

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:4510
ANSWERED ON:21.02.2014
ACCIDENT DEATH CLAIMS
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Will the Minister of FINANCE be pleased to state:

- (a) whether the Government/has fixed any norms and time frame for insurance companies pertaining to settlement of claims of the road accident victims;
- (b) if so, the details thereof;
- (c) whether the Government/IRDA has received complaints against insurance companies regarding non-adherence to the laid down norms;
- (d) if so, the details thereof for the last three years and the current year, company wise; and
- (e) the steps taken/being taken by the Government against the erring insurance companies in this regard?

Answer

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

(a) to (e): As per Insurance Regulatory and Development Authority (IRDA), the road accidental death claims could be of the following types viz. (i) Claims on policies of life insurance where policy holder has died in an accident (ii) Claims of personal accident policies or riders where policy holder died in an accident (iii) Accident death claims of members of group insurance policies and (iv) Third party claims in motor accidents. The procedure of settlement of accident claims in case of life policies and non-life policies, the time lines for settlement are contained in Regulations 8 and 9 respectively of IRDA (Protection of policyholders' Interests) Regulations, 2002. Complaints for delay in settlement of death claims are received by IRDA. Complaints from complainant are directly entered into the Integrated Grievance Management System (IGMS) by the complainant and forwarded by the system to the insurance companies. No separate data base on the cause of death, whether due to road accident or otherwise, is captured under IGMS.

As regards settlement of third party motor accident claims, the provisions of Motor Vehicles Act would apply. Third Party insurance for motor vehicles is mandatory as per the Motor Vehicles Act, 1988. Claims of road accident victims (Third party claims) are settled as per the provisions of Motor Vehicle Act, 1988. Further, Section 165 of the Motor Vehicles Act, 1988 provides for setting up of Motor Accidents Claims Tribunals (MACT) for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles. MACT enable speedy settlement of claims to the road accidents victims. In terms of Section 168 (3) of MV Act, 1988 when an Award for payment is issued by the MACT the person is required to deposit the entire amount within 30 days from the date of the award.

In view of the provisions of Motor Vehicles Act, 1988, there are no separate norms by IRDA for settlement of third party claims. Though complaints are received from claimants or their advocates regarding delay in settlement of claims, IRDA does not have a role in view of the matters being sub-judice and since the settlement of such claims is a legal process.