

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
UNSTARRED QUESTION NO. 4574
ANSWERED ON 22ND MARCH, 2018

COMPENSATION FOR DEATH

4574. SHRI ANURAG SINGH THAKUR:
SHRI RAHUL KASWAN:
SHRI KESINENI NANI:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) the details of various Acts like Motor Vehicle Act under which compensation for death is awarded;
- (b) whether the Government proposes to review the rate of compensation provided to victims of road accidents;
- (c) if so, the details thereof and the manner in which payment of compensation is likely to be made along with time limit fixed in this regard and guidelines for calculating the quantum of compensation under these Acts;
- (d) whether any committee has been constituted in this regard and if so, the details thereof; and
- (e) the time by which recommendation made by the said committee is likely to be implemented?

ANSWER

THE MINISTER OF STATE IN THE
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

(SHRI MANSUKH L. MANDAVIYA)

(a) to (e) Compensation for death in road accident to the victims/legal heir of the victim is provided under various provisions of the Motor Vehicles Act, 1988. These are : -(i) As per section 161 of the Motor Vehicles Act, 1988, in cases where the identity of the vehicle causing accident is not established and it is impossible to determine the owner of the vehicle causing accident/insurer are known as "hit and run cases". In such cases, compensation is paid to the accident victim from a Solatium Fund, maintained by the General Insurance Corporation(GIC), through a surcharge on the Insurance Policies and such compensations are paid on the orders of District Magistrates after due Inquiry. (ii) Compensation to road accident victims on 'no fault principle' (i.e where the victims or their heirs/successors do not have to prove the negligence of the motor vehicles to claim such compensation) is given under Section 163A of the MV Act, as per the structured

compensation formula listed under Schedule II of the Motor Vehicles Act. The Schedule tabulates the age and annual income of the victim and then prescribes a multiplier for arriving at the amount of compensation. (iii) Section 165 of the Motor Vehicles Act, 1988, also allows application for compensation to Motor Accident Claim Tribunal (MACT) or Civil Courts, as the case may be, on the principle of fault/negligence of the vehicle. In such cases, MACT or the Courts are authorized to award the compensation without limit.

The Ministry of Road Transport and Highways constituted a Group of Ministers (GoM) from across states to deliberate upon and propose strategies for reducing road fatalities and to suggest actionable measures for implementation. On the basis of recommendations of the GoM, the Ministry introduced the Motor Vehicles (Amendment) Bill, 2016 in the Parliament (Lok Sabha) on 9th August, 2016 for consideration and passing which inter-alia proposes hikes in compensation for third party insurance cover and compensation in case of hit and run cases.

The Bill was referred to the Department – related Parliamentary Standing Committee on Transport, Tourism and Culture for examination and report. The Committee presented its report to the Rajya Sabha on 8th February, 2017 and the Bill was introduced and passed on 10th April, 2017 by the Lok Sabha. The Bill as passed by Lok Sabha was referred to a Select Committee of the Rajya Sabha which has presented its report to the Rajya Sabha on 22nd December, 2017. Presently, the Bill is with Rajya Sabha for consideration and passing.
