

INSURANCE OF MOTOR VEHICLES AGAINST THIRD PARTY RISKS

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CHAPTER 1:

INTRODUCTION

Insurance is a contract between two persons, an insurer and insured; it is where one person indemnifies the other on payment of consideration which is the premium in the event of happening of uncertain events. There are many kinds of insurances and motor vehicles insurance is one of them and is governed by the Motor Vehicles Act 1939 which later amended in 1988.

These days with the rise in vehicles plying on roads, there has increased the chances of more road accidents. The injured persons- peddlers, rickshaw pullers, other car owners having suffered the damage, claim against the offending motorist. But in many cases the motorist of the offending vehicle is not in a condition to pay to the injured or has no means to pay, this makes the situation worse and injured person is left helpless and cannot recover. To solve this problem England came up with the compulsory third part insurance. Indian statute has been established on the lines of many English statutes. Now every vehicle plying on road has to have compulsory third party insurance so that the insurance company can indemnify the insured against the claims made by the injured person. This was done so that the injured person should not suffer in case the motorist fails to pay to the injured. Under such situations the insurer indemnifies the insured against his liability to third parties. Insurer becomes liable to pay only when the insured's liability is determined.

It is known as third party insurance because the beneficiary in this insurance is someone other than the insured and insurer. The liability is fastened on the insurer, and it is unlimited liability in case death or bodily harm is suffered by the third party. A recent report suggests that a bill has been passed where the liability of the insurer would be limited. Keeping this background in mind, this paper is thus an attempt to explain the importance and object of third party insurance, who is considered as third party? Why it is made compulsory for all vehicles? What is the effect on third party risk in case of transfer of vehicle? Whether insurer can repudiate its claim and if yes under what circumstances? All these aspects will be discussed with the help of various case laws.

1.1. RESEARCH OBJECTIVE

This paper is an endeavor to explain the third party insurance issues and problems in the light of motor vehicles act, 1988. It will look into the extent of liability of the insurer, third party determination.

1.2. RESEARCH QUESTIONS

Following research questions can be framed:

- 1) Who is a third party? Its meaning and whether gratuitous persons are considered “third party”?
- 2) What all is covered under the third party insurance and whether the insured himself is covered or not?
- 3) Liability of insurer and whether the insurer can repudiate its liability, if yes, on what grounds and what are the defenses available to him?
- 4) Whether third party claim ceases on transfer of vehicle and how is the payment of compensation determined?

1.3. RESEARCH METHODOLOGY

The researcher has examined various online sources to understand the concept of third party insurance. The doctrinal method of research has been used taking help of various books, case laws and articles.

1.4. CHAPTERISATION

The first chapter is the introduction to the research topic. The second chapter delves into the meaning and importance of third party insurance, going ahead with the coverage of the policy. The third chapter takes into account the liability of the insurer and how and when can the insurer repudiate this liability. This chapter also focuses on the link between transfer of vehicle and ending of policy against third party. The last fourth chapter is the conclusion.

CHAPTER 2

THIRD PARTY MEANING

Third party insurance is a compulsory insurance under a statute and no person shall use a motor vehicle in a public place unless third party insurance is in place. This has been made amply clear by section 146(1) of the motor vehicles Act, 1988¹. The third party insurance should be from an authorized insurer who is carrying on motor insurance business in India.

2.1 Public place meaning

Public place is a place where public have a right to access, it could be a road, footpath, street etc as defined by section 2(34) of the motor vehicle act, 1988². The act is not bothered with the ownership of a place. The place may be private but we are concerned here with the use of the place as public.

For example, if a worker killed or injured within a factory premises, the claim cannot be rejected on the basis that public has no access to that factory area. (**Lanka v Rajendra AIR 1984 AP 32**)

2.2 Use of a motor vehicle

The use of a motor vehicle is of wider connotation. It will be applicable even when the vehicle is stationary and not moving. The use does not cease on vehicle being immobile or defective³. If a car is parked on road, that also is a use under the act.

In the case of **Oriental Insurance co ltd v Saraswathamma, AIR 2008 (NOC) 1923**, the deceased fell from the lorry while loading goods. Vehicle was stationary and not in use. The court held that the term “use” has been giving a wider meaning and the incident had a

¹ Section 146(1) 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. Explanation.- - A person driving a motor vehicle merely as a paid employee, while there is in force in relation to the use of the vehicle no such policy as is required by this sub- section, shall not be deemed to act in contravention of the sub-section unless he knows or has reason to believe that there is no such policy in force.

² Section 2(34)-“ public place means a road, street, way or other place, whether a thoroughfare or not, to which the public have a right of access, or includes any place or stand at which passengers are picked up or set down by stage carriage”.

³ Dr. Avtar Singh, Law of Insurance, eastern book company, second edition, 2010, pg 191.

reasonable proximity to the use of a motor vehicle. Thus, insurer was held liable to pay compensation.

2.3 Exemptions

Exceptions have been put up regarding those vehicles which are not supposed to take third party insurance. These are:

- 1) Vehicles owned by central or state government unconnected with commercial purpose
- 2) Any local authority
- 3) Any state transport undertaking

These exemptions will be applicable only if a fund is established to meet the claims of third parties in case a situation arises.

2.4 WHO IS A THIRD PARTY?

The term third party as such is not defined in the motor vehicles act; it simply says that third party includes government⁴. So we can assume that third party covers everyone except the insured and insurer including the gratuitous persons, pillion riders, persons travelling in another vehicle, person walking on road. But is this assumption correct?

The simple plain reading of the section 147 would represent that “any person” can be a gratuitous person also⁵. But by following the order of cases decided during 1939, after 1988 and post 1994 amendment, shows that the 1934 amendment makes it clear that gratuitous

⁴ Section 145(g) of motor vehicles act, 1988

⁵ Section 147- **Requirement of policies and limits of liability.** – (1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which -
(a) is issued by a person who is an authorised insurer; and
(b) insures the person or classes of persons specified in the policy to the extent specified in sub – section (2) –
(i) against any liability which may be incurred by him in respect of the death of or bodily injury to any person, including owner of the goods or his authorised representative carried in the vehicle] or damage to any property of a third party caused by or arising out of the use of the vehicle in a public place ;
(ii) against the death of or bodily injury to any passenger of a public service vehicle caused by or arising out of the use of the vehicle in a public place;

passengers are not covered as third party unless they are travelling on hire or reward in a public service vehicle⁶.

2.4.1 Gratuitous persons in goods vehicle

In the case of **New India Assurance Co. Ltd v Shri Satpal Singh AIR 2000**, where a 10 year old girl met with an accident while travelling in a truck in the year 1990 prior to the amendment of 1994. The MACT awarded compensation of Rupees 25,000. This was challenged by insurer. Question arises whether gratuitous persons in a goods vehicle are covered by third party insurance?

The court stated that the section 147 of the act covers “any person” and we cannot exclude gratuitous persons under it.

- Another case post amendment 1994 was **National Insurance Co. Ltd v Baljit Kaur AIR 2004**, here a 16 year old victim died while travelling in a truck because the driver was driving rashly and negligently driving. Issue arose whether insurer is liable?

Court looked into the meaning of amended section which reads insurer is liable against the liability of any person including the owner of goods or authorized representative carried in the vehicle.

Proviso added says that insurer will not be liable to compensate a person carried in a vehicle being a goods carriage.

Court held that the legislature has made their intention clear by covering owner of goods or authorized represented as third party. If gratuitous person has been included then would have been mentioned in the section. Moreover goods carriage means carrying of goods and carrying of passengers is not contemplated by the act. Held that insured is liable. And insurer can later recover from insured.

⁶ Section 2 (35) of moto vehicles act,1988- Public service vehicle means any motor vehicle used or adapted to be used for the carriage of passengers for hire or reward and includes a maxicab, motor cab, stage carriage and contract carriage.

So the position of passengers regarding goods vehicle has been made clear. The persons traveling in a goods vehicle except owner of the goods or his authorized representative would not be covered by the compulsory third party insurance.

2.4.2. Gratuitous passengers in a private vehicle

The position remains quite clear with respect to goods vehicle, but is it applicable in the case of private vehicle?

- In the case of **United India Insurance Ltd v Tilak Singh AIR 2006**, one scooter was insured by the appellant insurance company. The said scooter was then sold to respondent and registration was transferred in 1989. Both the purchaser and owner did not inform about the transfer to insurer. The said scooter met with an accident killing a pillion rider on it.

The insurer repudiated the liability stating that the news of transfer was not disclosed to the company and hence not liable to pay.

The court said that the policy does not cease on transferring the vehicle and it is not compulsory to inform the insurer because the purpose of the act is to secure the victim or legal representatives of third party. However, court held that gratuitous persons will remain gratuitous persons whether travelling in a goods vehicle or private vehicle. So the insurer was held not liable. The gratuitous passengers in a private vehicle cannot be covered even if they travel for hire or for reward because for hire or for reward is with respect to public service vehicle only.

Similarly, where a person was travelling in a jeep with the driver and died due to jeep accident. Court held that insurer is not liable on the grounds that the deceased was travelling for free, not on hire or reward. He was not covered by the insurance company by paying additional premium.

The position remained somewhat same in today's scenario too. Gratuitous passengers are not covered under third party insurance as that would render superfluous the intention of the legislature which has taken within its purview the owner of the goods or his authorized representative carried in the vehicle. The premise that "gratuitous person" do not find mention in the provision is an ample proof of the intention of the legislature to not to cover such persons.

2.5. The coverage of third party insurance

The coverage of the insurance is limited under three conditions only:

- 1) Bodily injury to third party(including owner of the goods or authorized representative of goods vehicle)
- 2) Death of third party
- 3) Property damage of such third party

The section lays down that the act will cover only these above mentioned conditions and will be liable only under these three situations. But does it include the insured himself in the event of his injury or damage to the vehicle?

The act does not cover the insured person unless there is a contract between the insurer and insured to cover insured personally. The third party insurance is a policy whereby the insured person does not get any compensation. It is a piece of social legislation where insurance company indemnifies the insured but does not compensate for his own damage or injury. It is not a comprehensive policy cover.

Certificate of insurance: Section 147(3) says that the policy of insurance shall be of no force until and unless a certificate of insurance is delivered to the person by whom the policy is effected. The certificate is in a prescribed form and contains such particulars of conditions subject to which the policy is issued. It is a piece of evidence stating that the assured has a policy of insurance required by the authorities.

CHAPTER 3:

THE EXTENT OF LIABILITY OF THE INSURER

Section 147 lays down the insurer's liability against the third party.

It is unlimited liability of the insurer in case death or bodily injury occurs to the third party. On the other hand, in case of property damage, the limit is 6000 rupees⁷.

⁷ Supra note 4.

The liability is under workmen's compensation act in case of death or bodily injury to an employee of the insured in the course of employment if they fall under following sub heads-

- such employee is engaged in driving a vehicle
- If such an employee is engaged as a conductor or ticket checker in the public service vehicle
- If it is a goods carriage, carried in the vehicle
- To cover any contractual liability

Insurer can be made liable for a higher amount if there is a contract between insurer and insured.

- **Oriental Insurance Co. v Inderjit Kaur AIR 1997**, Under contractual liability, if insurer has agreed to insure a bus without taking premium, the insurer will still be held liable to indemnify the insured as held Insurer cannot avoid the policy on the ground that insured did not pay the premium.

However, the liability of the insurer is not absolute. It is to be noted that the liability of the insurer arises only when the liability of the insured is proved in the court of law. The claimant has to show that the owner of the offending vehicle was at fault when accident happened. If the driver or insured succeeds in establishing that the driver was not rash and negligent, or they are not liable, the insurer automatically absolves from the liability. The case starts with the process of filing an FIR with the police and obtaining a charge sheet and then presenting it before a special court- motor accidents claims tribunal. The claimant has to prove that the offending party (insured) was at fault when accident occurred.

3.1. Satisfaction of award and Repudiation of the liability

The insurer has to satisfy the award passed against the insured subject to following conditions:

- 1) A certificate of insurance has been delivered to the policy holder.
- 2) There is an award against the insured.
- 3) The award is in respect of liability which is covered in the act.
- 4) The said liability is covered by the terms of the policy.

Moreover, the insurer also has a statutory right to repudiate the liability. However, the defenses available to him have to be within section 149 only⁸.

Thus, insurance companies have been allowed the following defences:

- 1) Use of vehicle for hire or for reward when at the time of accident, such vehicle was not permitted to ply for hire or for reward.
- 2) For organizing racing or speed testing
- 3) Use of transport vehicle not allowed for permit.
- 4) Driver not holding license or disqualified from holding a license.
- 5) Policy taken is void because of non disclosure of material fact.
- 6) Injury caused or contributed by civil commotion, civil war, and riot.

If there are conditions specified in the policy, breach of such conditions would absolve the insurer from liability.

.1.1 No license or fake license

Where while hiring the driver for the vehicle the owner took proper care and investigated that driver has a license and driver is competent to drive, later if accident occurs, the insurer cannot repudiate the liability if the driving license was proved to be fake. But insurer can repudiate the claim if he proves that the insured was privy to the fake character of license. The breach should be within the knowledge of the insured owner⁹.

⁸ Section 149(2)(a)- (a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely :-

(i) a condition excluding the use of the vehicle -

(a) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward, or

(b) for organised racing and speed testing, or

(c) for a purpose not allowed by the permit under which the vehicle is used, where the vehicle is a transport vehicle, or

(d) without side-car being attached where the vehicle is a motor cycle; or

(ii) a condition excluding driving by a named person or persons or by any person who is not duly licenced, or by any person who has been disqualified for holding or obtaining a driving licence during the period of disqualification; or

(iii) a condition excluding liability for injury caused or contributed to by conditions of war, civil war, riot or civil commotion; or

⁹ United India insurance co. ltd v. Lehra (2003) 3 SCC 338.

The vehicle was not permit to ply for hire or reward, user could use it for agricultural purposes. But user gave it to some person for hire and accident occurred, held that the insurer is not liable as it was a breach of specified condition.

If there is a condition “to take all care and due diligence while driving and to keep sober and steady drivers” then if a driver drives under the influence of alcohol and meets with an accident, insurer can repudiate the liability.

- **Madras motor and general insurance ltd vs. Madathi Ammal AIR 1975 Mad. 250**

Where accident occurs by a person not holding a license at the time of accident, but the person is not disqualified for holding a license. The insurer cannot exonerate him from the liability

- **Vaidyanatha Pillai v. Narasimhan AIR 1989 Mad 330**

The owner of the car had employed a regular driver. The cleaner of the vehicle without the knowledge of the owner and regular driver, drove the car and caused accident. Here, the owner took reasonable care to entrust the vehicle to the qualified driver. Hence the insurer cannot repudiate the liability.

- **S. Iyyapan vs. United India Insurance Company and Others 2013**

Deceased Charles was riding his bicycle when a person driving Mahindra maxi cab hit him and Charles died. The question arose for payment of compensation by insurance company, the company repudiated the claim stating that at the time of accident the respondent was holding a license to drive light motor vehicle and not transport vehicle/commercial which is Mahindra maxi cab, hence there is a breach of policy conditions and insurance company is not liable.

MACT awarded compensation in favour of legal representatives of deceased stating that a person who has a license to drive light motor vehicle can drive a Mahindra maxi cab and doesn't require a different license. However the insurance company preferred an appeal to High Court which reversed the order of tribunal and stated that the person driving a commercial vehicle requires an appropriate license and thus there was a breach of policy condition, insurance company is absolved from the liability.

Claimants approached the Supreme Court by special leave. Supreme Court held that High Court has committed a major fault in exonerating insurer's liability. The driver was holding a valid license for light motor vehicles. Merely because there was no endorsement on the license to drive commercial vehicle the insurer cannot escape from liability.

- **Pepsu RTC v. National Insurance co. (2013) 10 SCC 217**

Insurer's defence that driver had fake driving licence at time of accident in breach of conditions is not sufficient to avoid liability. Onus is still on insurer to prove that owner failed to take reasonable care in employing a qualified and competent driver. If owner exercised reasonable care, he need not further verify the genuineness of license, unless at the time of taking insurance, he has been asked by the insurer.

.1.2 Duty to disclose

This duty is to disclose material facts. Material facts are those which are relevant for the case. Woman while taking insurance knew that her husband who would be driving her car regularly had been involved in a number of accidents, did not disclose this fact to the insurer. The court held that the insurer could avoid liability on this ground.

Where one of the questions in a proposal form was whether the driver of the owner had been convicted in connection with the driving of the vehicle and the answer was no. The court held that the answer was not false if the driver of the owner had been convicted in the case of not having side rear view mirror.

3.2 Transfer of vehicle

Does the third party liability cease on the transfer of vehicle insured or it continues with the new purchaser?

In **Shantilal v. Aler Bharadwaj AIR 1985 Guj 164 (FB)**, the insured transferred the insured vehicle on 2 March 1978 without intimation to the insurer. Accident occurred on 5 March 1978. It was held that motor vehicle insurance being a personal contract, the insured cannot transfer the benefits under the policy without the consent of the insurer, or unless there is a stipulation in the policy itself. The liability thus ceases on transfer.

However, Section 157 of the 1988 act made all the difference. The section says that when the owner transfers the vehicle, the certificate of insurance and the policy of insurance shall be deemed to be transferred in the name of the new purchaser¹⁰.

However, the transferee has to apply within 14 days from the date of transfer to the insurer for making necessary changes with respect to policy of insurance and certificate of insurance.

But does it mean that in case the insured or new purchaser do not intimate about the transfer to the insurer, the insurer absolves from the liability?

This has been discussed in the latest case of **Rikhi Ram v. Sukhrania (2003) 3 SCC 97**, Here a rickshaw puller by profession died due to accident with a motor cycle driven rashly by Rikhi Ram. The representatives of the deceased filed a petition before MACT. It was held that since the registered owners have transferred the motor cycle to the appellants namely rikhi ram and did not intimate the insurer about the said transfer, the insurer is not liable to pay rather appellants have to compensate the claimants. Hence the appeal by the appellants, in appeal, the Court held that the compulsory third party insurance is for the benefit of the third party and it does not get effected by the provisions of the act. The liability of the insurer does not cease on transfer.

3.3 PAYMENT OF COMPENSATION

The insurer is made responsible to satisfy the award and decree passed by the tribunal against the insured by the virtue of section 149 of the Motor Vehicles Act, 1988. The section elucidates that insurer must compensate the victim or whosoever is entitled under the policy even though the insurance company is entitled to avoid the policy or cancel the policy. But insurer won't be liable if he establishes the defences available to him hereinabove mentioned.

However, the imposition of this liability does not keep insurance company under any loss because section 149(5) states indisputably that insurer company first pay to the insured and

¹⁰ Section 157, **Transfer of certificate of insurance.** – (1) Where a person in whose favour the certificate of insurance has been issued in accordance with the provisions of this Chapter transfer to another person the ownership of the another vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

then can recover from him as well¹¹. Meaning thereby that insurer is liable to pay only because the policy of insurance is in force with respect to the vehicle and insurer is entitled to recover from the insured any amount which he is not liable to pay by virtue of the contract of insurance. The payment of compensation has to be paid because payment is not optional.

In the case of National Insurance Co. Ltd v Jethu Ram (1999) 9 SCC 62, the court opined that if the insurance company is not liable for the amount under the policy, then the company will be entitled to be reimbursed by the owner for the amount paid by the insurance company.

In yet another case on this point, a boy was working as a coolie on a goods vehicle namely tractor. The boy died due to accident while travelling in such goods vehicle, the Court held that insurer is not liable for the death of a boy as he was a gratuitous person, but insurer must pay the amount to the claimant and then later recover the amount from the owner¹².

There are conditions also where the insurer must not pay, these are:

- The insurer is not liable to pay any compensation where he has not been given a notice before or after the commencement of proceedings in which judgment is given.
- Execution on the judgment is stayed pending an appeal.

The Amount of compensation is provided under Second Schedule of the Motor Vehicles Act, 1988¹³. The second schedule is taken as a guide. It includes a multiplier and compensation is decided taking in view the age of the victim and if he was earning then the income of the victim too. Other than that, various other circumstances are also taken into consideration for example, the age of dependants, chances of promotion, life expectancy etc.

The amount is different for death and for permanent disability. The definition of permanent disability is to be incorporated from the workmen's compensation act¹⁴.

¹¹ Section 149(5) - If the amount which an insurer becomes liable under this section to pay in respect of a liability incurred by a person insured by a policy exceeds the amount for which the insurer would apart from the provisions of this section be liable under the policy in respect of that liability, the insurer shall be entitled to recover the excess from that person.

¹² United India Insurance co Ltd v Suryakanta Bai, AIR 2008 (NOC) 1906 Bom

¹³ The Second Schedule is hereby annexed as annexure A.

¹⁴ Section 2(g) of Workmen's compensation Act 1923 - "partial disablement" means, where the disablement is of a temporary nature, such disablement as reduces the earning capacity of a workman in any employment in which he was engaged at the time of the accident resulting in the disablement, and, where the disablement is of a

Section 163-A says that in case of compensation, the claimant does not have to establish the fault of the owner.

In the case of **Sarla Verma v Delhi Transport Corporation (2009) 3 Supreme 487**, the court stated that multiplier method is the best method and loss has to be ascertained by first determining the monthly income of the deceased and thus assessing the loss to the dependants of the deceased. The annual dependency assessed is then multiplied by the use of an appropriate multiplier.

However, the Second Schedule is seen with manifest defects. For example, in the second schedule, the age of the victim is given 15 years and multiplier is also 15, the income is 3000, so 3000 multiplied by 15 is 45,000 but it is given as 60,000.

So the schedule can be used only as a guide and cannot be treated as a bible for deciding the compensation.

CHAPTER 4

CONCLUSION

The researcher has tried to analyze the compulsory third party insurance. It is a piece of welfare legislation for the benefit of third party. It has been made compulsory for all the vehicles plying on roads so that victims of road accidents do not suffer loss. Third party is at a risk when they cannot recover from the offending vehicle because sometimes even they have no means to pay. Many a times, the victims are not aware of this policy. The insured has to disclose this to the third party.

With respect to the unlimited liability of the insurers, they have showed their discomfort with fastening such a liability on them. To tackle this, it is required to set up a centralized database for claims relating to deaths, injuries, permanent or partial disability to keep a check on the claims. It is also advisable to look into the false/bogus claims made by the claimants and also to review the progress of the investigators dealing with the third party claims. The authorities

permanent nature, such disablement as reduces his earning capacity in every employment which he was capable of undertaking at that time:

need to be pro-active to identify the motor vehicles that are without the insurance, although the vehicle is compulsorily insured when the registration takes place. The MACT should take it upon itself to provide speedy disposal of cases.

Moreover, the premium that is taken from the insured for the third party insurance is fixed by the government and not by the insurer which is very low keeping in mind the unlimited liability of the insurer.

ANNEXURE A

SCHEDULE FOR COMPENSATION FOR THIRD PARTY FATAL ACCIDENT/INJURY CASES CLAIMS

1. Fatal Accidents:

Annual Income		Rs. 300	Rs. 420	Rs. 540	Rs. 6600	Rs. 7800	Rs. 900	Rs. 1020	Rs. 1140	Rs. 1200	Rs. 1800	Rs. 2400	Rs. 3600	Rs. 4000
		0	0	0		0	0	0	0	0	0	0	0	0
AGE OF VICTIM	MULTIPLIER	RUPEES IN (THOUSANDS)												
		Compensation in case of death												
		Rs	Rs.	Rs.	Rs.	Rs.	Rs	Rs	i. Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Up to 15 yrs.	15	60	84	108	132	156	180	204	228	240	360	480	720	800
Above 15 yrs. but not exdgd. 20 yrs.	16	57	79.8	102	125.4	148.2	171	193.8	216.6	228	342	456	684	760
Above 20 yrs. but not	17	54	75.6	97.2	118.6	140.4	162	183.6	205.2	216	324	432	648	720

exdg. 25 yrs.														
Above 25 yrs. but not exdg. 30 yrs.	18	51	71.4	91.8	112.2	132.6	153	173.4	193.8	204	306	408	612	680
Above 30 yrs. but not exdg. 35 yrs.	17	50	67.2	86.4	105.6	124.8	144	163.2	192.4	192	288	384	576	640
Above 35 yrs. but not exdg. 40 yrs.	16	50	63	81	95	117	135	153	171	180	270	380	540	600
Above 40 yrs. but not exdg. 45 yrs.	15	50	58.8	75.6	92.4	109.2	126	142.8	159.6	168	252	336	504	560
Above 45 yrs. but not exdg. 50 yrs.	13	50	50.4	64.8	79.2	93.6	108	122.4	136.8	144	216	286	432	480
Above 50 yrs. but not	11	50	50	54	66	78	90	102	114	120	180	240	360	400

exdg. 55 yrs.															
Above 55 yrs. but not exdg. 60 yrs.	8	50	50	50	52.8	62.4	72	81.6	91.2	96	114	192	286	320	
Above 60 yrs. but not exdg. 65 yrs.	5	50	50	50	50	50	54	61.2	68.4	72	108	144	216	240	
Above 65 yrs.	5	50	50	50	50	50	50	51	57	60	90	120	180	200	

Note: The amount of compensation so arrived at in the case of fatal accident claims shall be reduced by 1/3rd in consideration of the expenses which the victim would have incurred towards maintaining himself had he been alive.

2. Amount of compensation shall not be less than Rs. 50,000.

3. General Damage (in case of death):

The following General Damages shall be payable in addition to compensation outlined above:

(i) Funeral expenses -Rs. 2,000/-

(ii) Loss of Consortium, if beneficiary is the spouse -Rs. 5,000/-

(iii) Loss of Estate -Rs. 2,500/-

(iv) Medical Expenses-Actual expenses incurred before death supported by bills/vouchers but not exceeding -Rs. 15,000/-

4. General Damages in case of Injuries and Disabilities:

(i) Pain and Sufferings

(a) Grievous injuries -Rs. 5,000/-

(b) Non-grievous injuries -Rs. 1,000/-

(ii) Medical Expenses-Actual expenses incurred supported by bills/vouchers but not exceeding as one time payment -Rs. 15,000/-

5. Disability in non-fatal accidents:

The following compensation shall be payable in case of disability to the victim arising on of non-fatal accidents: Loss of income, if any, for actual period of disablement not exceeding fifty two weeks.

PLUS either of the following:-

(a) In case of permanent total disablement the amount payable shall be arrived at by multiplying the annual loss of income by the Multiplier applicable to the age on the date of determining the compensation, or

(b) In case of permanent partial disablement such percentage of compensation which would have been payable in the case of permanent total disablement as specified under item (a) above.

Injuries deemed to result in Permanent Total Disablement/Permanent Partial Disablement and percentage of loss of earning capacity shall be as per Schedule I under Workmen's Compensation Act, 1923.

6. Notional income for compensation to those who had no income prior to accident:-

Fatal and disability in non-fatal accidents:-

(a) Non-earning persons -Rs. 15,000 p.a

(b) Spouse -Rs. 1/3rd of income of the earning/surviving spouse.

In case of other injuries only "General Damage" as applicable.]

