

CHAPTER 7

CONCLUSIONS AND SUGGESTIONS

7.1 CONCLUSIONS

7.2 SUGGESTIONS

CHAPTER 7

CONCLUSIONS AND SUGGESTIONS

7.1 CONCLUSIONS

Based on the data collected and the analysis, the following conclusions are drawn on the automobile accidents, insurance policies and practices prevailing, and the awareness of the motor insurance among the vehicle owners/drivers in and around Kolhapur.

[1] There are three main types of motor accident insurance policies namely, Act Only Policy, Comprehensive Policy and Third Party Policy, for different types of vehicles plying on the roads.

[2] Accident insurance has been broadly classified into seven types namely, Motor Insurance, Personal Accident Insurance, Burglary Insurance, Public Liability Insurance, Product Liability Insurance, Professional Indemnities Insurance, and Workmen's Compensation Insurance. These insurance policies cover different types of risks depending upon the need for which the insurance is subscribed.

[3] The motor accident insurance is compulsory as per the Motor Vehicle Act, 1939. The Act was amended in the year 1982. According to this Amendment, the purchaser of the vehicle has to subscribe to the insurance policy for a period of ten years at the time of purchase of vehicle itself.

[4] After the accident, the owner of the vehicle has to fillin the claim form along with driving licence, registration certificate book, fitness certificate, police report, permit, final bill from the repairer, satisfaction note of the insured, receipted bill from the repairer, if paid by the insured.

[5] Depending on the type of the vehicle, the subscriber has to fillin respective form for pr-posing a given insurance policy to the insurance company. The contents of the form are more or less same, though there are four different forms for respective insurance company. After the payment of the premium, a certificate of insurance and the letter of policy acceptance is delivered to the insured.

[6] The number of accidents in India have been steadily increasing at an average rate of 5 per cent or more

every year. More than 3,00,000 accidents are encountered in year in India. Our country ranks in the first five countries in case of number of accidents in a given year.

[7] Maharashtra State, on the other hand, ranks first in the road accidents in 25 Indian States, contributing approximately 25 per cent of the total road accidents in India in a year.

[8] The districtwise analysis of accidents in Maharashtra reveals that Kolhapur ranks among the top ten districts/cities, sharing around 2 per cent of the total accidents in the State.

[9] On an average, more than 1,000 accidents occur every year in Kolhapur district. During the period 1987-88, the number of accidents in Kolhapur State have increased significantly by 22.49 per cent over the previous year.

[10] The roadwise analysis of accidents in Kolhapur district shows that about 50 per cent of the total accidents occurring every year, take place on other roads (linking villages and city). The accidents on National Highway Number 4, have been reducing during the study time. Whereas, the accidents on the State Highways and other roads

have increased at a much faster rate.

[11] The vehiclewise accidents in Kolhapur point out that the truck accidents are major accidents (27 to 28 per cent of the total), followed by two wheeler (22 to 25 per cent), buses (9 to 13 per cent), heavy vehicle (5 to 16 per cent), three wheeler (6 to 8 per cent), jeep (3 to 5 per cent), taxis (1 to 4 per cent) and others (1 per cent) during the five year period 1987-91.

[12] The analysis of causes of accidents shows that more than 50 per cent accidents have occurred due to the driver's fault. The mechanical fault/breakdown is the reason for 6 to 10 per cent of the total accidents, pedestrian's fault has resulted into 3 to 5 per cent of the accidents. Whereas, various peculiar reasons have contributed to an accident to as high as 30 to 40 per cent of the total accidents during the study period.

[13] The personal data about the drivers involved in accidents shows that in 6 per cent of the total accidents, the drivers are below the minimum eligible age limit of 18 years. About 90 per cent of the drivers are in the age group of 18 to 50 years. Out of 5,228 drivers involved in the accidents, only 3 are females. It is also

noticed that about 80 per cent of the drivers were licence holder whereas, the rest did not possess a valid licence.

[14] The number of injured per 100 accidents is fluctuating from 92.50 to 105.14. The number of fatalities per 100 accidents is fluctuating from 13.45 to 17.80 during 1987-91 period.

[15] The number of persons injured per 100 accidents on the State Highways is decreasing from 292.25 to 114.13. Whereas, it is increasing from 51.56 to 80 on National Highway Number 4, and from 74.88 to 98.92 on other roads in Kolhapur district during 1987-91. The number of deaths per 100 accidents are also decreasing on State Highways from 59.15 to 17.58. On the other hand, the fatalities per 100 accidents are increasing from 10.03 to 17.20 on National Highways and from 5.98 to 10.15 on the other roads.

[16] The night time accidents in Kolhapur district have increased significantly in comparison to day time accidents. The same is also true in 26 districts out of 33 districts in Maharashtra. This is also observed for fatal accidents, major accidents and minor accidents as well. In other words, during 5 years period, day/night accidents

ratio has reduced from 2.34 to 1.20 for fatal accidents, 4.80 to 1.60 in case of major accidents. The ratio for minor accidents however, is changing in a narrow margin of 2.37 in 1987 to 2.40 in 1991.

[17] All the four insurance companies of General Insurance Corporation cater to motor insurance business in Kolhapur. The New India Assurance Company Limited is the market leader due to more branches. The number of accidents surveyed in Kolhapur are 72.68 per cent and in Sangli 27.32 per cent out of the total 205 registered accidents with the surveyors in 1991-92.

[18] Out of 205 motor vehicle accident claims surveyed, 134 belong to heavy vehicles, 46 car/jeep accidents, 8 three wheeler, and 17 two wheeler accidents. In case of heavy and light vehicles, the proportion of accidents in night time is more than that in the day time (49.41 and 78.19 respectively). In contrast to this, in case of three and two wheelers, the proportion of accidents in day time is more than that in night time (62.50 and 88.21 respectively).

[19] Out of 205 accident cases, 29.75 per cent have occurred on National Highway Number 4, 17.56 per cent in

urban area, 16.58 per cent in near village area, 14.63 per cent in rural area 11.21 per cent in ghat section and 10.24 per cent within Kolhapur.

[20] Depending upon the nature of damage, the labour estimate as well as spareparts estimates differ. However, both types of estimates are claimed from Rs.501 to Rs. 2 lakh. It is observed that about 60 per cent claims for labour are settled within 30 to 60 per cent estimate claimed. Whereas, 67 per cent claims for spareparts are settled within 30 to 60 per cent estimate claimed. The number of claims settled where the proportion of amount settled to the amount estimated is less than 20 per cent and for 60 to 100 percent is comparatively low, about 10 per cent of the total claims.

[21] Out of 202 drivers/owners surveyed, 77.72 per cent were aware of motor insurance policy. Out of these, 76 per cent of the respondents have good opinion about motor insurance.

[22] Only seven respondents out of 202 have discontinued the policy due to reasons like high premium rates, inadequate compensation and very old vehicle. However, now according to the Motor Vehicle Act Amendment

1982, the purchaser of a vehicle has to take a particular insurance policy for a period of ten years.

[23] According to 65.84 per cent drivers, carelessness on the part of drivers is the major reason followed by pedestrian carelessness, bad roads, and technical problem.

[24] Among 202 respondents, 28 have not applied for compensation due to reasons like inadequate documents, absence of panchanama report, less compensation sanctioned by the insurance company, legal difficulties, and irregular premium payment.

[26] As regards the settlement of the insurance claims for labour charges and repairs/replacement of parts are concerned, the settlement by and large is found to be made at an average of 30 to 60 per cent of the claimed amount.

7.2 SUGGESTIONS

Based on the findings pointed out in the present study following suggestions can be put forth.

[1] The number of accidents can only be reduced by strictly adhering the rules of traffic, adopting safe driving practices, use of road traffic signs and notices, and driving within R.T.O. recommended speed limits.

[2] There should be proper co-ordination between insurance company, R. T. O. and police station regarding reduction of road accidents. Further, in the event of accident, these three agencies should mutually integrate various efforts to reduce the inconvenience to those involved in the accident as well as their family members.

[3] Proper care on the part of every driver may substantially reduce the number of accidents throughout the country.

[4] Every insurance company individually or collectively should make public aware various types of insurance covers available, their benefits, and educate them the claim procedure needed to be followed in the event of a

accident so that the claims will be settled properly. This will also enable the insurance company to improve its image in the public at large. Use of media like T. V., Radio and horders can do the job on large scale.

[5] The existing claim procedure systems needs to be reviewed and be simplified. The form should be in regional language. There should be minimum period stipulated during which any accident claim has to ^{be} settled similar to the payment of Income Tax Returns.

[6] There should at least be a separate claim settlement department at the divisional level or a cell with a officer exclusively looking after the motor accident claims. This will also relieve the burden on the Branch Manager of the Divisional Insurance Manager.

[7] Claims upto Rs. 3,000 need not be referred to the surveyor and the Branch Manager should be delegated the authority to sanction claims at the earliest. This will further reduce the management expenses of the insurance company substantially.

[8] The Public Works Department should look after the maintenance of all types of roads regularly. This will

not only expediate the road traffic, but also save considerable foreign exchange wasted in the form of excessive consumption of petrol/diesel due to bad roads in addition to reduction in vehicle maintenance at large.

[9] Students of 8th to 10th standard be trained in Road Safety Patrol (RSP) in regulating city road traffic. These students subsequently be used to educate the public on traffic rules and regulations especially in fairs, exhibitions and places of common gathering.

[10] The insurance policy should be taken by the insured preferably through the insurance branch in the limits of respective R. T. O. This will certainly reduce the delay in claim settlement.

[11] The insurance company should recruit specially mechanical/automobile engineers to look after exclusively the motor accident claims.

[12] The Development Officers be given powers to sanction 'ON-THE-SPOT' minor claims in the absence of police report, Panchanama Report and Survey Report.