

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:1523
ANSWERED ON:05.03.2010
COMPENSATION TO ACCIDENT VICTIMS
Panda Shri Baijayant

Will the Minister of FINANCE be pleased to state:

- (a) whether certain road accident victims do not get compensation due to the involvement of uninsured vehicles being involved in the accidents;
- (b) if so, the details thereof;
- (c) whether insurance of vehicles is compulsory before they are brought on the road; and
- (d) if so, the steps taken/being taken by the Government not to allow uninsured vehicles on the road?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI NAMO NARAIN MEENA)

(a) & (b): Road accident victims are not eligible for compensation from the Insurance Company, if the uninsured vehicle is involved in the accident. However, in 'Hit & Run' cases, accident victims are eligible for compensation of Rs. 25,000 in case of injury and Rs. 50,000 in case of death, through a special Fund constituted in terms of Section 163 of the Motor Vehicles Act, 1988 called 'Solatium Fund', which is presently maintained by New India Assurance Co. Ltd. 0.1% of the Gross Written Motor Premium is contributed towards this Fund every year by both Public & Private Insurers.

(c)& (d): As per Section 146 of the Motor Vehicle Act, 1988 no person shall use a motor vehicle in a public place unless it is covered by third party insurance. As per Rule 42 of the Central Motor Vehicles Rules (CMVR), 1989 no vehicle can be delivered without registration and as per Rule 47 of the CMVR the registration of vehicle can be done only after insuring the vehicle.