of section 3 of the Act .
7. *Prima facie*, there appears to be no appreciable adverse effect on competition in the market of General Insurance in India by the conduct of the Opposite Parties. It is basically a dispute between the Insurer and its Policy Holder which do not give rise to any competition issue.
8. In the light of the above analysis, the Commission finds that no *prima facie* case of contravention of the provisions of section 3 of the Act is made out against the Opposite Parties in the instant matter. Accordingly, the matter is closed under the provisions of section 26(2) of the Act.
9. The Secretary is directed to inform all concerned accordingly.

**Sd/-**  
**(Ashok Chawla)**  
**Chairperson**



**Sd/-**  
**(Sudhir Mittal)**  
**Member**

**Sd/-**  
**(U. C. Nahta)**  
**Member**

**New Delhi**

**Dated: 22/12/2014**