

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
STARRED QUESTION NO. *263

ANSWERED ON TUESDAY, 17 MARCH, 2026/ 26 PHALGUNA, 1947 (SAKA)

DISPOSAL OF MOTOR ACCIDENT CLAIMS BY INSURANCE COMPANIES

*263 SHRI SHAKTISINH GOHIL:

Will the Minister of Finance be pleased to state:

- (a) the number of motor accident claim cases instituted, disposed of and pending as on 1st January of each year since 2023, year-wise;
- (b) the pending motor accident claim cases before Motor Accident Claims Tribunals (MACTs), age wise, duration-wise;
- (c) the details of total number of motor accident claim matters pending before High Courts and the Supreme Court with their age;
- (d) the total amount involved in pending motor accident claims and the amount awarded but unpaid by insurance companies, with reasons for non-payment; and
- (e) the initiatives taken to ensure time-bound disposal and execution of motor accident claims at MACT, High Court and execution stages?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PART (a) TO (e) OF RAJYA SABHA STARRED QUESTION NO. *263 FOR 17 MARCH, 2026 REGARDING 'DISPOSAL OF MOTOR ACCIDENT CLAIMS BY INSURANCE COMPANIES' TABLED BY SHRI SHAKTISINH GOHIL, HON'BLE MEMBER OF PARLIAMENT

(a) to (b): Motor accident claims involve third party cases which are being instituted in various Motor Accidents Claims Tribunals (MACT)/Courts. As per the sector regulator, Insurance Regulatory and Development Authority of India (IRDAI), the claims data is maintained Financial Year wise which is reported by insurers. Motor Third Party claims reported, settled and outstanding/pending before Claims Tribunals/Courts as on 31st March, for the last three FYs is given below:

Motor Third Party Claims Reported, Settled and Outstanding at the end of FY				
FY	Reported Number of cases	Settled Number of cases	Outstanding Number of cases*	Outstanding Amount (in Rs Cr)
2022-23	4,54,944	3,97,503	10,46,163	80,454.80
2023-24	4,65,136	3,88,232	10,56,904	87,892.53
2024-25	4,95,288	4,02,873	10,73,020	96,257.12

Source: IRDAI

*Outstanding claims numbers also include the claims pending from previous years and carried forward to that particular financial year.

Age-wise analysis of Outstanding Claims at the end of FY for the last three years

FY	Age Bracket and cases		Outstanding Number	Outstanding Amount (in Rs Cr)
2022-23	< 3 months	86153	10,46,163	80,454.80
	3 months or more, <6 months	81058		
	6 months or more, <1 year	130916		
	1 year or more, <3 years	277972		
	3 years or more, <5 years	206229		
	5 years or more	263835		
	Total	1046163		
2023-24	< 3 months	113493	10,56,904	87,892.53
	3 months or more, <6 months	77255		
	6 months or more, <1 year	134529		
	1 year or more, <3 years	315330		
	3 years or more, <5 years	161683		
	5 years or more	254614		
	Total	1056904		
2024-25	< 3 months	98485	10,73,020	96,257.12
	3 months or more, <6 months	75564		
	6 months or more, <1 year	143393		
	1 year or more, <3 years	348181		
	3 years or more, <5 years	136915		
	5 years or more	270482		
	Total	1073020		

(c) IRDAI has informed that the total number of motor accident claim matters pending before High Courts and the Supreme Court with their age details is not collected and maintained separately by the Authority.

(d) and (e) IRDAI does not maintain separate data for claims awarded but unpaid by insurance companies.

The process of claim settlement is governed by the provisions of Motor Vehicles Act, 1988(MV Act) and Central Motor Vehicles Rules, 2022. The insurer's duty to settle third-party judgments and awards of MACTs/Courts is clearly defined under the provisions of MV Act. The process involves various stakeholders such as Police for reporting and filing the accident details, Insurers, MACTs etc.

The modes of faster settlement provided in the extant laws and rules include:

- i. Section 149 of the MV Act read with its section 159 and Rule 150A of the Central Motor Vehicles Rules, 1989 (CMVR), create a mechanism and procedures for pre-litigation settlement. CMVR *inter-alia* prescribe time bound procedural steps and forms for investigation of road accident cases, defining responsibilities of all stakeholders including investigating officers of police, insurers etc.
- ii. Section 164 of the MV Act provides a mechanism for "no-fault liability" framework, providing fixed compensation of ₹5 lakh for death and ₹2.5 lakh for grievous hurt in motor accidents. It removes the need for victims to prove negligence or wrongful acts by the vehicle owner/driver.
- iii. The insurance companies are expediting settlement of cases through compromise by way of Lok Adalats (including National Lok Adalat, Weekly /monthly Lok Adalat) by taking up cases fit for compromise. Insurers report that approximately 40-50% of claims are settled amicably in Lok Adalats, once all required documents are verified.

For timely compliance at the execution stage, the MV Act mandates that Claims Tribunal shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award. When an award is made, the insurer shall, within thirty days of the date of announcing the award by the Claims Tribunal, deposit the entire amount awarded in such manner as the Claims Tribunal may direct.

However, either of the parties i.e. insurer or policyholder can challenge the same in the Court of Law, which makes the claim settlement pending further without knowing the actual amount of claim.

Insurers have also reported that at times, delay is usually because accident report is not submitted on time, delayed or incomplete documentation such as First Information Report/Final Report, medical records etc.

In case of injury claims, usually the documents are not submitted for a long time, since the victim may be undergoing treatment. Another scheme i.e. Cashless Treatment of Road Accident Victims Scheme, 2025 provides that any person who is a victim of road accident caused by the use of a motor vehicle shall be entitled to treatment cover up to Rs. 1.5 lakh per victim, subject to a maximum cap of 7 days from date of accident at any designated hospital across the country.
