

GOVERNMENT OF INDIA  
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA  
UNSTARRED QUESTION NO. 2569  
ANSWERED ON 2<sup>ND</sup> AUGUST, 2018

**INSURANCE POLICY OF VEHICLES**

2569. DR. SUNIL BALIRAM GAIKWAD:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether many vehicle owners do not have valid insurance policy when they drive on the road;
- (b) if so, the number of vehicles found without valid insurance policy during each of the last three years along with the action taken to curb such instances;
- (c) the details with regard to the extent to which the liability for third party insurance in case of death or injury in road accidents is covered;
- (d) whether the Government has any proposal to cap the maximum liability for third-party insurance claims in cases of death or injury in road accidents;
- (e) if so, the details thereof along with the reasons therefor; and
- (f) the other steps being taken by the Government for quick settlement of claims?

**ANSWER**

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

(SHRI MANSUKH L. MANDAVIYA)

(a) & (b) Yes, Madam. As per information available on VAHAN Database of National Informatics Centre (NIC) relating to registration details of motor vehicles, many vehicles owners do not have valid insurance policy when they drive on the road. The Ministry does not centrally maintain data of vehicles driving without valid insurance policy. Section 146 of the Motor Vehicles Act, 1988 necessitates valid third party insurance for the motor vehicles. Implementation of provisions of the Motor Vehicles Act, 1988 and the Central Motor Vehicles Rules, 1989 comes under the purview of State Government.

(c) The details of requirements of policies and limits of liability are provided in section 147 of the Motor Vehicles Act, 1988. The liability of third party insurance covers the death of or bodily injury to any person, including owner of the goods or his authorised representative carried in the vehicle or damage to any property of a third party cause by or arising out of the use of the vehicle in a public place and against the death of or bodily injury to any passenger of a public service vehicle caused by or arising out of the use of the vehicle in a public place.

(d) & (e) No, Madam. There is no proposal to cap the maximum liability for third-party insurance claims in cases of death or injury in road accidents;

(f) Ministry has amended the Second Schedule of the Motor Vehicles Act, 1988 vide notification S.O. 2022(E) dated 20<sup>th</sup> May, 2018 by prescribing a fixed sum of five lakh rupees in case of death and twenty five thousand rupees in case of minor injury which will help quick settlement of motor accident claims in cases of settlement.

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