

GOVERNMENT OF INDIA
MINISTRY OF ROAD TRANSPORT AND HIGHWAYS

LOK SABHA
UNSTARRED QUESTION NO. 3136
ANSWERED ON 12TH MARCH, 2020

INSURANCE PREMIUM OF VEHICLES

3136. SHRI SYED IMTIAZ JALEEL:

Will the Minister of ROAD TRANSPORT AND HIGHWAYS

सड़क परिवहन और राजमार्ग मंत्री

be pleased to state:

- (a) whether the authority to decide insurance premium of vehicles has been taken over by the Ministry of Road Transport and Highways as per the New Motor Vehicles Act;
- (b) if so, whether notification in this regard has been issued by the Government;
- (c) if so, the details thereof and if not, the time by which it is likely to be notified; and
- (d) the extent to which the new pattern is likely to address the complaints of transporters and individual vehicle owners?

ANSWER

THE MINISTER OF ROAD TRANSPORT AND HIGHWAYS

(SHRI NITIN JAIRAM GADKARI)

(a) to (d) The Parliament has recently passed the Motor Vehicles (Amendment) Act, 2019. Section 51 of the Motor Vehicles (Amendment) Act, 2019 provides for substitution of Chapter XI in the Motor Vehicles Act, 1988 wherein section 147(2) of the Motor Vehicles Act, 1988 for “Requirement of Policies and limits of liability” reads as- “Notwithstanding anything contained under any other law for the time being in force, for the purposes of third party insurance related to either death of a person or grievous hurt to a person, the Central Government shall prescribe a base premium and the liability of an insurer in relation to such premium for an insurance policy under sub-section (1) in consultation with the Insurance Regulatory and Development Authority”. The Ministry has made operational around 60 provisions of the Motor Vehicles (Amendment) Act, 2019 with effect from 1st of September 2019 vide SO 3110(E) dated 28th August, 2019 and SO 3147(E) dated 30th August, 2019.
