

SECTIONS OF M.V. ACT RELEVANT TO INSURANCE

Amended Section as per M.V. Amendment Act, 2019	
Sec. 3	No person shall drive a vehicle without valid Driving Licence
Sec. 4	<p>(1) No person under the age of 18 years shall drive a vehicle in a public place. Motorcycle with engine capacity less than 50 cc can be driven by a person who has completed 16 years.</p> <p>(2) No person under 20 years can drive a Transport Vehicle</p> <p>(3) No person shall be issued a Learner's Licence unless he is eligible to drive the particular class of vehicle.</p>
Sec. 5	No owner of vehicle shall allow a person to drive a vehicle without a valid Driving Licence
Sec.146	<p>Compulsory Third Party Insurance :</p> <p>1) No Vehicle shall ply on a public place without a valid Third Party Insurance</p> <p>2) For vehicles carrying hazardous goods, Public Liability Insurance (Act Policy) is mandatory.</p> <p>3) Govt Vehicles are exempted from compulsory TP Insurance</p>
Sec.147	<p>Requirements of a Third Party Insurance Policy – Should cover</p> <p>(a) Bodily injury or Death to any Third Party, including owner of representative of Goods carried in the vehicle</p> <p>(b) Third Party Property Damage</p> <p>(c) Bodily injury or Death to any fare paying passenger carried in a Passenger Service Vehicle (except gratuitous passengers)</p>
Sec.149	<p>(1) Insurance Company to designate an Officer for settlement of claim.</p> <p>(2) Designated Office to give an offer of settlement to the Tribunal within 30 days of receipt of claim intimation.</p> <p>(3) (a) If Claimant accepts the Offer :</p> <p>(i) tribunal has to record the settlement and pass Order.</p> <p>(ii) Insurance Company has to deposit the offered amount within 30 days of receipt of Order.</p> <p>(b) If claimant rejects the offer, tribunal has to fix a hearing date for adjudication of the case on merits</p>
Sec.150	(1) Duty of Insurer to satisfy the Award passed by Court alongwith interest and costs to the decree holder (irrespective of whether the Insurer is entitled to cancel the policy or has actually cancelled the policy)
Sec.150	<p>(2) Insurer is not liable to pay any amount under the policy unless Notice of proceedings has been issued to the Insurer by Court before commencement of trial and an opportunity is provided to defend the case on the following grounds :</p> <p>a) Breach of Policy conditions :</p> <p>(i) Condition which excludes the use of vehicle for</p> <p>A – Hire of Reward (where the permit does not allow plying for Hire of Reward.</p> <p>B – Organised Racing/Speed Testing</p> <p>C – For any purpose not allowed by the Permit</p> <p>D – Without side car where the vehicle is a two wheeler</p>

	<p>(ii) Condition excluding driving of vehicle by a person who does not hold a valid Driving Licence or is disqualified from holding a Driving Licence or was driving under the influence of alcohol.</p> <p>(iii) A condition excluding Liability for War and allied perils</p> <p>b) Policy obtained by non-disclosure of material fact or false disclosure</p> <p>c) Non-receipt of Premium as per Sec.64VB of Insurance Act, 1938</p> <p>(6) Duty of owner of Vehicle to provide details of Insurance Policy to the Court/Tribunal if the claimant is unaware of the policy details.</p>
Sec.151	Insolvency of Insured – Rights of Third Parties against Insured is protected even if Insured becomes Insolvent. In such a case, Right of Insured against the Insurer shall be transferred to the Third Party claimant.
Sec.152	Duty of Insured to provide details of Insurance to claimant. Duty of Legal Heirs/Successors to provide details of Insurance to Claimant if the Insured dies or becomes insolvent
Sec.153	Settlement between Insured and Insurers : 1) No settlement made between Insured and Insurers shall be valid unless the Claimant is a party to the settlement 2) Tribunal to ensure that such settlement is fair and reasonable 3) No settlement between Insured and Insurer made after the Insured has become insolvent, shall be binding on any Third Party.
Sec.155	In case of death of Insured after the accident, the liability of the Insured toward Third Party shall continue on the legal heirs of the deceased.
Sec.157	(i) When ownership of vehicle is transferred in R.C., Policy of insurance is deemed to have been transferred to the new owner of vehicle from the date of transfer of ownership. (ii) A person to whom the ownership of vehicle is transferred shall make an application to the Insurer within 14 days of such transfer for Name Transfer in the policy.
Sec.159	Duty of Police Officer to submit Accident Information Report to the Tribunal and any other Agency concerned, within 3 months of accident.
Sec.160	Duty of Police Officer/RTO to furnish particulars of vehicle, persons injured, owner of vehicle etc. to claimant and insurer.
Sec.161	Hit and Run case – Death Rs.2,00,000/- Grievious Hurt Rs.50,000/-
Sec.163	Refund of Compensation paid under Sec.161 if compensation is received under any other section.
Sec.164	Compensation for Death and Grievious injury
Sec. 164 (1)	Death Rs.5 lakhs ; Grievious Injury – Rs.2.5 lakhs
Sec. 164 (2)	No need to prove negligence if claimed under Sec.164 (1)
Sec. 164 (3)	If compensation is received under any other section or any other Law, the same shall be adjusted against the compensation payable under Sec.164
Sec 164B	Motor Vehicle Accident Fund – to treat accident victims and pay compensation under Sec.161 (Hit and Run cases)
Sec.165	Constitution of Claims Tribunals
Sec.166	Application for compensation, place where application can be filed, time limit for applying for compensation (within 6 months from date of accident)
Sec.167	Option to claim under W.C. Act or MV ACT (in respect of workmen) and not under both.

Sec.168	<p>1) Award of compensation by tribunal</p> <p>2) Copy of Award to be provided by Tribunal to all parties within 15 days of Award</p> <p>3) Compensation should be deposited within 30 days of announcing of Award</p>
Sec.169	Powers of Claims Tribunal to conduct proceedings – similar to Civil Court
Sec.170	<p>Rights of Insurer to contest the claims on all grounds available to the insured (in addition to Insurer's defence under Sec.150 (2) in case of</p> <p>a) collusion between claimant and insured</p> <p>b) in case insured has become ex-parte</p>
Sec.171	Award of interest on compensation from the date of petition
Sec.172	Award of Special Costs (similar to penalty) in case of false claim or misrepresentation by any party, not exceeding Rs.1000/-
Sec.173	<ul style="list-style-type: none"> • Appeals – Any aggrieved party can prefer Appeal in High Court within <u>90 days</u> of the Award. • Respondent to deposit Rs.25,000/- or 50% of the Award, <u>whichever is less</u>, before filing Appeal. • Appeal cannot be filed if Award amount is <u>less than Rs.1 lakh</u>
Sec.174	Amount due from any person towards an Award shall be recovered by the Tribunal through the Collector similar to arrears of Land Revenue.