

Motor Vehicles Act, 1988 - Motor Accidents Claims - Claims Tribunals

The Motor Vehicles Act, 1988 is a comprehensive statute that governs motor vehicles, road transport, traffic regulations, and motor accident claims in India. The Act provides a mechanism for the compensation of victims in motor vehicle accidents through a specialized body known as the Motor Accidents Claims Tribunal (MACT).

Motor Accidents Claims and Claims Tribunals

The provisions related to Motor Accidents Claims are primarily found under Chapter 10 (Sections 165-173) of the Motor Vehicles Act, 1988, which lays down the procedure for filing claims and seeking compensation for injury, death, or damage caused in motor vehicle accidents.

Key Provisions:

1. Establishment of Claims Tribunals (Section 165):

- A Motor Accidents Claims Tribunal (MACT) is set up in each district, as per Section 165 of the Motor Vehicles Act.
- It is a quasi-judicial body that provides compensation for victims of motor vehicle accidents.
- The Chairman of the tribunal is typically a District Judge, and the members may include legal experts or persons with expertise in the field of motor vehicles or traffic accidents.

2. Jurisdiction (Section 166):

- The Claims Tribunal has jurisdiction to entertain applications for compensation if:
 - The accident occurred within its territorial jurisdiction.
 - The claim relates to a motor vehicle registered within that jurisdiction.
 - The accident involved a public service vehicle, motor vehicle, or transport vehicle.



- The Tribunal has the power to award compensation for:
 - Death caused due to a motor vehicle accident.
 - Injury sustained in a motor vehicle accident.
 - Damage to property due to a motor vehicle accident.

3. Filing of Claims (Section 166):

- A claim for compensation may be made to the tribunal by:
 - The victim (injured party or deceased's family).
 - The legal representative of the deceased.
 - Third parties (for damage to property).
 - The owner/driver of the vehicle or insurance company.

4. Mode of Compensation:

- The Tribunal will award compensation based on factors such as the severity of the injury, medical expenses, loss of income, pain and suffering, and in the case of death, the age and dependents of the deceased.
- The tribunal can take into account the Income Tax Returns (ITR) of the injured or deceased person to assess loss of income.
- Structured Compensation: The tribunal often calculates compensation based on structured formulas, particularly in cases of death and permanent disability.

5. Liability of Insurance Companies:

- In cases where the motor vehicle is insured, the insurance company is held liable to compensate the victim under the terms of the insurance policy.
- The insurer may be required to pay the compensation in case the owner/driver is found at fault, unless the policy provides for an exclusion clause (e.g., if the driver was under the influence of alcohol).

6. Limitation Period:

- The application for compensation must be filed within 6 months from the date of the accident. However, the tribunal may allow an extension if there is a valid reason for the delay.



Case Law: New India Assurance Co. Ltd. v. Shanti Pathak (2007)

In this case, the Supreme Court held that insurance companies are liable to compensate the victims even if the driver of the vehicle was not in possession of a valid license. However, the insurance company could recover the amount from the owner/driver.

Case law: K. V. Rajendra Kumar v. New India Assurance Co. Ltd. (1999)

In this case, the Court established the principle of "no-fault liability" where insurance companies are required to pay compensation regardless of who was at fault in the accident.

Liability without Fault and Third-Party Risks under the Motor Vehicles Act, 1988

The Motor Vehicles Act, 1988 contains provisions that impose "liability without fault" for certain types of accidents and risks. This means that in certain circumstances, a party (typically the owner or insurer of the vehicle) may be required to compensate the victim, even if the vehicle owner was not negligent.

Liability Without Fault (Section 140):

1. **No-Fault Liability:** Under Section 140, the Act provides a "no-fault liability" provision, which makes the owner of the vehicle or the insurer liable to pay compensation for injuries or death caused by motor accidents, irrespective of the fault of the person involved in the accident.
 - Purpose: This provision is aimed at providing immediate relief to the victims of motor accidents without the need for protracted litigation or determining fault.
 - Compensation Amount:
 - The compensation in the case of death is ₹50,000.
 - The compensation in the case of grievous injury is ₹25,000.
 - This amount is payable irrespective of fault by the party responsible for the accident.



2. Scope of Section 140:

- Accidents involving motor vehicles: The provision covers any motor accident, including those involving public and private vehicles.
- Exclusions: The provision does not apply in cases where the accident was caused by intentional misconduct, such as deliberate harm or criminal activity, or in the case of accidents caused by mechanical failures unrelated to the driver's actions.

Case Law: State of Haryana v. Jasbir Kaur (2003)

In this case, the Supreme Court upheld the principle of no-fault liability under Section 140 and clarified that the liability applies regardless of whether the person at fault can be identified, and whether the vehicle was being driven in an authorized manner or not.

Third-Party Risks under the Motor Vehicles Act, 1988

The Act provides a framework for ensuring compensation to third-party victims involved in motor vehicle accidents, whether or not they were at fault.

Key Provisions Related to Third-Party Risks:

1. Third-Party Insurance (Section 146):

- Mandatory Insurance: As per Section 146 of the Motor Vehicles Act, every motor vehicle must be insured against third-party risks. This includes risks of death, injury, or property damage to third parties.
- The owner of the vehicle is required to obtain insurance covering third-party liability for:
 - Injury or death of any person (including pedestrians and passengers).
 - Damage to property of any third party (excluding the vehicle itself).

2. Scope of Third-Party Liability:

- Extent of Liability: The insurance covers the liability for injuries, deaths, and damage caused to third parties by the use of the motor vehicle, regardless of the vehicle owner's fault.



- Exclusions: Third-party insurance does not cover damages to the owner or driver, nor does it cover damages resulting from negligence or recklessness on the part of the insured person.

3. Claims for Third-Party Compensation:

- In case of third-party injury or death, the victim can file a claim with the Motor Accident Claims Tribunal (MACT). If the vehicle owner is insured, the insurer will pay the compensation.
- In case of property damage, the third party can also claim compensation from the owner or the insurer.

Case Law: United India Insurance Co. Ltd. v. H.S. Khosla (2009)

In this case, the Supreme Court emphasized that third-party insurance is compulsory under the Motor Vehicles Act and is intended to protect victims of accidents, regardless of the fault of the vehicle owner.

Case Law: National Insurance Co. Ltd. v. Swaran Singh (2004)

In this case, the Supreme Court held that the insurance company is liable to pay compensation to the third-party victim even if the vehicle owner violates the terms of the insurance contract (e.g., driving without a valid license), but the insurance company can recover the amount from the vehicle owner.

Summary of Key Points:

1. Motor Accidents Claims Tribunals (MACT) provide a specialized forum for adjudicating claims arising out of motor vehicle accidents, ensuring timely compensation to victims.
2. Liability without Fault ensures that victims can receive compensation for death or injury even if the fault of the vehicle owner is not established.
3. Third-Party Risks ensure that motor vehicles are insured against potential harm to others, and victims of accidents are entitled to claim compensation from the vehicle owner's insurance company.

