

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
RAJYA SABHA
UNSTARRED QUESTION NO-2028
ANSWERED ON- 17/12/2025

LIABILITY OF INSURERS FOR TREATMENT UNDER THE MV ACT

2028. SHRI SHAKTISINH GOHIL

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the liability of insurance companies under Section 147 of the Motor Vehicles Act for treatment of road-accident victims includes pre-hospitalisation, hospitalisation, post-hospitalisation and re-hospitalisation expenses, that is, all expenses;
- (b) if so, whether the Government has framed any scheme requiring insurers to provide treatment under Section 162(1) in a cashless or time-bound reimbursement manner;
- (c) if not, the reasons therefore;
- (d) whether delays in implementing such a mechanism are affecting injured victims; and
- (e) the steps proposed to address this gap?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

- (a) Section 146 of the Motor Vehicles Act, 1988 (Act) mandates that no motor vehicle shall be used in a public place without a valid third-party insurance policy.

Section 147 of the Act lays down the requirements of a compulsory third-party insurance policy. It mandates that a policy issued by an authorised insurer must cover liability incurred in respect of the death of, or bodily injury to, any person, and damage to the property of a third party, arising out of the use of a motor vehicle in a public place. The provision also requires coverage for liability towards passengers of a public service vehicle, subject to the exceptions specified in the Act.

The Section further provides the framework within which such compulsory insurance operates. It prescribes the categories of liability that must necessarily be covered, the statutory limits applicable in respect of third-party property damage, and the conditions governing the issuance and validity of policies and certificates of insurance. It also lays down the circumstances in which an insurer is obliged to indemnify the insured for third-party liability arising from an accident, thereby defining the essential scope and extent of compulsory third-party insurance under the Act.

(b) to (e) In accordance with the legal mandate under Section 162 of the Motor Vehicles Act, 1988, Cashless Treatment for Road Accident Victims Scheme, 2025 has been notified vide S.O. 2015(E) dated 05.05.2025. Furthermore, comprehensive guidelines detailing the process flow, roles and responsibilities of various stakeholders, and the Standard Operating Procedures (SOPs) for its implementation have been issued vide S.O. 2489 (E) dated 04.06.2025.

The reimbursement to hospitals is being done through Motor Vehicle Accident Fund (MVAF) which is funded through contributions from General Insurance companies for cases where the offending Motor Vehicle is insured and through budgetary support for other-than-insured cases.

A time-bound framework has been put in place to ensure timely treatment to road accident victims and payments to hospitals:

Every road accident victim shall be provided stabilization treatment for up to 24 hours in all hospitals for non-life-threatening cases and up to 48 hours in life-threatening cases at designated hospitals, subject to police response. As soon as the victim is admitted, treatment process will be initiated based on the Health Benefits Packages developed by National Health Authority (NHA). A period of 10 days has been defined from the claim being approved by State Health Agency for General Insurance Council or District administration to make the payment to the hospitals.

Further, a complete digital trail for the Scheme will exist from the time of accident reporting through the 112 Emergency Response Support System (ERSS) platform to victim admission, treatment, police authentication, claim processing and final payment. This has been achieved through amalgamation of existing digital assets – Electronic Detailed Accident Report (eDAR) used by police officials and TMS 2.0 used by hospitals to ensure end-to-end digitization of the scheme.
