

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2178  
ANSWERED ON:12.08.2011  
COMPENSATION TO ACCIDENT VICTIMS  
Patel Shri Bal Kumar

**Will the Minister of FINANCE be pleased to state:**

- (a) whether compensation is denied to victim if the vehicle disappears without trace after a hit or if the vehicle is without insurance;
- (b) if so, the details thereof;
- (c) whether the Government has received any suggestion to formulate an appropriate legislation to levy one time third party insurance premium by Central agency from every new vehicle sold to compensate all victims;
- (d) if so, details thereof; and
- (e) if not, the reasons therefor?

**Answer**

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

- (a) & (b): In 'Hit & Run' cases, accident victims are eligible for compensation through a Special Fund constituted in terms of Section 163 of the Motor Vehicles Act, 1988 called 'Solatium Fund'. The amount of compensation is `25,000/- in the event of death and `12,500/- for grievous injuries. A portion of the Gross Written Premium is contributed towards this Fund every year by both Public and Private Insurers. However, in case the vehicle is without insurance, the victim/dependents has the right to claim compensation from the owner/driver under Motor Vehicles Act, 1988.
- (c) & (d): The Sundar Committee appointed by Ministry of Road Transport & Highways (MoRTH) has recommended that the Certificate of Insurance should be co-terminus with the validity of Certificate of Registration of the motor vehicle.
- (e): The MoRTH has informed that there is no proposal to levy one-time insurance premium from new vehicles to compensate road accident victims.