

The Motor Vehicles (Amendment) Bill, 2016

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Highlights of the Bill

- The Bill amends the Motor Vehicles Act, 1988 to address issues such as third party insurance, regulation of taxi aggregators, and road safety.
- Under the Act, the liability of the third party insurer for motor vehicle accidents is unlimited. The Bill caps the maximum liability for third party insurance in case of a motor accident at Rs 10 lakh in case of death and at five lakh rupees in case of grievous injury.
- The Bill provides for a Motor Vehicle Accident Fund which would provide compulsory insurance cover to all road users in India for certain types of accidents.
- The Bill defines taxi aggregators, guidelines for which will be determined by the central government.
- The Bill also provides for: (i) amending the existing categories of driver licensing, (ii) recall of vehicles in case of defects, (iii) protection of good samaritans from any civil or criminal action, and (iv) increase of penalties for several offences under the 1988 Act.

Key Issues and Analysis

- The Bill caps the maximum liability for third party insurance, but does not cap the compensation amount that courts can award. In cases where courts award compensation higher than the maximum liability amount, it is unclear who will pay the remaining amount.
- Under the Act, compensation for hit and run victims comes from a Solatium Fund. The Bill creates a new Motor Vehicle Accident Fund in addition. With a Fund already existing to provide compensation for hit and run accidents, the purpose of the new Accident Fund is unclear.
- State governments will issue licenses to taxi aggregators as per central government guidelines. Currently, state governments determine guidelines for plying of taxis. There could be cases where state taxi guidelines are at variance with the central guidelines on aggregators.
- While the penalties for contravening provisions of the proposed scheme on interim relief to accident victims are specified in the Bill, the offences that would warrant such penalties have not been specified. It may be argued that imposing penalties without knowing the nature of the offences is unreasonable.
- The Bill does not address several issues around road safety that

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Current Status: Passed by LS

Ministry: Road Transport and Highways

Stage	Date
Introduction	Aug 9, 2016
Com. Ref.	Aug 16, 2016 Ref. to Select Committee on Aug 8, 2017
Com. Rep.	Feb 8, 2017, Select Committee Report on first day of the Winter Session 2017
Lok Sabha	Apr 10, 2017
Rajya Sabha	

Relevant Links

-  [Bill Text](#) (1456 KB)
-  [_](#) (2 MB)
-  [PRS Bill Summary](#) (415 KB)
-  [PRS Legislative Brief](#) (663 KB)
-  [_](#) (405 KB)
-  [_](#) (500 KB)
-  [Standing Committee Report](#) (1 MB)
-  [PRS Standing Comm Report Summary](#) (422 KB)
-  [_](#) (653 KB)
-  [Overview of Road Accidents in India](#) (1021 KB)
-  [Motor Vehicles notice of amendments, Apr 5, 2017](#) (1

MB)



[Amendments to the Motor Vehicles \(Amendment\) Bill, 2016 \(606 KB\)](#)
[Infographics on Road Accidents](#)

Related news articles

[Experts call for changes in Motor Vehicle Bill, say States need to be given more powers, Business Line, Sep 27, 2017](#)

[Transport ministry hopes Rajya Sabha will clear Motor Vehicles Bill in next session, Financial Express, Sep 13, 2017](#)

[AIADMK to oppose Road Safety Bill in Rajya Sabha, Hindu, Jul 08, 2017](#)

[Motor Vehicles \(Amendment\) Bill: In a safer lane, Hindu, Apr 13, 2017](#)

[All you need to know about Motor Vehicles Bill, Economic Times, Apr 12, 2017](#)

[The road to safety: the journey for better road safety legislation in India, NDTV, Feb 21, 2017](#)

[Bill to hike fine for speeding on back-burner, Times of India, Jan 25, 2017](#)

[As speed demons on roads leave a bloody trail, bill to hike penalties awaits Parliament nod, Times of India, Jan 24, 2017](#)

[House panel sits on bill as road-crash toll climbs, Times of India, Jan 21, 2017](#)

[Govt expects Motor Vehicles Bill passage in](#)

have been highlighted by other committees such as: (i) creating road safety agencies, and (ii) improving road design and engineering.

[Infographics on Road Accidents](#)

[Winter Session, Business Standard, Oct 25, 2016](#)

[Motor Vehicles Bill signals road safety, Hindu, Aug 29, 2016](#)

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