



No. RT-11031/01/2011-MVL

Government of India

Ministry of Road Transport and Highways

Transport Bhawan, 1 Parliament Street, New Delhi - 110001

New Delhi, the 31st January, 2019

To

- (i) The Chief Secretaries of all States/ Administrators of UTs.
- (ii) The Director General of Police of all the States/UT Administrations

Subject: Issues relating to the Compulsory Third Party Insurance of Motor Vehicles - Regr

Madam/Sir,

I am directed to refer to the subject mentioned above and to state that it has come to notice that the vehicles owners don't renew their insurance policy after a certain period of time in many of the cases, which results in a higher disproportionate burden of insurance premium on certain other classes of vehicles.

2. As per Section 146 of the Motor Vehicles Act, 1988, it is mandatory to insure every Motor vehicle Against Third Party Risks. It provides that "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".

3. The information relating to the 3rd party insurance of the Motor Vehicles, when done at the time of initial sale (new vehicles) or renewal of 3rd party insurance is being updated on the VAHAN database by the Insurance Information Bureau (IIB) on a continuous basis. Therefore, this updated information is available for the vehicles having a valid 3rd party insurance cover or otherwise. Further, in the Standard Operating Procedure (SoP) "For validation of Driving Licence, Registration Certificate and other transport related documents including the insurance information presented in Electronic form through IT or mobile app platform" issued on 17.12.2018 (copy enclosed), the availability and verification of such documents through an online mechanism by the enforcement agencies has been prescribed.

4. Further, the enforcement agencies like the Transport Department and the Police have access to the complete database of the vehicles available on the VAHAN database platform of the Ministry. Thus availability/ non-availability of the mandatory 3rd party insurance of vehicles can be easily tracked and monitored.

5. In view of the above, it is requested to review the availability of mandatory 3rd party insurance for Motor Vehicles and its effective implementation as per the Motor Vehicles Act, 1988. The progress may be intimated to the Ministry. This issues with the approval of the Secretary (RTH).

Encl: As above

Yours faithfully,

(Ramandeep Chowdhary)
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Copy to:

1. Chairman, Insurance Regulatory and Development Authority of India.
2. Shri Gautam Ghosh DDG, National Informatics Centre, Delhi.