

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF FINANCIAL SERVICES

LOK SABHA

STARRED QUESTION NO. *20

TO BE ANSWERED ON 2nd February, 2018 /Magha 13, 1939 (Saka)

Third Party Motor Insurance

***20. SHRIMATI K. MARAGATHAM:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Insurance Regulatory and Development Authority of India (IRDAI) has asked non-life insurers to ensure easy availability of third party motor insurance cover to vehicle owners and if so, the details thereof;
- (b) whether IRDAI has also asked the insurers not to deny any requests for such third party insurance cover by vehicle owners and if so, the details thereof; and
- (c) whether many State Governments have complained that cumbersome process of obtaining third party insurance is hampering the implementation of the apex court orders and if so, the details thereof?

ANSWER
THE FINANCE MINISTER
(SHRI ARUN JAITLEY)

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

STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF LOK SABHA STARRED QUESTION NO. *20 FOR 2nd FEBRUARY, 2018 REGARDING "THIRD PARTY MOTOR INSURANCE" TABLED BY SHRIMATI K. MARAGATHAM.

(a) & (b) To ensure ease of obtaining Motor Third Party (TP) liability only policy, the Insurance Regulatory and Development Authority of India (IRDAI) has vide circular No. IRDA/NL/CIR/MOTP/001/01/2018 dated 1st January 2018, advised all non-life insurers to:-

- i) make available Motor Third Party Liability only policy to the proposers through on-line channel as well
- ii) liaise with the police authorities to facilitate issue/renewal of Third Party liability policy to owners of vehicles who are not having Third Party cover

iii) ensure easy availability of Motor TP Insurance and

iv) ensure that in no case a request for Third Party cover is denied.

(c) The Supreme Court Committee on Road Safety directed the State and UT Governments to carry out periodical checks to ensure that all vehicles have Third Party Insurance Policy. In case the vehicles do not have Third Party Insurance Policy, the vehicles were to be detained till the production of valid Third Party Insurance certificate. Subsequently, some of the State Governments informed about the difficulty faced by the vehicle owners in obtaining the Third Party Insurance Policy for vehicles detained by the Police. In view of this, Insurance Regulatory and Development Authority of India instructed all general insurers to offer Third Party Insurance policy through on-line channels also. Further, the insurance companies were also directed to liaise with the police authorities to facilitate issue/renewal of Third Party Insurance.