

F.No14017/78/2011-Ins.II
Government of India
Ministry of Finance
Department of Financial Services
(Insurance Division)

2nd floor, Jeevan Deep Building,
Parliament Street, New Delhi.
Dated: 30th Oct, 2012

To,

CMD, New India Assurance Co. Ltd., Mumbai.
CMD, National Insurance Co. Ltd., Kolkata.
CMD, Oriental Insurance Co. Ltd., New Delhi.
CMD, United India Insurance Co. Ltd., Chennai

Subject: Road Map of Common Mechanism for Compromised settlement of Motor TP claims

Sir (s),

I am directed to refer to the meeting held on 22.10.2012 with CEOs of general insurance companies with the Hon'ble F.M. at North Block and to say that as discussed during the meeting the following points needs to be addressed immediately in order to reduce losses in Motor TP segment:

1. Companies shall take all necessary steps for negotiated settlements of Motor TP claims. The private insurance companies should also participate in this process.
2. Fraud prone regions in the country, w.r.t. Third party Motor Claims, to be identified and necessary steps for management of frauds be undertaken.
3. Nature of frauds to be classified and data for the same should be shared by the complete general insurance sector.
4. The practice of issuance of Cover-Notes in case of TP Motor Policies shall be stopped forthwith

Kindly acknowledge and action taken report in the matter may be sent to this Department immediately.

Yours faithfully

Sd/-
(Arun K Misra)
Under Secretary to the Govt.of India
Tel.No.23748789

CC: 1) PA to JS (P & I)
2) PA to Dir. (Ins.)
3) CE, GIPSA