



Car Insurance

Package covers, add-on covers, the works

There was a recent news item in the national dailies telling us of a disgruntled married man carrying petrol in a polythene bag to scare his in-laws and ending up setting fire to cars parked underneath a two-storeyed house, damaging them extensively. As freaky as this incident may seem, the point is that your precious car is as vulnerable as any second or third car on the road. There are car pile-ups, road rages, parking issues, not to forget other more damaging accidents in the realm of possibilities. So, of course, there is car insurance. That's why we are offering here an insight into the whole gamut of car insurance, to help you understand the concept in its totality—yes, including the add-on covers that we may be too quick to dismiss.

Subas Tiwari & Gopal Ravi Kumar

Owning or driving a private car does not have to be a troublesome thing if you take sufficient care in insuring it with a comprehensive policy (called car package policy)

that protects not only your car but also the owner/driver, and, more importantly, addresses third-party liabilities (damages to someone's property or injuries/death to persons connected/not connected to the accident).

What does the Motor Vehicles Act say?

Chapter 11 (Section 145 to Section 164) of The Motor Vehicles Act, 1988, (as amended up to date) provides for compulsory third-party insurance (which is required to be taken by every vehicle owner) for covering third-party liability (without which the newly purchased car would not be delivered to you from the showroom).

However, the Act does not specify covering the car with additional insurance benefits or going for a comprehensive package policy – these have been made optional and are at the discretion of the car owner. Many vehicle owners still have the wrong notion that one need to therefore cover only third-party liability by paying cheap premium.

Since transport is a State subject, each State (through the State Transport Department) has notified Motor Vehicle Rules that are applicable to those cars which are registered with the respective regional transport authority (RTA) of that State. So the State Rules are to be read along with Motor Vehicles Act provisions for guidance.

Strictly speaking, a car insurance is an arrangement between the insurer (insurance company) and the insured (vehicle owner) wherein the insurer provides coverage (an indemnity) against any financial loss happening because of damage to the car. This is applicable where the damage has been caused either through an accident or because of any natural calamity or any liability arising out of an accident or a theft.

A car insurance policy is usually of two types:

a) Third-Party Liability Cover Policy

This policy covers you against any legal liability resulting from the accident of your vehicle. The insurance coverage includes death, injury or property damage to the third party, legal protection for death or injury claims from third parties including occupants of your vehicle, legal protection for damage to third-party property, personal accident benefits for you, your paid driver and occupants of your vehicle, legal costs and expenses, and protection of your legal liability towards your paid driver.

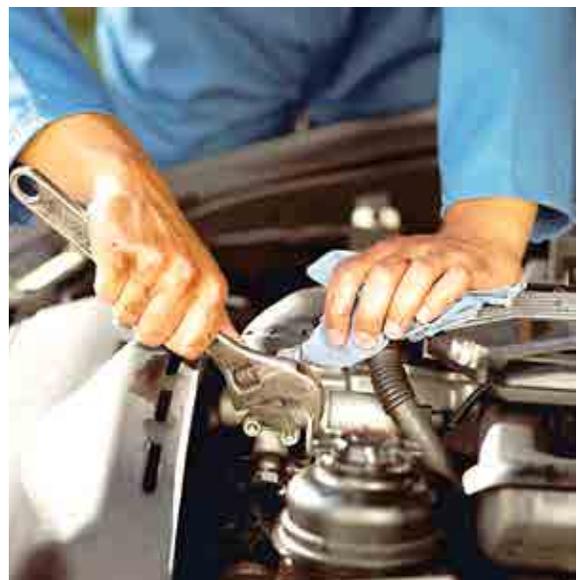
Exclusions

This cover does not include damage to one's vehicle or to the car owner himself. The policy also does NOT reimburse expenses borne by you towards repair or maintenance of your car.

b) Comprehensive Cover Policy

A comprehensive cover is designed to offer protection to you and your vehicle. A typical comprehensive cover comprises:

- i) **Third-party (TP) liability cover:** This offers insurance coverage against third-party legal liability (as described above).
- ii) **Own-damage (OD) insurance cover:** This offers cover against damage to your vehicle – that is, any loss or damage caused to your vehicle or its accessories due to natural and manmade calamities as defined in the scope of coverage
- iii) **Personal-accident (PA) cover:** This offers personal accident cover to owner-driver, paid driver and passengers of the vehicle. It offers financial security to you and your family in the unfortunate event of an accident. It provides compensation on death or permanent



What is 'voluntary excess'?

In addition to the compulsory excess, you can opt for an additional voluntary excess to help reduce your premium. A voluntary excess will only be added to accidental damage claims and only those claims where you are deemed at fault.

For example: If you purchase a car insurance policy with a Rs 150 compulsory excess and have selected an additional Rs 250 voluntary excess, in the event of claim for accident damage that is deemed to be your fault, you will pay a Rs 400 total excess.

You can set the voluntary excess as low as zero to reduce how much you would have to pay out in the event of a claim, or you can increase it, which may reduce your premium. You would pay the amount you have chosen in the event of any claim.

total disability. Hospitalization expenses and temporary disability due to accidents could also be covered.

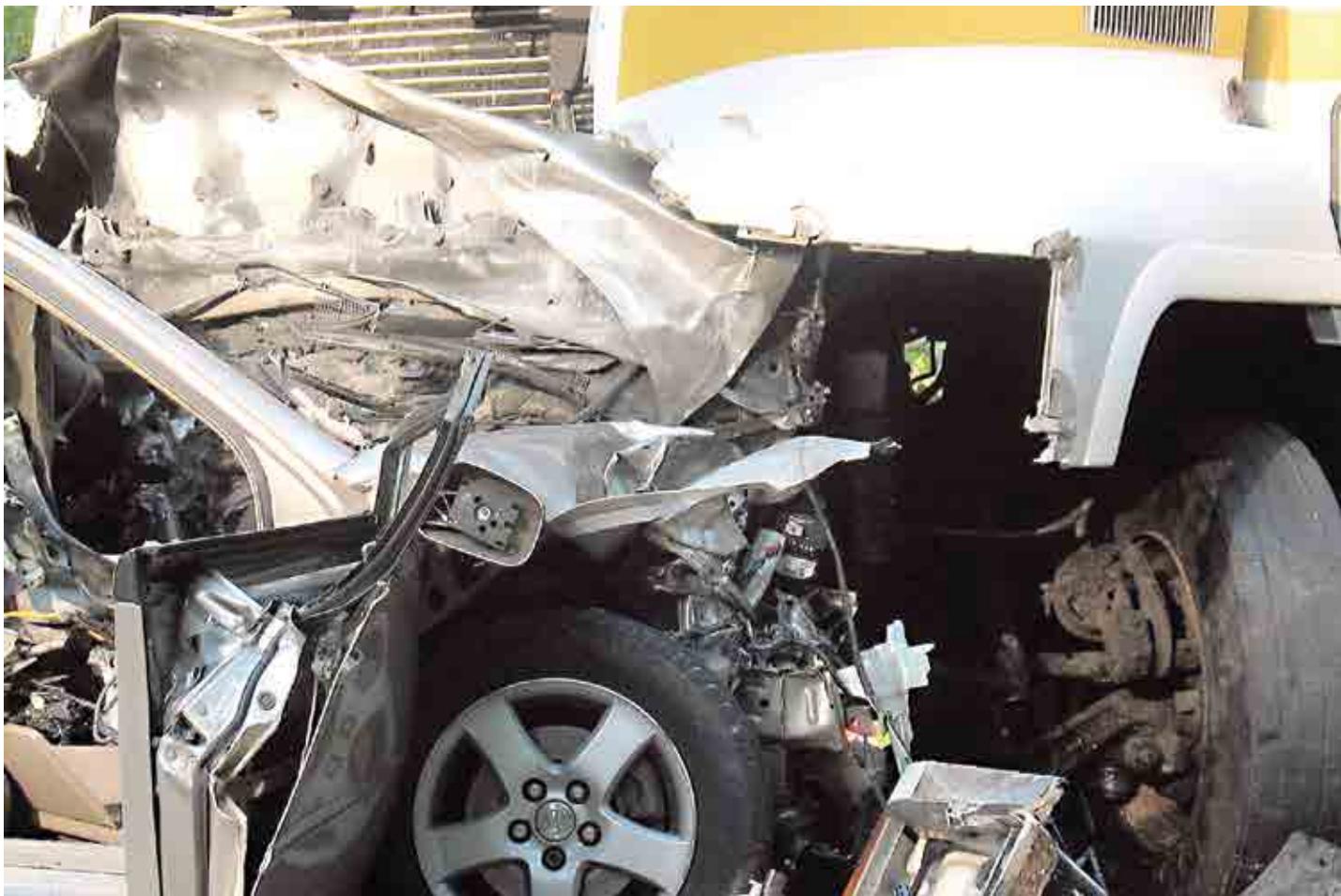
Exclusions

These are the usual exclusions but the list is not exhaustive: wear and tear of the car, depreciation, mechanical or electrical breakdown of the car, driving without valid driving license, consequential loss, voluntary excess (if opted for), loss due to drunken driving, any contractual liability, deliberate

accidental loss, damages due to nuclear weapons material or war, etc.

Add-on Insurance Covers/Rider Benefits

It is a general feeling among us that buying a comprehensive package insurance policy will free us of all the worries once and for all. This is far from the truth, though. There are many exclusions even in a comprehensive policy on which the insurers don't provide many coverages.



Sum Insured – Insured's declared Value (IDV)

This is the most important aspect of your motor insurance policy. Simply put, it is the market value of your vehicle at the time of commencement of the policy. It is calculated by the insurer on the basis of the manufacturer's listed selling price of the vehicle (plus the listed price of any accessories), after deducting the depreciation for every year as per the schedule provided by the Indian Motor Tariff. In case of theft or total loss of the vehicle, the claim amount may be less than or equivalent to the IDV.

Premium

Calculation of the premium is based on these factors: sum insured (insured's declared value), make of the car, model of the car, year of manufacture, zone of registration, engine capacity (cubic capacity), 'no-claim bonus' discount, seating capacity, paid driver/owner driver, add-on covers, loading due to accident, lapsed policy, theft-risk factor, etc.

Riders are optional add-ons to your basic policy that increase the coverage on your insurance. Riders not only save you from the cheeky exclusions but also offer some valuable benefits. Spending some extra money for riders can save you big headaches. They are briefly summarized here.

- **Personal accident rider:** Many car insurance plans come inbuilt with this rider. But in case your plan does not cover personal accident, it is only prudent that you get this rider added in your plan. This rider covers you against accidental death, permanent partial/total disability and temporary partial disability.
- **Electrical/Electronic accessories:** This encompasses all the electric fittings such as air conditioning and fog lights, music/audio system, rear camera, etc., which are not part of the original equipment provided by the car manufacturer but which provide riding comfort/entertainment.



- **CNG/LPG/Bio-fuel kits:** These alternate fuel systems are not provided by the car manufacturer. You can purchase insurance for these kits by getting them registered with the regional transport office, and by declaring the value of the kit with the insurer.
- **Key replacement:** This cover pays the cost to replace vehicle keys if stolen, plus the cost of locks if the vehicle is broken into.
- **Loss of personal belongings:** This cover offers compensation in case of loss of valuable items like laptops and mobile phones from a locked vehicle. Car owners can make such a claim after filing a first information report (FIR) with the nearest police station.

- **Towing/Road assistance reimbursement:** Under this facility, the insurer provides assistance in case your vehicle breaks down anywhere. The rider encompasses costs incurred for towing, technician's visit fees, and the rentals for a service vehicle, to name a few. Roadside assistance (RSA) is extremely critical in case your car breaks down on the road and leaves you stranded. Under roadside assistance, the insurer assumes the responsibility for seamless coordination and arrangement of services like towing, flat-tyre change, battery jumpstart, mechanic's visit, fuel refill and key pickup. You only need to pay a nominal extra premium, while the cost of providing the service is borne by the insurer.
- **Daily allowance reimbursement:** Cash cover entails a daily allowance for meeting your travelling and conveyance expenses during the period when your car is undergoing repairs.
- **Emergency transport and hotel expenses:** This cover is applicable in case your car meets with an accident far away from your place of residence or in another state, in which case you may have to stay overnight in a hotel and require transport to return to your HQ.
- **Engine cover:** Sometimes the engine of your car gets stalled either due to water seeping in or as a result of damage to the gear box due to leakage of lubricating oil resulting from an accident. In such cases, the insurance company with this cover for your car will ensure that your claim is settled as per set procedure.
- **Tyres and tubes cover:** This cover enables you to claim repair for damages/replacement in case the tyre(s)/tube(s) gets damaged due to an accident. This cover is not available for normal wear and tear of these parts.



- **Zero depreciation:** Depreciation refers to the decrease in market value of an asset due to wear and tear. Insurance policies with a 'zero depreciation' cover reimburse the full claim amount without deducting depreciation for replaced parts.
- **No-claims bonus (NCB) protection:** A no-claim bonus denotes the discount on premium offered to policyholders for not making a claim in the previous policy period. It may be considered as a



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will pay for the ambulance charges and medical expenses incurred post-accident up to a fixed amount.

- **Vehicle-replacement benefit:** If your car gets stolen or is damaged in an accident or a natural calamity, this rider helps you replace your car with a new equivalent or near-equivalent car of similar make, model, features, specifications and colour (subject to availability).
- **Rental reimbursement:** After an accident, the waiting period that follows while your car gets repaired can be a painful and time-consuming process. While it's being repaired, you need another ride to commute to your workplace. Renting a car comes handy in such situations but it comes at a cost. A rental-reimbursement rider pays the car rental bills of the insured during this time. This rider is yet to gain much favour in India as the concept of rental cars is not prevalent here. It's quite a valuable rider anyway.

Product Comparison: 13 Companies

At Consumer Voice, we studied and rated 13 car insurance policies based on the points commonly covered under 'private car package policy' as well as add-on covers/rider benefits and consumer feedback. We assigned 40 weightage points to consumer feedback and 10 each to loss of personal belongings, internal parts of the engine, and zero depreciation. Key replacement, towing charges, daily allowance, emergency transport and hotel expenses, tyres and tubes, and NCB protection had 5 points each.

CV RECOMMENDATIONS

BEST BUY

TATA AIG General Insurance

GOOD BUY

ICICI Lombard General Insurance

FAIR BUY

SBI General Insurance

reward for driving safely. You can opt to transfer the accumulated no-claim bonus from your old vehicle to your new vehicle, thereby saving on the premium. The no-claim bonus is applicable even if you opt for insurance portability (change in insurer).

- **Ambulance and medical expenses rider:** If the insured has had an accident and is rushed to the hospital for emergency treatment, this rider



CV Weightage (Criteria) Points 100	Private Car Package Policy	The New India Assurance	The Oriental Insurance Company	National Insurance Company	United India Insurance Company	SBI General Insurance	
Commonly Covered by Insurance Companies	Accidental & external damage	Yes	Yes	Yes	Yes	Yes	
	Fire & explosion	Yes	Yes	Yes	Yes	Yes	
	Riot & strike	Yes	Yes	Yes	Yes	Yes	
	Malicious act	Yes	Yes	Yes	Yes	Yes	
	House breaking/ theft	Yes	Yes	Yes	Yes	Yes	
	Burglary	Yes	Yes	Yes	Yes	Yes	
	Landslide	Yes	Yes	Yes	Yes	Yes	
	Transit	Yes	Yes	Yes	Yes	Yes	
	Earthquake	Yes	Yes	Yes	Yes	Yes	
	Storm and floods	Yes	Yes	Yes	Yes	Yes	
	Terrorism	Yes	Yes	Yes	Yes	Yes	
	Whilst in transit by rail, road, air, elevator, lift	Yes	Yes	Yes	Yes	Yes	
	Liability to third parties	Yes	Yes	Yes	Yes	Yes	
	Accident to owner, driver, passengers	Yes	Yes	Yes	Yes	Yes	
	Electrical/ Electronic accessories	Yes	Yes	Yes	Yes	Yes	
CNG/LPG/Bio-fuel kits	Yes	Yes	Yes	Yes	Yes		
5	Key replacement	No (0)	No (0)	No (0)	No (0)	Yes (5)	
10	Loss of personal belongings	No (0)	No (0)	No (0)	No (0)	Yes (10)	

5	Towing charges	Yes (5)	No (0)	No (0)	No (0)	No (0)	
5	Daily allowance	No (0)					
5	Emergency transport and hotel expenses	No (0)					
10	Internal parts of the engine	No (0)					
5	Tyres and tubes	No (0)					
10	Zero depreciation	No (0)	No (0)	No (0)	No (0)	Yes (10)	
5	NCB protection	No (0)	No (0)	No (0)	No (0)	Yes (5)	
40	Consumer feedback	20	20	25	28	35	
	Total	25	20	25	28	65	

Notes:

a) Information given here has been sourced from company websites and brochures.

b) Sum assured and premium are dependent upon individual covers opted for; hence no comparative analysis is given here.

Be Aware of These

- **Agents and brokers:** Insurance agents normally work for one insurance company, whereas brokers deal with multiple insurance companies. Agents would know the best deals offered by their company; this also means you may be stuck with just one insurance company and may not know about offers from other companies, thereby not being able to compare them to get the optimum benefit of insurance cover.

Brokers are those who provide choices/options of selecting the best offer to suit your needs. However, brokers are often motivated to sell products that give them the maximum commission. If you are not careful, you may end up buying a car insurance policy that may benefit your insurance broker more than it benefits you.

- **Zone-wise calculation of premium:** Based on the place of registration, India has been divided into geographical zones A and B. Cities like Ahmadabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi and Pune fall in Zone A, while the rest of the country forms Zone B. The insurance premium for Zone A is higher due to a greater chance of road accidents and mishaps in metropolitan cities. Knowing these terms may allow you to read between the lines of a policy document and choose the best offer.
- **No-claim bonus retention on sale of car:** Accumulated no-claim bonus can be retained by you on sale of the existing car and can be transferred to your new car as long as the car owner remains the same. This retention is also available in case of shifting of the insurance company.
- **No-claim bonus becomes nil in case of registration of claim:** In case you register a claim due to an accident of your car, the insurance company does not load further no-claim bonus; instead, the existing no-claim bonus becomes zero.

	Yes (5)	No (0)	No (0)					
	Yes (5)	No (0)	Yes (5)					
	No (0)	Yes (5)						
	Yes (10)	Yes (10)	No (0)	No (0)	Yes (10)	No (0)	No (0)	Yes (10)
	Yes (5)	No (0)	No (0)	No (0)	Yes (5)	No (0)	No (0)	Yes (5)
	Yes (10)	Yes (10)	No (0)	No (0)	Yes (10)	Yes (10)	No (0)	Yes (10)
	Yes (5)	Yes (5)	No (0)	No (0)	Yes (5)	Yes (5)	No (0)	Yes (5)
	8	33	31	18	15	15	10	25
	63	68	51	23	55	35	10	80

- **Discounts on premium/amount paid**

- **Voluntary excess:** In case of accident, you may volunteer to pre-pay a part of the claim amount filed so as to expedite claim settlement. In such a case, insurance companies consider a discount on the amount paid.
- **Association membership:** Some insurance companies give discount in case the car owner is a member of a recognized automobile association in India.
- **No-claim bonus for claim-free year:** In case you have not registered a claim on the car during the previous year, all insurance companies give you a discount called no-claim bonus, which ranges from 20 per cent (minimum) to 50 per cent (maximum) for each claim-free year (except for those cars that have already been enjoying a higher no-claim bonus).
- **Discretionary discount:** While most insurance companies offer discount on the premium, it is at the discretion of the senior-level executives only and can sometimes extend up to 40 per cent of the basic premium amount. One prospective customer of an insurance company got a renewal notice on his car insurance for Rs 20,000 as total premium. In order to know whether other insurance companies are also offering a similar premium for identical coverage, the car owner obtained two or three quotes and found to his amazement that one of them was offering a total premium of around Rs 17,000. When he confronted the former insurance company, they hesitated for a moment but came up with a similar premium amount by using their discretionary discount quota.

A word of caution here: Make sure that the insurance company, while entertaining your request for any additional discount, does not dilute either the IDV of the car or any of the additional covers preferred by you.

Tips: How Not to Get Your Claim Rejected

- ✓ **Pay your premium regularly:** Pay your premium unfailingly so that your policy does not lapse.
- ✓ **Do your homework thoroughly:** It pays to know the policy you are buying. Get to know the coverage included in your policy. It is advisable to opt for a comprehensive car insurance plan that includes valuable riders and benefits such as personal-accident cover.
- ✓ **Read the fine print carefully in the product brochure:** It is not just the inclusions you should be aware of; knowing the exclusions is equally important. This way, you don't get trapped in the exclusion clauses. Reading the fine print thoroughly will help you know beforehand whether your claim was denied by your insurer legitimately or deliberately.
- ✓ **Make a timely contact:** Whether you choose to inform your agent or your insurance company directly about the incident (accident/theft), you should do it timely. If you delay, you may lose the documents and contacts of witnesses supporting your side of the incident, or cross the time limit specified in your plan.
- ✓ **Disclose each and every thing:** Give your insurance company the correct and complete information, as this is the most common excuse they come up with for rejecting your claim. It's better to let your insurer know everything relevant to your car, even if it's declaring the small changes/additions made in your car.
- ✓ **Speak the truth:** Never provide inaccurate or false information while filing a claim, even if it might reduce your chance of getting it approved. Suppose you got your private car insured but use it for commercial purposes and it gets wrecked. In such a case, no one can get your claim approved; lying will definitely worsen matters. From the insurer's perspective, to lie is deemed as a failure to act with utmost good faith. Consider another scenario: With an intention to lower your premium, you lied to your insurer about the anti-theft device fitted in your car, when it was not. If your insurer gets to know about it, you lose your chances of getting any decent claim amount.
- ✓ **Back up your claim with proof:** Collect photos, documents, contacts of witnesses related to the accident/incident. This will add credibility to your statements about the incident. Here is a checklist for the key documents that you need at the time of making a claim: policy copy, claim form duly signed by the insured, copy of vehicle registration (RC), copy of driving license, FIR in case of car theft, original estimate, original repair invoice and payment receipt (only if the claim is on reimbursement basis). For cashless policies, only claim form needs to be submitted; other documents will be filed by the car service centre (the centre where the car owner decides to get the car repaired).
- ✓ **Invoke the appraisal clause:** Get back to the car policy; take a second look at the clauses again. If you notice that there is an appraisal clause mentioned, then there is an increased chance of realizing a higher claim amount from your insurer. As per this clause, you are entitled to appoint an appraiser to represent your case to the insurer, while the insurer is represented by the insurer's surveyor. These two make the final verdict on the claim dispute.
- ✓ **Register your grievance:** At times you don't get a thing – because you never asked for it. Don't let your insurance company get away with a simple 'no'. If you feel your insurance company had played a trick upon you by not paying up rightly, don't give up easily. Ask them for an appropriate reason justifying the denial in written form; call them; write to them; and follow up until you get a justified response.
- ✓ **Approach the insurance ombudsman:** If your insurer takes your claim-denial grievance lightly, it's time you take the matter to a higher authority. The institution of Insurance Ombudsman was set up by the Government of India to protect the interests of policyholders and address their grievances in a time-bound manner. Do note, however, that the Insurance Ombudsman will not consider your complaint if you have already filed it at any other court or consumer forum.
- ✓ **Install gadgets for proof of accident/damages:** You can install a dashcam that is connected to the ignition of the car. It automatically gets in the 'on' position as the car is started, and turns off on cutting the ignition of the car. This is better than regular cameras, as the recordings come in handy, especially while claiming insurance. They cost ranges from Rs 2,999 to Rs 17,000 apiece.



News Alert: Small Car Owners May Pay More Insurance Premium, Come April 2015

IRDA has proposed a 107.79 per cent hike in third-party insurance premium for small cars (less than 1,000 cc); when notified later, this would come into force with effect from 1 April 2015.

This has become necessary, according to unconfirmed sources, due to increased average compensation paid as death claims in case of small cars rather than big ones. Simply put, owners of small cars including Alto 800 and Tata Nano will have to shell out Rs 426 more as premium than at present and when compared to premium payable for cars above 1,000 cc.

IRDA says that the death-claim size is expected to be higher on policies issued during 2014–15 and 2015–16 and would be settled over the next 8 to 10 years. The regulator has arrived at the average taking into account the number of claims paid over Rs 100,000, and not those claims where the settlement is less than Rs 100,000.

Source: The Hindustan Times

Road Accidents: Most Are Not Supposed to Happen

First, some astounding facts.

The frequency of road accidents in India is 1 in every 60 seconds. These mishaps take a life every 4 minutes or so, and approximately more than 350 people die due to such accidents on a daily basis all over India. Delhi and Chennai top the list for cities with the highest number of road-accident deaths, followed closely by Jaipur, Bengaluru and Mumbai. A very sad fact is that over 20 children (under the age of 14) die every day due to road accidents. Over 50 per cent of the accident victims are aged between 25 and 65, and about 30 per cent are in the age group of 15 to 24.

Top Causes

A report published by National Crime Records Bureau states that India tops the list of countries with the worst road-traffic accident rates. According to the Global Status Report on Road Safety 2013, released by World Health Organization, the major causes of road accidents are speeding, drunken driving, jumping traffic signals, not using helmets and seatbelts, and overtaking on the wrong side. Because human error is mostly at play here, road crashes are arguably the leading cause of preventable deaths in the country.



Precautions and Safety Measures

- **Speed kills:** While you might be comfortable driving at a high speed, it is difficult to gain full control of your vehicle at such speeds. There are speed limits that you must follow, so make sure to adhere to them. While driving at a higher speed or on a highway, do not overtake. Also, be cautious while there is low visibility due to fog or when there are wet roads due to rains. Make sure that you always drive slowly in the vicinity of a school or a hospital.
- **Road rules and signs:** Road rules have been formulated for your safety and caution signs have been put up for your benefit. It is important to follow the road rules, so that traffic is not hindered and major accidents can be avoided. It is equally important to maintain appropriate distance between vehicles. This reduces the incidence of collisions. Use light indicators before taking a turn. Follow the signals, and never skip a red signal. However, irrespective of the signals, give importance to crossing pedestrians, children and ambulances, while you are driving.
Caution signs have been designed so that you can exercise prudence while driving. For instance, take a U-turn at the designated spot. Signs also give you information regarding speed bumps, high-traffic areas, school zones and speed limits. Look out for them.
- **Alcohol and cell phones:** Drunk drivers are prone to accidents since alcohol can slow down your reflexes and cause serious gaps in judgement. Assign a dedicated driver, or call a cab, if necessary. If you do not think you are mentally alert (even without influence), avoid driving. Do not talk or text using a mobile phone while you are behind the wheel. Even a five-second lapse in attention can cause a serious accident.

- **Safety measures:** There are some basic safety measures that you can ignore at your own peril.
 - Seatbelts are designed to ensure that internal and external body injuries are minimized in the event of a collision. They restrict movement, especially reducing the incidence of head injuries. Air bags for the driver and passenger are important too.
 - Never let a child ride along in the front seat of the car. Make sure that they are secured with a seatbelt in the back seat. Consider using car seats for infants.
 - Install anti-skid braking system (ABS) in your car to reduce the incidence of skidding. Also, ensure that the tyres in your vehicle are not worn out. The minimum life-span of a car tyre is said to be between 2 and 5 years (average run of about 45,000 kilometres).
- **Lane driving is sane driving:** Always drive in a lane. Imagine a car between your car and the immediate car in the front, so that at the time of sudden stoppage of traffic you are still able to control the car and prevent damage. Use indicator well in advance if you are going to stop or if you are going to switch to another lane, or if you are going to turn left/right (use of physical hand signal during the day helps). Do not cut through traffic from the extreme left to extreme right, and vice versa. You can be a potential danger to others.



For Pedestrians

According to an estimate by Delhi-based Centre for Science and Environment (CSE), about 40 per cent of Delhi's roads have no sidewalks. Further, Delhi reported 423 pedestrian deaths in 2012, which is much higher compared to Mumbai and Chennai combined.

As a pedestrian, it is important to be vigilant. If you are walking with a child, ensure that you always hold their hand, to prevent them from tripping and falling, or even running on the road.

Here are a few other safety measures:

- **Be identified:** It is important that the drivers can see you, especially after sunset. Avoid wearing dark colours at night; wear bright or reflective colours so that you are clearly visible on the road. This prevents collisions and hit-and-run accidents. Also, in a country like India, where the streets are not always well lit, consider carrying a torch and make sure to cross at a well-lit spot. Stand away from stationary vehicles while crossing, so that the on-coming traffic is able to see you.
- **While crossing/walking on the road:** Avoid crossing the road at underpasses and overbridges. Use the dedicated subways/walk-over bridges. It is important to walk on the pavement. If such pavements are not available, make sure to walk on the right side of the road (beyond the white margin), so that you are facing the flow of traffic. While walking with children, hold their hands and ensure that you come between them and the flowing traffic. Wait for the pedestrian signals while crossing. If there are no signals, look well before you cross. Also, watch out for vehicles wanting to take a turn to your right or left. Look at the road while walking; do not be too engrossed in a conversation (with a companion) or on your mobile phone. Lower the sound of your headphones, so that you are aware of the incoming traffic noises.
- **Identify parked vehicles, especially at dusk/dawn/night:** Parking lights and security alarms have been installed in vehicles for your benefit as well. Be aware of these signals when walking near parking lots and other parking spaces on the road.



Motor Accident Claims Tribunal (MACT)

Motor Accident Claims Tribunals deal with claims relating to loss of life/property and injury cases resulting from motor accidents. The claims are to be directly filed in the concerned tribunal. MACT courts are presided over by judicial officers from the State Higher Judicial Service. These courts are under direct supervision of the high courts.

The following documents should accompany the petition that needs to be filed:

- a) Copy of the FIR registered in connection with said accident, if any
- b) Copy of the medico-legal case (MLC)/post-mortem report/death report, as the case may be
- c) The documents of the identity of the claimants and of the deceased in a death case
- d) Original bills of expenses incurred on the treatment, along with treatment record
- e) Documents of the educational qualifications of the deceased, if any
- f) Disability certificate, if already obtained, in an injury case
- g) Proof of income of the deceased/injured
- h) Documents about the age of the victim
- i) The cover note of the third-party insurance policy (cover note is no more in vogue; this could mean the copy of the policy issued)
- j) An affidavit detailing the relationship of the claimants with the deceased



Hit-and-Run Cases: How They Are Settled

The Motor Vehicles Act, 1988, is a piece of social legislation and its provisions are designed to protect the rights of road-accident victims where the identity of the motor vehicle causing the accident cannot be established. The relevant legal provision is enshrined in Section 161 of the Act where a 'hit-and-run motor accident' is defined as an accident arising out of the use of a motor vehicle or motor vehicles the identity whereof cannot be ascertained in spite of reasonable efforts for the purpose.

This Section provides for payment of compensation (solatium) as follows:

- In respect of the death of any person resulting from a hit-and-run motor accident, now a fixed sum of Rs 25,000
- In respect of grievous hurt to any person resulting from a hit-and-run motor accident, now a fixed sum of Rs 12,500

Claims Procedure

The victim of the 'hit-and-run' vehicle or his legal representative shall make an application to

the claims enquiry officer in the relevant taluka. After due enquiries, the claims enquiry officer will submit a report together with the certificate of post-mortem or the injury certificate to the claims settlement commissioner, who is either the district collector or the deputy commissioner at the district level. He will process the claims and sanction the payment within 15 days from the receipt of report from the claims enquiry officer and communicate the sanction order to the nominated office of the insurance company.

Compensations under hit-and-run accident cases are made from a Solatium Fund which is managed by the Insurance Regulatory and Development Authority or any other agency specified by the Central Government. Insurance companies make such contribution to the fund as the Central Government may, from time to time, by order specify. The administration of claims is done by New India Assurance Co. Ltd, which has nominated one divisional manager in each district at district-level committee, which is headed by the district collector.

(Source: IRDA)