Third Party Claim Process and Motor Vehicle Act
CHAPTER IV

THIRD PARTY CLAIM PROCESS AND

THE MOTOR VEHICLE ACT 1988

4.1 Third Party Claim - Special Features

'Third party Motor Insurance Policy' is a mandatory policy under which the insurance company agrees to indemnify the insured person, if he is sued or held legally liable for injuries or damage done to a 'Third Party'. This covers the liability to compensate subject to the court ruling for bodily injuries and property damage caused by the vehicle. The 'Third party claim' is a claim for compensation resulting from personal injury to or the death of a person, for example, the death of a breadwinner in a motor vehicle accident. Such a claim is unlimited and will lie against the "Road Accident Fund", a statutory body. The 'Third Party Claim' only relates to bodily injuries, and accordingly no claim for damage to a motor vehicle or other assets can be claimed from the "Road Accident fund".

In order to understand 'Third Party Claim Management', the peculiar features relating to 'Third Party Claim' in the 'Public Sector Insurance Companies' has to be studied.

The following are the peculiar features of the 'Indian Motor Third Party Claim':

1) 'Third Party Claim' related provisions are given under the Motor Vehicle Act, 1988 and connected persons/ agencies are expected to follow the provisions for dealing with 'Third Party' related matters.

2) No period of limitation is fixed to file a 'Third Party Claim' petition and no jurisdiction is fixed. In view of the amendment of Section 166 of Motor Vehicle Act, it is now open to file a claim petition at any place, be it the place of occurrence of accident, place of residence of victim or place of residence of respondents and at any time.

3) The insurance company is having an unlimited liability (for injury, death etc) to pay the 'Third Party Claim' and that too the courts are deciding the compensation and not the insurance company. 'Third Party' property liability limited to Rs 6,000.
4) The onus to prove (Burden of proof) in 'Third Party Claim' cases lies with the insurance company and the insured normally will not cooperate and the 'Third Party' (Claimant) will be a stranger to be dealt with.

5) The 'Third Party Risk' comes under "Social Welfare Legislation", Hence the construction of provisions in Motor Vehicle Act, 1988 are claimant friendly with limited defence to the insurance companies. Duty cast on insurers to satisfy judgment and awards by courts for 'Third Party Risks'. Section 149.

6) There is no contractual relation between the 'Insurance Company' and the 'Third Party'. The liabilities and the obligations relatable to third parties are created only by fiction of Sections 147 and 149 of the Act.

7) Even if the insurer (Insurance Company) won the case and proved that it is not liable. Still 'Pay and Recover Clause' can be ordered by the judge, so that the insurance company has to pay the claimant first and then have to recover the amount as directed under Section 149.

8) Money found due to the insurer from the insured (Awarded under pay and recover clause) will be recoverable on a certificate issued by the Tribunal to the Collector in the same manner under Section 174 of the Act as arrears of land revenue. The certificate will be issued under Section 168(3), if the insured fails to deposit the amount awarded in favour of the insurer within thirty days from the date of announcement of the award by the tribunal.

9) 'Third Party Claims' should be referred to the 'Motor Accident Claims Tribunal' (MACT) specially prescribed for this purpose and the appeal lies with the Supreme court and High court. Section 173.

10) While awarding compensation, the choice of 'Multiplier' is to be made by the court using its own experience and having due regard to the peculiar facts of each case. Section 163 A.

11) If the insured failed to defend the case effectively, the insurer cannot go for appeal to High court unless permitted by the Tribunal. Section 170.
12) Public and private places are covered for accident and the 'Third Party Claim'. Section 166.

13) The Tribunal can award more compensation than amount claimed by the claimant if situation warrants. Claimant can claim either in Section 140 or in Section 163 A. Section 163 B bars a claimant to claim compensation in both Sections.

14) Compensation for 'No Fault Liability' can be awarded to claimant. Section 140.

15) For 'Hit and Run' accidents where the accused cannot be traced, still a fixed amount is paid from the fund called 'Solatium Fund'. Section 161 – 163.

16) It is a necessity/mandatory of insurance for motor vehicles against 'Third Party Risk'. Section 146.

17) Every year the premium has to be renewed to keep the insurance alive. No long term premium payment method is available.

18) Contributory negligence is not a valid defence for insurance company to nullify the claim.

19) Various agencies like Police, Courts, RTO office, Hospital, Insurance company etc are involved and the coordination between them is necessary for an effective 'Third Party Claim' process and management. The insurance company has to definitely depend on the agencies for documents, evidences and compensation decisions etc.

20) Accidents are booked by police normally under ordinary Sections like Section 279, 304 A, 337 and 338 of IPC etc and not booked under severe Sections like Section 304 (Culpable homicide) etc.

21) Passengers including gratuitous occupants are also covered for 'Third Party Claim' after July 1, 1989. Section 147(1).

22) No need to prove negligence for applying compensation. The rule of 'Absolute Liability' (Common Law of Torts) is made applicable to claim cases arising out of the use of a motor vehicle.

23) Regarding the validity of 'Driving License' defence for the insurance company has twin obligation to prove after July, 1 1989 as per the amendment in M.V. Act and the amendment makes the defence weak for the insurance companies.
24) Principle of 'No Fault Liability' can be applied if such situation arises, where the owner of the vehicle can be made liable for payment of compensation to the injured. Section 140.

25) Due to the complexity and uncertainty involved in predicting and calculating, the exact 'Probable Maximum Loss' (PML) cannot be ascertained by the insurance companies.

26) Regarding 'Third Party Claim Liability', the insurer would be deemed to be a judgment debtor. Section 149(1).

27) The insurance company cannot deny the 'Third Party' cover of insurance, if requested. It is mandatory to accept 'Third Party' cover by the insurance companies.

28) Accidents and fraudulent claims are in alarming rate. The 'Motor Third Party Claims' escalates and the claims are more than the premium received for that segment. Hence this segment is unmanageable for the insurance companies.

29) The Central and the State government are given powers in Motor Vehicle Act to frame necessary rules. Section 137, 138.

30) If a person dies in a motor vehicle accident, his kin cannot file a claim before the consumer courts. Such claim can only be filed with tribunal, set up under the Motor Vehicle Act, 1988. As per the Supreme Court the 'Special Law' would prevail over a 'General Law'. Pankaj Anup Toppo (2004).

31) Defence for insurance companies in 'Driving License' case is very limited as prescribed in M.V. Act Section 149(2), Section 149(4), 149 2(a), 149 2(b). As per Section 149 2(b) insurance companies have to pay compensation even when the insurance companies successfully established the defence regarding 'Driving License'.

32) The M.V. Act regarding 'Third Party Liability' constructed as a 'Social Welfare Legislation' and there is a necessity of involvement and coordination of several agencies and records to defend the 'Third Party' case effectively, hence there exist more chances for fraudulent claims. Babu Paul (2006).
33) The public sector insurance companies are having branches all over India. The operations are wide and unmanageable. For example: A single claim sometimes may be dealt with by more than one branches.

34) Policies and procedures are common for all the branches of a particular company. It may or may not suit to all the purpose and the local needs.

35) All the disadvantages of public sector like staff union, red tapism, political interference, poor administration etc are prevailing in Public sector insurance companies also.

4.2 Role of Insurance companies in TP claim

Figure 4.1

The insurance companies must have an efficient administration to tackle the 'Third Party Claim' problems. Particularly the public sector companies which is covering a very wide area having more number of branches and with more number of policies and more number of claims reported and little control over 'Third Party Claims' etc has to manage the claims in an effective manner. The peculiar features of 'Indian Motor Third Party' and the 'Motor Vehicle Act' etc., makes the administration highly difficult. Functions like Underwriting, issue of policies, renewal of policies, receiving claim intimation and collection and filing of documents, proper staffing, modernization etc., comes under administration. Administration also includes co-ordination with other agencies like RTO's, Courts, Police dept, Hospitals etc.
The compliance of the provisions of Motor Vehicle Act, IRDA regulations and the other laws in force, wherever applicable by the insurance company needs fulfillment of the legal obligations. It includes having an efficient 'Legal Department', 'Empanelling Panel Lawyers', 'Documentation', effective defence in courts, 'Appeal' etc.

Provisioning for claims, procedural formalities to be followed, effective fund allocation and proper settlement of claims to proper persons, fulfilling the awards of the courts etc., comes under settlement of claims.

Proper accounting and reporting of claims in the prescribed form are also important statutory function to be carried out by an Insurance company. Reporting about the claim trend, data and statistics etc to IRDA are also the statutory duties carried over by the insurance companies.

4.3 The TP claim process and Motor Vehicle Act, 1988

The TP claim process

Figure 4.2

1. TP Claim intimation to Insurance company

Intimation about the accident resulting into third party claim is received through various sources:

a) The insured of the offending/affected vehicle driver or owner etc may intimate a 'Third Party Claim' occurrences to insurance company, while lodging 'Own Damage Claim'. The driver / owner of the vehicle should give the following information in
writing to the insurer, who has issued the certificates of insurance, about the occurrence of the accident, namely :- (i) Insurance policy number and period of its validity. (ii) Date, time and place of accident. (iii) Particulars of the persons injured or killed in the accident. (iv) Name of the driver and the particulars of his 'Driving License. Section 134.

b) The claimant (injured person/Victim through his counsel) can intimate a 'Third Party Claim' to insurance company by a notice informing the Insurance company that a claim petition has been filed in MACT/Courts.


d) Duty to give information as to the particulars of insurance coverage in case of accident. Section 151.

2. Injury or death registered

The hospital, (if the injured is admitted/or the body brought in dead) has to prepare an 'Accident Register' with particulars like type of vehicle involved, the person who accompanied/admitted the victim and the time of admission, name of the patient, condition of the patient at the time of admission etc. In case of death an accident register containing the name of the person who died, the person who brought the body, time of admission etc has to be prepared and also a postmortem report has to be prepared by the doctor describing the nature of injury and the time and cause of death etc. The information to the nearest police station has to be given by the hospital.

3. Information to the police station

a) If the injured or victim admitted to the hospital. The information to the nearest police station has to be given by the hospital.

b) Information to the police can also be made from the accident spot by the offender, any witness of accident or friends or relatives of the victim /Injured etc.

c) Duty of driver in case of accident and injury to a person give on demand by a police officer any information required by him, or, if no police officer is present, report the
circumstances of the occurrence, including the circumstances, if any, for not taking reasonable steps to secure medical attention as required under clause (a), at the nearest police station as soon as possible, and in any case within twenty-four hours of the occurrence. Section 134.

4. Police Investigation

The police will make a preliminary investigation and may file an FIR under, Section 304A of IPC. Causing death by negligence or Section 279 of IPC. Rash driving or riding on a public way Section 304 of IPC Section 337, 338, etc based on complaint/records. All the particulars about the type of vehicle involved, driver involved, name and number of persons involved and injured/died in the accident, RC book of the vehicle, registration number of the vehicles involved, permit and driving license particulars, circumstances of accident, site map of accident (panchanama), narration of the incident, Sections of Indian Penal Code attracted, negligence of whom caused the accident, any violation of rules reported, witness for the accident, etc are collected and case is filed and records maintained. Any person driving a motor vehicle in any public place shall, on being so required by a police officer in uniform authorized in this behalf by the State Government, produce the certificate of insurance, the certificate of registration, the driving license; and in the case of a transport vehicle, also the certificate of fitness referred to in Section 56 and the permit, relating to the use of the vehicle. Section 158.

A registering authority or the officer-in-charge of a police station shall give particulars of vehicle involved in accident, if so required by a person who alleges that he is entitled to claim compensation in respect of an accident arising out of the use of a motor vehicle, or if so required by an insurer against whom a claim has been made in respect of any motor vehicle. Section 160.

5. Intimation to the court/appointment of counsel

As soon as any information regarding any accident involving death or bodily injury to any person is recorded or report under this Section is completed by a police officer, the officer in charge of the police station shall forward a copy of the same within thirty days from the date of recording of information or, as the case may be, on completion of such report to the Claims Tribunal having jurisdiction and a copy thereof
to the concerned insurer, and where a copy is made available to the owner, he shall also within thirty days of receipt of such report, forward the same to such 'Claims Tribunal' and 'Insurer'. Section 158(6). The counsel for the offender (Driver) will appear on behalf of the accused in the court. A counsel for claimant will appear in the court on behalf of the petitioner. After intimation from the court, For insurance company, the panel lawyer will appear on behalf of insurance co in the court. The Claims Tribunal (MACT) appointed for this purpose. Section 165.

6. Insurance company investigation

After getting the claim intimation from the claimant, police etc the insurance company will arrange for detailed investigation by the investigator (who is not a staff and paid remuneration on file to file basis and no qualification fixed for this purpose) appointed for the purpose or the surveyor who also can be an investigator for the purpose to study about the accident and also collect relevant data, necessary records to quantify reasonable and just compensation as per the formats enclosed in respect of all third party claims which is mandatory.

This will help in effectively defend the case. On receipt of notice from the MACT, the panel lawyer to defend the case has to be selected and the work assigned and all relevant documents (Evidence like driving license violations, policy condition violations etc) supplied and coordinated by the insurer to defend the case. Written statement on behalf of the insurance company incorporating all defences available as enumerated under Section 149 of M.V. Act, 1988 should be promptly filed, because new facts and evidence cannot be brought in appeal etc.

A registering authority or the officer-in-charge of a police station shall, if so required by a person who alleges that he is entitled to claim compensation in respect of an accident or the insurer on payment of the prescribed fee having duty to furnish particulars of vehicle involved in accident any information at the disposal of the said authority or the said police officer relating to the identification marks and other particulars of the vehicle and the name and address of the person who was using the vehicle at the time of the accident or was injured by it and the property, if any, damaged in such form and within such time as the Central Government may prescribe. Section 160.
7. Certificates and Records

Duly certified true copy of the complete policy with the relevant clauses and endorsements as actually attached with the original issued covering the vehicle at the material time of accident. Motor vehicle inspector will certify (Fitness certificate) the nature of damage/defects of the vehicle involved in the accident, Cause of damage and the nature of accident. Extent of damage etc can be determined. Inspection of vehicle involved in accident, any person authorized in this behalf by the State Government may inspect and may remove the vehicle for examination. Section 136.

Driving licenses: The necessity for 'Driving License' defined in Section 3, Age limit 18 and above in connection with driving of motor vehicles prescribed in Section 4. Responsibility of owners of motor vehicles for contravention of Sections 3 and 4 given in Section 5. Maintenance of State Registers of 'Driving Licenses'. Section 26. Central government rules to the manner in which the licenses and certificates may be produced to the police officer under Section 130.

Registration of vehicles: No person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered in accordance with this Chapter and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner. Section 39.

The RC book particulars of vehicles, driving licenses of the drivers, permits are issued by the RTO office and records can be verified using RTO records. A 'Regional Transport Authority' may, on an application made to it under Section 77, grant a goods carriage permit to be valid throughout the State or in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit. Section 79. Each State Government shall maintain, in such form as may be prescribed by the Central Government, a register to be known as the State Register of 'Driving Licenses'. Section 26

Duty to attend injured: When any person is injured or any property of a 'Third Party' is damaged, as a result of an accident in which a motor vehicle is involved, the driver of the vehicle or other person in charge of the vehicle shall take all reasonable steps to secure medical attention for the injured person, by conveying him to the nearest medical
practitioner or hospital, and it shall be the duty of every registered medical practitioner or
the doctor on the duty in the hospital immediately to attend to the injured person and render
medical aid or treatment without waiting for any procedural formalities. Section 134. For the
nature of injuries, extent of disability, wound certificate, post-mortem report etc the
hospital records and the doctors certificate has to be referred.

Necessity for insurance against 'Third Party Risk': No person shall use, except as a
passenger, or cause or allow any other person to use, a motor vehicle in a public place,
unless there is in force in relation to the use of the vehicle by that person or that other
person, as the case may be, a policy of insurance complying with the requirements of this
Chapter. Section 146.

8. Motor Accidents Claims Tribunal

A State Government may, by notification in the Official Gazette, constitute one or
more 'Motor Accidents Claims Tribunals' (MACT) was established under Section 165 of
the M.V. Act to adjudicate 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, or to damage to any property of a third party so arising, or both. The Tribunal
deal with claims relating to loss of life/property and injury cases resulting from Motor
Accidents. MACT Courts are presided over by Judicial Officers from the State Higher
Judicial Service. Now these Courts are under direct supervision of the Hon'ble High
Court of the respective state.

Where any 'Claims Tribunal' has been constituted for any area, no Civil Court
shall have jurisdiction to entertain any question relating to any claim for compensation
which may be adjudicated upon by the 'Claims Tribunal' for that area, and no injunction
in respect of any action taken or to be taken by or before the 'Claims Tribunal' in respect
of the claim for compensation shall be granted by the Civil Court. Section 175.

9. Application for Compensation

An application for compensation arising out of an accident of the nature specified
in Section165 (1) may be made (a) by the person who has sustained the injury, including
a claimant under the age of 21 years, provided he is assisted by a parent or legal guardian;
or (b) by the owner of the property; or (c) where death has resulted from the accident, a dependant of a deceased victim, by all or any of the legal representatives of the deceased or a close relation in respect of funeral expenses (d) by any agent duly authorized by the person injured or all or any of the legal representatives of the deceased as the case may be.

10. Third Party Claim related Documents

a) To be submitted to the insurance company: Copy of the FIR registered in connection with said accident, Charge sheet if any, A statement of driver as to how accident occurred, name and address of person injured and killed in accident, copy of claim intimation given to company together with xerox of policy and premium receipt, copy of 'Driving License' and certificate, address of Police Station where accident reported, address of Hospital where injured/dead bodies shifted by police from site of accident, certified copies of injury/post mortem report, vakalatnama duly signed by owner of vehicle and driver, details of Loss to 'Third Party Vehicle' or other property, comment of owner/driver on FIR/Charge Sheet, number of persons travelling in the vehicle and the details about them etc.

b) The documents accompany the claim petition: FIR copy, copy of the Post-Mortem Report/Death Report as the case may be, Panchanama, the documents of the identity of the claimants and of the deceased in a death case, original bills of expenses incurred on the treatment along with treatment record, documents of the educational qualifications of the deceased, if any, disability Certificate, if already obtained, in an injury case, the proof of income of the deceased/injured, documents about the age of the victim, the cover note of the third party insurance policy, if any, an affidavit detailing the relationship of the claimants with the deceased etc are the documents accompany the claim petition.

11. Quantum of Compensation

The quantum of damages refers to the total amount of money that the claimant will receive. Motor insurance policy will provide compensation for the motor vehicle owners from these liabilities such as- Unlimited liability towards bodily injury to any third party, unlimited liability towards bodily injury to passengers of the vehicle, liability
towards third party property damage, limited to Rs.6,000/- only, liability towards employees of the owner of the insured vehicle while traveling or using it, against bodily injury to the extent required by the "Workmen's Compensation Act".

The English courts as well as Indian Courts followed the principle that were formulated by Lord Wright and came to be known as the 'Multiplier Method'. The suitable 'Multiplier' shall be determined by taking into consideration the number of years of dependency of the various dependents, the number of years by which the life of the deceased was cut short and the various imponderables such as early natural death, the prospects of remarriage of the widow and such other factors. "The choice of 'Multiplier' is to be made by the court using its own experience and having due regard to the peculiar facts of each case, because the ultimate goal is not to adhere to any rigid formula, but to award a compensation which is just. Multiplier table: Section 163 A, IInd schedule.

The amount of compensation which shall be payable under sub-Section (1) in respect of the death of any person shall be a fixed sum of [fifty thousand rupees] and the amount of compensation payable under that sub-Section in respect of the permanent disablement of any person shall be a fixed sum of [twenty-five thousand rupees]. The claimant shall not be required to plead and establish that the death or permanent disablement in respect of which the claim has been made was due to any wrongful act, neglect or default of the owner or owners of the vehicle or vehicles concerned or of any other person. Section 140.

For 'Hit and Run' cases the payment of compensation of Rs 25,000 for death and Rs 12,500 for grievous injuries are provided from the "Solatium fund". Section 163.

12. Settlement

Settlement between insurers and insured persons. Section 152(1)). No settlement made by an insurer in respect of any claim which might be made by a third party in respect of any liability of the nature referred to in clause (b) of sub-Section (1) of Section 147 shall be valid unless such third party is a party to the settlement.

13. Award of the Claims Tribunal

a) Application for compensation made under Section 166: On receipt of an application for compensation made under Section 166, the Claims Tribunal shall, after giving
notice of the application to the insurer and after giving the parties (including the insurer) an opportunity of being heard, hold an inquiry into the claim or, as the case may be, each of the claims and, subject to the provisions of Section 162 may make an award determining the amount of compensation which appears to it to be just and specifying the person or persons to whom compensation shall be paid and in making the award the Claims Tribunal shall specify the amount which shall be paid by the insurer or owner or driver of the vehicle involved in the accident or by all or any of them, as the case may be:

b) Application for compensation made under Section 140: Provided that where such application makes a claim for compensation under Section 140 in respect of the death or permanent disablement of any person, such claim and any other claim (whether made in such application or otherwise) for compensation in respect of such death or permanent disablement shall be disposed of in accordance with the provisions of Chapter X. The liability under Section 140 of the Act does not cease because there is absence of dependency. The right to file a claim application has to be considered in the background of right to entitlement. While assessing the quantum, the multiplier system is applied because of deprivation of dependency. In other words, multiplier is a measure that the compensation should address the pecuniary loss caused to the dependants by the death of the person concerned. "The choice of multiplier is to be made by the court using its own experience and having due regard to the peculiar facts of each case, because the ultimate goal is not to adhere to any rigid formula, but to award a compensation which is just.

c) Application for compensation, Special provisions as to payment of compensation on structured formula basis. Section 163A.

d) New Section 163 B which says that the victim could get a higher compensation by proving the negligence on the part of the vehicle owner or driver. If the claimant fails to get relief under one Section 163 A or 163 B, he cannot go to the other. But the Motor Claims Tribunal has the powers to alter the application from one Section to the other 163 A or 163 B.
e) While calculating "Accident compensation", income of victim contains not only pay packet but perks which are beneficial to his family must be considered. Section 168.

f) Compensation matter settled in 'Lok Adalat' and it became final. 'Motor Accident Claims Tribunal' has no power to review the award. If there was any defect, it is for parties to approach high court under Articles.

g) Even in absence of any percentage of disability for injury suffered by claimant, suitable compensation should be granted. Claimant in such a case would be entitled to compensation on conventional basis.

h) The 'Claims Tribunal' shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award.

i) When an award is made under this Section, the person who is required to pay any amount in terms of such award shall, within thirty days of the date of announcing the award by the 'Claims Tribunal', deposit the entire amount awarded in such manner as the 'Claims Tribunal' may direct." The Tribunal has a duty to make an award, determine the amount of compensation which is just and proper and specify the person or persons to whom such compensation would be paid. The latter part relates to the entitlement of compensation by a person who claims for the same.

J) Claim under M.V. Act can be made by or for the benefit of legal representatives of the deceased. Whereas claim under fatal accidents Act can be made only for the benefit of spouse, parent and child of deceased. Section 166.

k) Claimants can claim compensation under either 'Motor Vehicles Act' or under 'Workman's Compensation Act'. But not under both forums.

l) If a person dies in a motor vehicle accident, his next of kin cannot file a claim before the consumer courts. Such claims can be filed only with the 'Motor Accident Claims Tribunal', set up under the Motor Vehicle Act, 1988.

m) Where any 'Claims Tribunal' allows a claim for compensation made under this Act, such Tribunal may direct that in addition to the amount of compensation simple
interest shall also be paid at such rate and from such date not earlier than the date of making the claim as it may specify in this behalf. Section 171.

n) Claim by the Tribunal will be enforceable and the money found due to the insurer from the insured will be recoverable on a certificate issued by the Tribunal to the Collector in the same manner as arrears of land revenue. Section 174.

14. Appeal against the Tribunal

Subject to the provisions of sub-Section (2) any person aggrieved by an award of a Claims Tribunal may, within ninety days from the date of the award, prefer an appeal to the High Court. Section 173. No appeal lies if amount in dispute is less than 10,000 rupees. If the insured failed to defend the case or if the insured colluded with the claimant etc.: The insurance company is allowed to appeal, if the owner of the vehicle lost the case, but after taking the permission of the Tribunal first. Section 170. Appeal against the high court can be referred to the supreme court subject to certain conditions and the nature of the case.

15. Punishment for contravention of the M.V. Act

Whoever contravenes any provision of this Act or of any rule, regulation or notification made there under shall, if no penalty is provided for the offence be punishable for the first offence with fine which may extend to one hundred rupees, and for any second or subsequent offence with fine which may extend to three hundred rupees. Section 177.

Whoever willfully disobeys any direction lawfully given by any person or authority empowered under this Act to give such direction, or obstructs any person or authority in the discharge of any functions which such person or authority is required or empowered under this Act to discharge, shall, if no other penalty is provided for the offence be punishable with fine which may extend to five hundred rupees. Whoever, being required by or under this Act to supply any information, willfully withholds such information or gives information which he knows to be false or which he does not believe to be true, shall, if no other penalty is provided for the offence, be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both. Section 179.
The court may disqualify holding of license, Provided that in respect of an offence punishable under Section 183 no such order shall be made for the first or second offence. Where a person is convicted of an offence under clause (c) of sub-Section (1) of Section 132, Section 134 or Section 185, the Court convicting any person of any such offence shall order the disqualification under sub-Section (1), and if the offence is relatable to clause (c) of sub-Section (1) of Section 132 or Section 134, such disqualification shall be for a period of not less than one month, and if the offence is relatable to Section 185, such disqualification shall be for a period of not less than six months. Section 20. Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the provisions of Section 146(Driving uninsured vehicle) shall be punishable with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both. Section 196.

Any 'Claims Tribunal' adjudicating upon any claim for compensation under this Act, may in any case where it is satisfied for reasons to be recorded by it in writing that(a) the policy of insurance is void on the ground that it was obtained by representation of fact which was false in any material particular, or(b) any party or insurer has put forward a false or vexatious claim or defence, such Tribunal may make an order for the payment, by the party who is guilty of misrepresentation or by whom such claim or defence has been put forward of special costs by way of compensation to the insurer or, as the case may be, to the party against whom such claim or defence has been put forward. Compensation awarded should not exceed Rs 1,000 .Section 172.

Any person who drives or causes or allows to be driven in any public place a motor vehicle or trailer while the vehicle or trailer has any defect, which such person knows of or could have discovered by the exercise of ordinary care and which is calculated to render the driving of the vehicle a source of danger to persons and vehicles using such place, shall be punishable with fine which may extend to two hundred and fifty rupees or, if as a result of such defect an accident is caused causing bodily injury or damage to property, with imprisonment for a term which may extend to three months, or with fine which may extend to one thousand rupees, or with both. Section 190.
The above said were the few important provisions in the Motor Vehicle Act, 1988 and the policies/procedures adopted by the insurance companies related to the 'Motor Third Party Insurance Claim'. The informations provide a brief idea about the procedures/provisions/process/stages of third party claim in public sector insurance companies and the matters related to it, starting from claim occurrence and up to claim settlement.
REFERENCES

Indian Penal Code, Section 337, 338, 279, 304, 304A. (Accident booked).


Motor Vehicle Act, 1988, Section 149 2(a), 149 2(b), 149(4). (Defences to the Insurance Company).

Motor Vehicle Act, 1988, Section 170. (Appeal to High Court, Tribunal's permission).


Motor Vehicle Act, 1988, Section 151. (Duty to give Information).


Motor Vehicle Act, 1988, Section 158. (Fitness, Permit).

Motor Vehicle Act, 1988, Section 168. (Award of the Tribunal).

Motor Vehicle Act, 1988, Section 165. (Appointment of Claims Tribunal).

Motor Vehicle Act, 1988, Section 147, 149. (Contract created by fiction).


Motor Vehicle Act, 1988, Section 175. (Injunction by civil court).


Motor Vehicle Act, 1988, Section 146. (Necessity for Insurance against TP risk).


Motor Vehicle Act, 1988, Section 163. (Compensation for Hit and Run cases).

Motor Vehicle Act, 1988, Section 140, 141. (Principle of No fault liability).
Motor Vehicle Act, 1988, Section 166. (Jurisdiction, time limitation).

Motor Vehicle Act, 1988, Section 149. (Duty to satisfy award / Judgment).

Motor Vehicle Act, 1988, Section 174. (Collection of Award).

Motor Vehicle Act, 1988, Section 168(3). (Certificate for collection of Award).

Motor Vehicle Act, 1988, Section 173. (TP and MACT).

Motor Vehicle Act, 1988, Section 146. (Mandatory of Insurance).

Motor Vehicle Act, 1988, Section 3, 4, 5. (DL definition, Age limit, Owners responsibilities).

Motor Vehicle Act, 1988, Section 190. (Penalty for dangerous driving).

Motor Vehicle Act, 1988, Section 172. (Penalty for material misrepresentation).

Motor Vehicle Act, 1988, Section 183. (Driving license related offence).

Motor Vehicle Act, 1988, Section 196. (Penalty for driving without Insurance).


Motor Vehicle Act, 1988, Section 20. (Disqualification of holding License).


