

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES
RAJYA SABHA
UNSTARRED QUESTION NO. 1179

ANSWERED ON 10 FEBRUARY, 2026, TUESDAY/ 21 MAGHA, 1947 (SAKA)

COMPENSATION DELAYS IN MOTOR ACCIDENT CLAIMS

1179 SHRI SHAKTISINH GOHIL:

Will the Minister of FINANCE be pleased to state:

- (a) the reasons insurance companies are not voluntarily paying the amounts they themselves assess and offer under Section 149(1) of the Motor Vehicles Act, even when such amounts are found payable;
- (b) whether steps are proposed to ensure insurers act on their own assessment rather than await prolonged litigation;
- (c) the procedure followed by insurance companies for reimbursing treatment expenses of injured victims and measures for earliest payment;
- (d) whether delays in finalising compensation cause hardship to victims; and
- (e) the total number and amount of motor-accident claims pending before Claims Tribunals during the last five years, the year-wise details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) to (d) Section 149 of the Motor Vehicles Act, 1988 (MV Act) read with 159 of MV Act and Rule 150A of the Central Motor Vehicles Rules, 1989(CMVR), create a mechanism and procedures for pre-litigation settlement.

CMVR prescribe procedural steps and forms for investigation of road accident cases, defining responsibilities of all stakeholders including police, insurers etc., such as duty of Investigating Officer (IO) of police to submit the First Accident Report (FAR) within 48 hours of the accident, appointment of designated officer by insurers, Interim Accident Report (IAR) within 50 days, the Detailed Accident Report (DAR) within 90 days of the accident etc. The assessed compensation which is a legal offer, if accepted, then the Tribunal passes a consent award within six months from the date of accident.

Additionally, in cases of non-settlement, the claim tribunal shall conduct an inquiry and pass an award within 9 months of accident and in cases of disputes claim tribunal shall conduct enquiry within one year of accident and record reasons.

Insurers have also reported that at times delay is usually because accident report is not submitted on time, delayed or incomplete documentation such as FIR/FR, medical records and reluctance on the part of affected parties to accept the compensation offered.

In case of injury claims, usually the documents are not submitted for a long time, since the victim may be undergoing treatment. Further, another scheme i.e. the 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.

Under the said scheme, the victim may be taken to any designated hospital for cashless treatment. Police officials record the accident details on the e-DAR (electronic Detailed Accident Report) platform including details of the vehicle, the location, and the victims. After verification by the police of the accident details to ensure the case qualifies under the scheme, the hospital submits the claim and medical documents to the State Health Agency (SHA). The admissible amount is paid directly to the hospital from the scheme fund. To support this, general insurers contribute specified sum to the Motor Vehicles Accident Fund.

Speedy settlement of claims is also being done by insurance companies through Lok Adalats. Insurers report that approximately 40-50% of claims are settled amicably in Lok Adalats, once all required documents are verified. However, each insurer follows their board approved policy/manuals for compromise settlements.

(e) The total number and amount of motor accident claims pending before claims tribunals during last five years are:

Financial Year	Number	Amount (Rs in Lakhs)
2024-25	10,73,020	96,25,712
2023-24	10,56,904	87,79,253
2022-23	10,46,163	80,45,480
2021-22	10,39,360	74,72,182
2020-21	10,08,332	70,42,215

Source: IRDAI
