

### *Summary of Recommendations*

#### *The Companies should:*

1. *create and maintain a centralised database of motor claims at Head Office level for monitoring of the claim;*
2. *develop systems for review of the performance of advocates and investigators to ensure that only those rendering satisfactory services, are retained;*
3. *create dedicated cells at operating offices for expeditious satisfaction of the awards within the time stipulated in the Motor Vehicles Act, where appeals are not considered necessary;*
4. *take steps to identify and insure uninsured vehicles in collaboration with the concerned Regional Transport Authority and Police Department in the States;*
5. *develop an over-arching strategic document, outlining policies and procedures under which annual Reinsurance Programmes should be framed, as required by IRDA guidelines on Corporate Governance;*
6. *institute a transparent system for empanelment and selection of brokers as required by the Ministry of Finance circular of September 2002;*
7. *Strengthen internal control measures to monitor recoverables from reinsurers and for timely flow of information from regional offices to the Reinsurance department;*
8. *take appropriate measures to enable expeditious settlement of claims, specifically targeting the claims that are outstanding for more than six months;*
9. *issue suitable instructions to their operating offices to ensure adequate examination before repudiation of claims. This would obviate the possibility of the claims being subsequently allowed by Ombudsmen or Consumer Fora and will also assist in mitigating grievances/complaints;*
10. *ensure that only agents with valid licenses are be permitted to procure business; and*
11. *review the agreements with automobile manufacturers/dealers, finance companies, etc. in order to ensure clarity and compliance with the provisions of the Insurance Act, 1938 and regulatory directions.*

*Besides, initiating steps on the above mentioned areas by the PSUs, efforts are needed to be taken at industry level to:*

1. *Establish a Bureau of Investigation of Third Party claims, as directed by the High Court of Madras in November 2006.*
2. *Create and consolidate Industry-level database of all the insurers issuing motor policies to enable identification of duplicate claims and possible fraudulent claims; and to enable identification of involvement of vehicles in accidents for proper loading of premium.*
3. *Engage the General Insurance Council with the State Governments to ensure compliance with the directions of the Supreme Court on adherence to the requirements of Section 158 (6) of the Motor Vehicles Act.*