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Road Transport Safety and Axle Load Control Study in Nepal

Part A: Road Transport Safety



TASK-A3

**REVIEW AND RECOMMENDATION OF ROAD TRANSPORT
INSURANCE PROVISION**

Submitted by:



Katahira & Engineers International

in association with



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ACRYNMS AND DISAMBIGUATION

AARS	Automatic Accident Recording System
CDO	Chief District Officer
CPI	Consumers Price Index
CTP	Compulsory Third Party
DALY	Disability Adjusted Life Years
DIG	Deputy Inspector General
DOTM	Department of Transport Management
GBD	Global Burden of Disease
GDP	Gross Domestic Products
GNP	Gross National Products
MVTMA	Motor Vehicle Transport Management Act
MVTMR	Motor Vehicle Transport Management Regulation
SSP	Senior Superintendent of Police
TAC	Tariff Advisory Committee
UN	United Nation
WHO	World Health Organization
US	United States
NHTSA	National Highway Traffic Safety Administration
UK	United Kingdom

EXECUTIVE SUMMARY

Globally the numbers of motor vehicles are increasing day by day including in Nepal. The higher the traffic on the road, the higher is chance of road accident. This does not only increase the hospital treatment expenses but also increase other burden such as dependency, unemployment and social discrimination. There are case of fatal death, serious and other types of injuries. Because of the road transport accident some family have been turned into destitute or vulnerable situation. What will happen if the above road accident victims are unable to pay hospital treatment cost, unable to support his or her disabled member or need care taker to disabled? Who is responsible for the treatment of road accident victims or to support their dependent children of school age? In order for the victims to manage expenses incurred due to road transport accident, insurance policy plays a pivotal role. In this respect the study is quite relevant in respect of time and social value and hence carried out.

Main objective of the study was to review the existing transport insurance policy provision and their recommendation to meet changing need.

To come up to the Report, the consultant has carried out interaction, discussion, in- depth interview, field visit, desk study with review of relevant previous report, books and websites. While carrying out the report, the transport insurance provision made for transport workers, passengers and third party in the Motor Vehicle Transport Management Act and Regulation were review in detail.

The compensation amount provisioned in the MVTMR for the above type of insured is found fixed but unequal. The compensation provision of Rs. 5 Lac is made for both transport workers and third party while that of passenger is Rs1 Lac, in case of death due to road accident. The adverse effect of unequal amount of compensation was found increase in more moral hazard in lieu of claiming higher amount of benefits. A passenger died in an road accident claims under the third party topics in order to get Rs5 Lac, rather than Rs1 Lac as a compensation, for which the victims is entitled. It is also found from the field survey that there is high moral hazard in case of hospitalization due to road accident. There is breach of utmost good faith and the concerned parties are found involved in inflated claim. The coordination among them was found lacking. International practice on this is found mostly unlimited, depending on various factors. The factors considered to be future working age of victim before retirement, his/her prospective future earning (salary), number of dependents behind him/her etc. Such parameters are not considered in the MVTMR, while fixing the compensation amount of either Rs5 Lac or Rs1 Lac. In Nepal there is no provision made for school buses, hit and run cases, database management research activities so that it can help further research and reduce road accident.

On the field many vehicles are found without any insurance policy, though there is compulsory third party insurance. Less than 40 percent of the total vehicles in Nepal are found insured for the compulsory third party insurance. This shows a very low scale of compliance against existing regulatory provision. There is no provision of incentive to the careful driver and penalty level is nominal for careless driver. There is no provision toward reducing accident by installing modern device to control speed or two drivers in the long route service.

An equal amount of compensation is recommended for all types of insured either for death or hospital expenses incurred due to road transport accident. In the medium term, to address the impact of inflation, the consultant recommends the Index Linked Compensation amount paid to the beneficiary or victims. This can also be done in other ways- multiplying the minimum wage (determined by the government) by a coefficient factors such as 10 or 20 times. In order to address the sense of unlimited amount of compensation, certain fixed amount is recommended for all and on top of that the variable portion is recommended depending on the parameter mentioned. In the long term, to be compatible with international practice, unlimited amount of compensation is recommendation.

At the time of Blue Book renewal date, there must be insurance in hand until the next Blue Book renewal date. This protects the vehicles without being insured. The provision of insurance coverage for students travelled by school buses and other workers not covered by the MVTMR are also recommended. Besides, the consultant recommends a provision to implement a comprehensive package rather than issuing separate policies. The consultant further recommends a provision of Guaranteed Fund for a Hit and Run motorists. Incentive for safe drivers and punishment for careless drivers are also equally recommended. To check whether or not a vehicle is insured, a sticker placed visibly on the vehicle is recommended. This will foster the activities to check whether or not a vehicle is insured and eventually increase the compliance of buying compulsory third party and other provisions made on the MVTMR.

मूख्य संक्षेप

संसारमा मोटरगाडीको संख्या दिनप्रति दिन बढीरहेको छ। नेपालको सन्दर्भमा पनि यहि नै हो। सडकमा जतिबढी मोटरहरु भए त्यति नै बढी सडक दुर्घटना हुने मौका रहन्छ, यसले आस्पताल उपचार खर्च मात्र नबढाइकन परनिर्भरता, बेरोजगारी, र सामाजिक भेदभाव पनि बढाउँछ। सडक दुर्घटनामा तत्काल मृत्यु हुने गम्भिर घाइते र साधारण घाइते हुने सम्भावनाका साथै भौतिक सम्पत्तिको क्षती हुन्छ। सडक दुर्घटनाको कारणबाट कतिपय परिवार एकदमै दयनिय अवस्थामा पुग्न जान्छन्। सडक दुर्घटनामा परेका अभिभावकका बालबच्चालाई स्कूलको खर्च, असहायलाई दिने सहयोग, सुरक्षा र सेवा प्रतिको जिम्मेवारी व्यवस्थित गर्ने कुरा एकदमै महत्वपूर्ण छ। सडक दुर्घटनामा परेको घाइतेलाई माथिको खर्चहरुको व्यवस्था गर्न सडक दुर्घटना वीमाले महत्वपूर्ण भूमिका खेल्छ। यस सन्दर्भमा यो अध्ययन समय र सामाजिक मूल्य र मान्यता सुहाउँदो छ।

यातायात व्यावस्था नियमावली र ऐनमा भएका व्यवस्थालाई अध्ययन तथा पुनरावृत्ति गरि त्यसमा गरिनु पर्ने परिमार्जनको सिफरिस गर्नु यो अध्ययनको प्रमुख उद्देश्य हो।

यो प्रतिवेदन तयार पार्न, विज्ञले सम्बन्धीत सरोकारवाला निकायसंग अन्तरक्रिया, छलफल, अन्तरवार्ता, स्थलगत भ्रमण, विद्यमान यातायात क्षेत्रका विमा सम्बन्धी अन्य देशहरुमा भएका प्रावधानहरु अध्ययन गरेको थियो। प्रतिवेदन तयार पार्दा यातायात व्यवस्था ऐन र नियमावलीमा उल्लेख गरिएको, सडक यातायातमा काम गर्ने कर्मचारी, यात्रु र तेस्रो पक्षको विमा सम्बन्धी व्यवस्थाको गहिरो अध्ययन गरिएको थियो।

माथि उल्लेखित व्यक्तिहरुलाई दिइने विमाङ्क रकमको व्यवस्था यातायात व्यवस्था नियमावलीमा निश्चित गरेर तोकेको भए पनि असमान छ। सडक यातायातमा काम गर्ने कर्मचारी (चालक र अन्य) र तेस्रो पक्षको विमाङ्क रकम रु पाँच लाख गरिएको छ भने यात्रुहरुको लागि केवल रु १ लाख मात्र गरिएको छ। असमान विमाङ्क रकम व्यवस्थाको कारणले धेरै जसो यात्रुले तेस्रो पक्षको विमा दावी गरेको र मोरल हाजर्ड बढी रहेको अध्ययनमा पाइएको छ।

अध्ययनमा अस्पताल उपचार खर्चमा पनि नक्कली विल पेश गरी वीमा दावी गर्ने दुःप्रभाव पाइन्छन्। यसमा सरोकारवाला निकायको नियति नै बढी रकम दावी गर्ने रहेको पाइएको छ। सरोकारवाला निकाय बीचमा हुनु पर्ने आपसी सहयोगको पनि कमी अध्ययनमा पाइएको छ। विमाङ्क रकममा वा क्षतिपुर्तीको अन्तराष्ट्रिय प्रचलन चाही असिमित रकम उपलब्ध गराइन्छ। यो रकम धेरै कारकमा आधारित हुन्छ। जस्तै मृतकको उमेर, आम्दानी र उसमा आश्रित परिवार संख्या नियमावलीमा विमाङ्कको व्यावस्था गर्दा उपर्युक्त कारकहरुलाई आधार मानेर रकम निर्धारण गरिएको पाइएन। स्कूलको वसबाट स्कूल जाने विद्यार्थीको साथै सरकारी चालकको बारेमा नियमावली र ऐनमा कुनै व्यवस्था नगरिएको र सरकारी सेवामा कार्यरत चालकहरुको विमा नगरिएको स्थलगत अध्ययनबाट थाहा पाइएको छ। सडक दुर्घटनामा भएको विमा रकमको भुक्तानी र अस्पताल खर्चको तथ्याङ्कको साथै कति सवारी साधनले विमा गरेको छ भन्ने तथ्याङ्कको व्यवस्था गर्ने र सो सम्बन्धी अध्ययन अनुसन्धान गर्ने कार्य अहिले सम्म नभएको देखिन्छ।

ऐनमा तेस्रो पक्ष विमा अनिवार्य गरिएको भएता पनि सबै बाहनले विमा नगरेको स्थलगत अध्ययनबाट प्रष्ट हुन्छ, सवारी यातायात व्यवस्था विभाग मा दर्ता भएमा कूल सवारीको ४० प्रतिशत भन्दा कम सवारीले मात्र विमा गरेको तथ्याङ्कले देखाउँछ। यसबाट विमा गर्नु पर्ने कानूनी प्रवधानको पालना नगरेको कुरा प्रष्ट हुन्छ। सावधानी अपनाउने चालकलाई

प्रोत्साहनको व्यवस्था नभएको र असावधानी पूर्वक चलाउने चालकलाई ठुलो जरिवानको पनि व्यवस्थाको कमि पाइएको छ। दुर्घटना न्यूनीकरण गर्ने आधुनीक यन्त्र जडान गर्नेगराउने सम्बन्धी कुनै व्यवस्था नभएको र कसैले नअपनाएको पाइन्छ।

हाललाई सबै किसिमका विमितको -यात्रु, तेस्रो पक्ष र यातायात सेवामा कार्यरत कर्मचारी) लागी समान विमाङ्को सिफारिस गरिएको छ जसले दुर्घटनाबाट उत्पन्न हुने अनियमितता र असमानता कम हुन सहयोग गर्दछ। मुद्रास्फ्रतीलाई समायोजन गर्न मध्यम अवधीमा उपभोक्ता सुचकांक अनुसार विमाङ्क रकम पनि बढ्ने किसिमको व्यवस्था सिफारिस गरिएको छ। यो विमाङ्क रकम न्यूनतम तलवलाई एक निश्चित अंकले गुणन गरी कायम गर्न सकिने छ। जस्तो की दश गुण वा विस गुणा, सबै किसिमका विमा रक्षावरणलाई असिमित विमाङ्क रकम उपलब्ध गराउने तर्फ उन्मुख गर्न, निश्चित केही रकममा थप असिमित रकमको व्यवस्था गर्न सकिने पनि विज्ञको सिफारिस छ। निश्चित विमाङ्क रकम माथिको थप रकम अन्य सुचकले निर्धारण गरे बमोजिम हुनेछ। अन्तराष्ट्रिय अभ्यास संग समानात्तर विमाङ्क रकमको व्यवस्था गर्न भविष्यमा असिमित विमाङ्क रकम सिफारिस गरिएको छ।

व्लु बुक नविकरण गर्दा अर्को नविकरण हुने मिति सम्मको लागि उपर्युक्त किसिमका विमाको व्यवस्था भएको हुनु पर्दा सबै सवारीहरुको रक्षा हुने सम्भावना अधिक रहन्छ। यसले सवारी साधन अविमित हुनबाट बचाउछ। स्कूलको बसबाट सवार हुने विद्यार्थी र यातायात नियमावलीले नसमेटेको क्षेत्रलाई पनि विज्ञले सिफारिस गरेको छ। यसको साथै एक मात्र व्यापक विमालेख लागु हुनु पर्ने विज्ञको सिफारिस छ। सडकमा दुर्घटना गर्ने र भाग्ने चालकबाट पिडित हुने व्यक्तिको उपचार तथा विमाको व्यवस्थाको लागि एक किसिमको कोषको व्यवस्था हुनु पर्छ भन्ने पनि सिफारिस गरिन्छ। दुर्घटना न्यूनीकरणको लागि सावधानी अपनाउने चालकलाई प्रोत्साहन र असावधानी पूर्वक चलाउने चालकलाई दण्डको व्यवस्था हुनु पर्ने विज्ञको सिफारिस छ। सवारीको विमा भएको वा नभएको कुरालाई सजिलै जाँच गर्न सवारी साधनमा प्रष्ट देखिने गरी स्टिकरको पनि व्यवस्था हुनुपर्ने सिफारिस गरिएको छ। यसले गर्दा सबै सवारी साधनले विमालेख खरिद गरी विमितको संख्या बढाउनुको साथै यातायात व्यवस्था नियमावलीको प्रावधान पूर्ण रुपमा पालन हुन जान्छ।

CHAPTER 1 INTRODUCTION

1.1 BACKGROUND

This Report is prepared as per the agreement signed on 21st November 2014, between Department of Transport Management, Ministry of Physical Infrastructure and Transport (hereinafter referred to as “the Client) and Katahira& Engineers International (Japan) in association with Full Bright Consultancy (Nepal) as Sub-Consultant (hereinafter referred to as “the Consultant”) for carrying out Consulting Services for Transport Safety and Axle Load Control Study in Nepal (hereinafter referred to as “the Study”). This report offers brief review of the existing insurance policy in context of transport crew, passengers, and third party and their necessary development to enhance road transport safety.

1.2 RATIONALE OF THE STUDY

Food, clothing and shelter are inevitable for an individual. Economic condition of a person plays important role to achieve the above things. When a bread winner dies the economic status of the dependent may become vulnerable. Living standard, life expectancy and motorization is increasing day by day. Thousands of people die in a year on road accident and number of death will be increasing in the future as many people will be travelling by motor vehicles. Because of the modern science & technology, the cost of hospital treatment is increasing. People may die without getting proper treatment due lack of money or they may outlive their resources. In this context, insurance can protect them from turning into vulnerable situation or save them by paying hospitalization cost. Therefore the study plays an important role to provide security to family and friend of the road victims through the insurance.

Dispute arises very often between the motor vehicle owner and road crash victims and traffic becomes disruption for many hours as traffic police reported. There are three reasons for road accident related traffic disruption.

- Disruption because of hit and run motorist.
- Disruption due to unequal compensation between passenger and third party.
- Disruption made by victim for more amount of compensation than already existing provision of sum insured.

To protect the road victims families from turning into such a dire situation and make road transport more safer, there must be some sort of security. This can be achieved through a purchase of a road transport insurance policy. Insurance plays crucial role in road transport risk reduction. The insurance identify risk, analyze it and apply appropriate techniques to handle it. Therefore it is an invaluable part of modern society and the motor industry to reduce the road accident. It helps to reduce hardships to the road accident victims and transfer risks to insurers.

Motor third party insurance is mandatory in most countries around the world including Nepal. The government's effort to reduce road accident is inefficient. In addition, insurers do not have an incentive to reduce the accidents. In this context, the study of reviewing the existing insurance policy for transport workers, passengers and third party is very essential.

This study aims to help increase road safety and decrease road accident and accident related social costs in Nepal. The specific aim of this study is to compensate to the family of the road accident victims either providing death compensation or hospitalization expenses incurred in relation to road accident by arranging insurance mechanism. Further this study aims to cover all sort of people using transport.

1.2.1 Social Cost of Road Accident

According to US National Highway Traffic Safety Administration (NHTSA), in the year 2000, the costs of accidents under the 'human capital' method, which excludes intangible consequences such as pain and suffering, was US\$230.6 billion of which damages and medical expenses only account \$34 billion. Comprehensive accidental cost including pain, suffering and loss of life amounts to US\$433 billion in the same year¹. It is estimated that approximately US\$420 to 433 billion as the social cost of traffic accidents. The economic cost of road accident in Nepal account 0.5 per cent of GDP². The average cost for fatal injuries and non-fatal are reported Rs.600, 000 and 138,000 respectively. Under the same topics national cost is estimated to be Rs471 million and 1 billion.

Estimate of various studies on economic costs of traffic accidents in different countries and regions account roughly 1 percent of their gross national product (GNP) in low-income countries, 1.5 percent in middle-income countries and 2 percent in high-income countries. According to the World Health Organization (WHO), the total global direct and indirect economic costs of traffic accidents in low-income and middle-income countries, would probably exceed the estimate of US\$518 billion

The WHO Global Burden of Disease (GBD) model predicts that road traffic injuries will become the sixth most significant cause of death worldwide by 2020 and the third leading cause of Disability-Adjusted Life Years (DALYs) lost. In addition, the welfare consequences of traffic accidents that hurt low-income people of productive age group, between 15 and 44 years. Therefore, the study is important for researcher, policy maker and all the concern stakeholders in Nepal.

1 Noam Noked (2010), Providing a Corrective Subsidy to Insurers for successful in Reducing Traffic Accident

2 Consultancy Services of Feasibility Study, Design and Supervision for Road Connectivity Sector Project, Nepal, (2008), CEMAT and Total Management Service Nepal

1.2.2 Role of Insurance in Reducing Road Accident

The UN estimates that the economic cost of road trauma in developing countries alone is at least US\$100 billion per year. The emotional cost is not viable to calculate approximately, yet road trauma is preventable (Fronsko, 2011). The development of insurance products that help to reduce the financial burden of injury; providing education and incentives to encourage safer road-user behavior; pooling of data to help inform decision making and consumer choice; and, seeking to embrace collaborative efforts within competitive environments to provide mutual benefit to stakeholders and society are the areas in which insurance can play its imperative role (Fronsko, 2011).

Insurance companies should be encouraged to invest directly in road safety interventions. They should also be heartened to promote and propagate research on road safety. If properly targeted, such spending will reduce their direct costs and offer indirect social benefits through reduced injury and death. Since insurance premiums are generally related to road crash costs, motor vehicle insurers have a motivation to reduce road crashes to help reduce claims and hence the premiums charged. They can also reinforce policies by their actions, for example by increasing premiums for those with drunk driving or speeding convictions. However, there is always a risk that the actions will tend to increase non-compliance without a complementary enforcement activity (Rizavi, 2011).

The key components for successful involvement of the insurance industry in road safety are: 1) Legislation: requires mandatory third party motor insurance on all drivers with about 5-10% of the premium (as a levy) for road safety; 2) Enforcement: road safety funds based on insurance premiums will need enforcement of motor vehicle insurance regulations; 3) Promotion: active partnerships should be sought to involve the industry in promoting road safety in insurance policies and the direct organization of safety campaigns (APEC, 2004) and (ADB, 2003). In the best position of the above, as per ADB (2003) insurance companies can also involve in enforcement of road safety management strategies. A road safety fund based on insurance premiums will require the enforcement of motor vehicle insurance regulations in order to realize its full potential earnings. One way of ensuring motor vehicle insurance regulation compliance is to have proof of insurance as a requirement of the periodic roadworthiness vehicle inspection. This approach works best if there is also a legal requirement that a valid roadworthiness sticker or certificate must be displayed and clearly visible on the windscreen of the vehicle. In Kazakhstan, in order to promote compliance with the new insurance regulations, motor vehicle insurance can be purchased at the vehicle inspection centers (ADB, 2003) and (APEC, 2004).

1.3 STUDY APPROACH

The Study Team reviewed the existing practices of road transport insurance both in Nepal and overseas. Policy documents, study reports, and other publications such as books were reviewed. Similarly, internet website of concerned agencies such as International Labor Organization,

World Health Organization, Transport Research Laboratory, Global Road Safety Partnership were also explored and relevant information were reviewed. Email communications were done with insurance experts.

Numbers of stakeholders meeting were held both formally and informally to discuss road transport safety related insurance including existing practices and future needs. Finally, based on finding of review of existing national and international practices, amendments on existing insurance policy have been recommended by customizing the insurance policies into Nepalese context.

CHAPTER 2 REVIEW OF EXISTING ROAD TRANSPORT INSURANCE PROVISION

2.1 REVIEW OF INSURANCE PROVISIONED IN THE MVTM A 1993

As per Motor Vehicle Transport Management Act (MVTMA) 1993, all vehicles need to have insurance cover including third party insurance of a prescribed amount. As per Section 148-152 insurance covers property damage or bodily injury to third party, death or bodily injury to passengers and transport service workers. The Act has also provision of insurance cover for passengers' luggage.

On reviewing the MVTM Act, the Study Team have found following issues related to the existing insurance.

- i. Section of (148), sub-section (1), of the chapter 8 provisioned that owner or manager of each motor vehicle shall procure insurance in place as prescribed, Sub-section (2). Su-Section (2) states that registration certificate must not be renewed if motor vehicle has not been insured. Further if it is a public vehicle, route permit must not be granted and motor vehicle must not be enlisted for the operation of transport service. The identified issues are; a) This section does not explain anything about the insurance at the time of registration (transfer of ownership) of the vehicle. b) The cut- off date for the motor vehicle renewal and insurance coverage must be same otherwise there may be gap between the duration of the insurance policy coverage and duration of the next renewal period. For instance if, at the time of vehicle registration certificate renewal, the owner has already insurance coverage of six months, it permits the authority to renew the vehicle. So to cover this gap or loop hole, there must be insurance in place covering up to next renewal date. c) There is no strict provision (penalty) in the Act to the vehicle owner or manager who drives their vehicle on the road without having insurance in place. There must be stringent act to penalize such vehicle owner.
- ii. There must be provision of checking whether or not the insurance purchased by the vehicle owner or manage in the past, if not found there must be penalty in retrospective way.
- iii. The section (149) sub-section (1) has provision of insurance for transport crew (driver, helper, conductor and security person if any) of the public transport service vehicle. But there is no provision of the above crew if employed by the private institution or government or any other salaried driver and workers deployed in the vehicle. Right to claim the benefits amount goes to the immediate successor of the deceased is kept under the Sub-section (2) of the above section, but the claim process and payment of benefit is not clarified. Under the sub-section (3), if there incurred any road accident without having insurance in place, the vehicle owner or the manager will be liable to pay the entire claim due thereafter. There is no provision of the penalty to the owner or manager in such a case and sometimes it is very difficult to collect such a large amount of money from a single

vehicle owner or manager. Therefore due care should be taken to penalize the vehicle owner or manager who drives public or private vehicle without purchasing insurance coverage for all the crew, passengers and third party. There must strict provision of penalty to the vehicle owner or manager if found conduction transport service founf operated without insurance coverage as specified.

- iv. The section (150), sub-section (1) offers provision of insurance to be in place for all fare paying public passengers vehicle but other than the above such as government employees using office vehicle, school children using their school bus, army travelling by their own truck, private vehicle carrying family and friends, construction company carrying labors from their house to construction site, staff working in the night business are not provisioned in the Act. There is no clear instruction regarding the penalty in case a vehicle is found without insurance in place. There must be stringent rule for driver, vehicle owner and manager for conduction private or public service without having insurance in place. The procedure of claim and payment of benefits is not mentioned in the sub-section (2) of the above section.
- v. Sometimes it may be very difficult to recover the specified amount of claim from a single vehicle owner or manager if it is found any road casualties without insurance in place provisioned under the sub-section (3) of the section (150).
- vi. Though section (151) (1) has provision of procuring insurance in place for the passenger's luggage, it is not published in the Gazette, as required.
- vii. Section (153) (1) requires insurance in place by the vehicle owner or manager for a damage to either property or bodily injury to any pedestrian. Sub-rule (2) offers right to the legal heir of the deceased to claim the specified insurance amount and sub-rule (3) bounds the owner or manager of the vehicle to pay all the claims if death or injury occurred without insurance in place. This seems difficult if the casualty is very high and the vehicle owner is not financially sound. In such a case, the real victims may not be compensated in full or may suffer from recovering the claim amount for the property or injury.

2.2 REVIEW OF INSURANCE POLICY PROVISIONED IN THE MVTMR-1997

The Motor Vehicle Transport Management Regulation (MVTMR)-1997, Section 52 -55 has provisioned insurance coverage for the road transport service related vehicle other persons. In the case of public transport vehicles, the regulation requires operators to provide accidental insurance cover for all the passengers, crews and accompanying security personnel where applicable. In addition, the act requires public transport operators to provide insurance cover of a stipulated amount for passenger luggage.

Despite the above provision, many vehicles still are neither insured nor carry third party insurance. The current insurance cover required is also very nominal and there is demand to increase the coverage at a reasonable level so that the frequent dispute that occurs between the

vehicle owner and the crash victim family will be avoided. On review of the MVTM regulation we have found following issues.

- i. Chapter 7 of the MVTM R (52) has a provision of insurance for road transport service sector crew. Sub-rule (1) only covers only crew of the public service motor vehicles and does not say anything about the private vehicle who has hired a driver on a monthly salary, or the drivers of private office organization including school buses, drivers employed in offering service to the staff of night business, the crew employed by a construction company and drivers employed by the government and its undertakings.
- ii. Sub rule (2) has mentioned that the amount of insurance that an owner or manager shall procure is fixed to RS500, 000 per person died due to road accident. This does not seem scientific and not linked to any price adjustment index such as Consumer Price Index or has not taken account of other factor such as earning of the deceased. Further the amount fixed then is very small in the present time considering the inflation since it was implemented.
- iii. Sub-rule (4) (Chha) offers discretionary right to a medical doctor to decide the amount of compensation to be paid to the injured, depending on the level of injury to the crew who suffered a road accident. The maximum amount to be paid or decided by the doctor must be fixed so that there does not remain space for extra manipulation.
- iv. Sub-rule (5) of rule (52) has limited the medical expenses related to the road accident to the crew of vehicle to Rs one lakh only. This is again seems small amount both from inflation point of view and designed long ago. It seems that revision of the amount is necessary.
- v. The rule (53) (1) has provision of insurance to the passenger of public vehicle only and nothing is mentioned for the family members travelling by the motor vehicle, office staff commuting to their home to office, private sector workers commuting to /from office, construction labor carried by company's vehicle from their home to site work, worker engaged in sand and aggregate transportation.
- vi. Sub rule (2) of the same rule (53) has made big differences in the compensation amount in between the transport workers and passengers. The worker is paid Rs500, 000 while a passenger is paid only Rs100,000 in the case of road accidental death. Within the passengers there is discrimination in insurance amount payable to infant, child and adult as mentioned in the table 2.1.
- vii. Sub-rule (4) (Chan) of the rule (53) offers discretionary right to a medical doctor to decide the amount of compensation to be paid depending the level of injury to the crew who suffered a road accident. The maximum amount to be paid or decided by the doctor must be fixed so that there does not remain space for extra manipulation.
- viii. Sub-rule (5) of rule (53) has limited the medical expenses related to the road accident to the crew of vehicle to Rs one lakh only. This amount had also decided long time ago and any inflation aspect has not been considered. The revision of the amount is necessary.

- ix. Sub-rule (6) of the rule (53) imposed liability on the vehicle owner or the manager of the vehicles if death stall recorded more than the specified number of seat on the vehicle. Sometime it was found difficulty to allocate the compensation by the insurers and the vehicle owner or the manager if more passengers than specified seat in the vehicle are found dead or injured. Also infant and child are not issued ticket and hence cannot allocate seat. So when death stalls record more than specified numbers of seat on the board it is difficult to decide who is paid from the insurer and who is paid from the vehicle owner or the manager?
- (i) Rule (54) has provisioned the insurance for passengers' luggage must be in place as per the amount published in the Gazettes. The authorities confirmed that provision regarding passengers' luggage has not been published in the Gazettes.
- (ii) The rule (55) has provision of procuring the insurance in place in order to protect third party. The amount of insurance must be minimum Rs 50 lakh for property damage and Rs50 lakh for bodily injury or death of third party. The amount of insurance may be insufficient in the present scenario if we take account of inflation, cost of goods and properties also if amount of compensation for passengers is increased in near future.
- (iii) Sub-rule (4) (Ng) & (Cha) has provision of compensation of partial permanent disable of third party. But the amount of compensation (Rs 2lakh) must be same as the amount given to the crew sub rule (52) (4) (ng) & (cha) (Rs 250 thousand).
- (iv) Sub-rule (4) (Chha) of the rule (55) offers discretionary right to a medical doctor to decide the amount of compensation to be paid depending on the level of injury to the crew who suffered a road accident. The maximum amount to be paid or decided by the doctor must be fixed so that there does not remain space for extra manipulation.
- (v) Sub-rule (5) of rule (55) has limited the medical expenses related to the road accident to the crew of vehicle to Rs one lakh only. This is again seems small amount both from inflation point of view since it has been designed almost 18 years ago. It seems that revision of the amount is necessary.
- (vi) The sub rule (55) (ka) states that a copy of the insurance policy must be in the vehicle. Sometime it takes time to find it from the vehicle. It can be made more easily checked whether a vehicle is insured or not by placing sticker on the vehicle. The Beema Samiti can issue the sticker with an authority's signature on it and insurance company can provide it to the vehicle owner or manager when they purchase insurance policy.
- (vii) Under the rule (55) (Kha), claim procedure is mentioned. The vehicle owner must submit the insurance policy and certificate to the Chief District Officer (CDO) to the district in which the accident site lies. Sometimes the victims will get faster service if the accident site is very close to the district headquarter of other district. In such a situation charge must be transferrable to the CDO of other district as specified above. The rule (55) (ga) states that compensation must be paid within 21 days of accident. But sometimes injured passengers die long after the date of accident. Therefore the correction should be placed "From the time of death" in place of "Time of accident".

- (viii) The sub-rule (1) of rule (55) (gha) contradicts to the rule (53) sub-rule (6)
- (ix) As per the MVTMR 1997 Chapter 7 various provisions related to insurance are made. The sum insured for transport service workers and third party in case of death is limited to max Rs 500,000 and that of passenger is Rs 100,000 if a person is older than 5 years, Rs 50,000 for a person aged between 1 year to 5 year and Rs 25,000 for a child less than 1 year. There is difference in sum insured within the passengers and in between passengers and other. It is also mentioned that insurance cover regarding the luggage should be addressed as per the publication in Government of Nepal Gazette, but it is found that no Gazettes have been published to address the issue.

The following table shows the amount of insurance payable to the immediate successor of deceased on the road accident casualties.

Table 2-1 Existing Sum Insured for the Road Transport Insurance

SN	Types of Insurance	Sum Insured	Different types of Contingencies (as coded) and % of Sum Insured Payable							
			I-1	I-2	I-3	I-4	I-5	I-6	I-7	I-8
1	Passengers	(100,000) (50,000) (25,000)	100	100	100	100	100	50	50	*
2	Transport Service workers	500,000	100	100	100	100	100	50	50	*
3	Third party	500,000	100	100	100	100	100	50	50	*
4	Motor Vehicles	Specified only in MVTMA (148)								
5	Luggage	As per GON Gazette								
Code										
I-1	Death of person				I-5	Loss of a hand and legs (as above)				
I-2	Permanent Total Disable (PTD)				I-6	Loss of one eye				
I-3	Loss of both eyes				I-7	Loss of one hand or leg (as above)				
I-4	Loss of both hand (above wrist) or both legs (above ankle)				I-8	Any other impairment other than above				

From the above table the difference in the compensation amount among the passenger and other is clear. Within the passengers, there is category for infant, child and young passenger. International practice is that equal amount of sum insured for all the passengers no matter how young or old. Even in Nepal some of the travel and tour companies such as Green Line offers equal amount of sum insured to every passenger and no difference at all on the basis of age. They offer discount on the face to infant and child as in international practice.

There are 17 Insurance companies (Appendix – 2) selling Non-Life Insurance business including road transport insurance policies in Nepal. Most of these policies are sold through Agents. There is disparity in death compensation amount paid to vehicle staff or third party and passengers. The compensation amount lacks consideration of many factors such as earning, age, dependents and so on. The amount is designed on straight line methods and fixed Rs. 500,000 for third party or transport crew, while Rs100, 000 is fixed to a death of a passenger.

2.3 TYPES OF POLICIES SOLD IN THE MARKET

Despite the compulsory third party insurance policy attached to each and every vehicle, it is found that that many of the vehicle owner are found without third party insurance policy. There are mainly two types of policies namely, comprehensive and third party policy. Under the comprehensive policy- property damage to the motor vehicle, the driver, its passengers and third party is covered, while third party insurance cover only a pedestrian in case death occurred to him/her. The proportion of the both policies sold in the insurance market is more or less same. This shows that many vehicle owners are conscious about their vehicle, friends/family on the vehicle, third party and the driver if they have hired. If all the vehicles purchase comprehensive policy then there will be heavy reduction in the premium and insurance companies can covers more risk. In India three types of policies are found – third party only policy, third party with driver and passengers and comprehensive. It is worth for the government to implement comprehensive policy at reduced rate of premium in order to cover large numbers of vehicles. If this is a case there will be win - win situation for both vehicle owner and insurers.

2.4 CURRENT DATA FACT

2.4.1 Registered Vehicle and Driving License

Table 2-2 shows the total vehicle registration in Nepal. However, there is no system of recording aging vehicles which are phased out or scraped. In the recent days, the annual growth rate of vehicle registration ranges from 6% to 16%.

Table 2-2 Total Vehicle Registration in Nepal

Year	Bus	Mini bus/Mini Truck	Crane/Dozer/Truck	Car/Jeep/ Van	Pick up Van	Micro	Tempo	Motor cycle	Tractor power trailer	Others	Total	Cumulative Total
046/047	3,978	2,064	6,532	21,350	0	0	2359	34,576	5,417	102	76,378	76,378
047/048	458	437	834	2,353	0	0	856	5,697	965	1,549	13,149	89,527
048/049	531	455	1,524	2,637	0	0	1,207	9,336	1,342	435	17,467	106,994
049/050	606	185	1,491	2,266	0	0	62	8,513	751	381	14,255	121,249
050/051	1,168	121	1,740	3,049	0	0	213	10,550	1,396	372	18,609	139,858
051/052	850	83	1,629	3,043	0	0	241	11,401	1,814	353	19,414	159,272
052/053	486	82	1,151	3,974	0	0	117	12,357	2,183	58	20,408	179,680
053/054	608	175	907	4,521	0	0	185	15,739	1,278	352	23,765	203,445
054/055	899	130	1,291	4,139	0	0	344	12,306	1,265	51	20,425	223,870
055/056	872	19	978	2,507	0	0	388	17,090	2,248	37	24,139	248,009
056/057	494	122	829	3,647	0	0	789	19,755	2,542	102	28,280	276,289
057/058	1,203	250	1,271	5,152	0	0	232	29,291	3,519	77	40,995	317,284
058/059	868	475	1,798	4,379	0	0	248	36,117	3,189	86	47,160	364,444
059/060	432	298	1,212	2,906	581	232	17	29,404	2,485	43	37,610	402,054
060/061	732	237	1477	7079	478	884	16	26547	2191	58	39699	441,753
061/062	753	285	1592	4781	0	584	48	31273	1374	21	40711	482,464
062/063	1528	663	2263	5114	36	66	60	44610	635		54975	537,439
063/064	1564	806	3278	5156	736	138	12	72568	2942	1535	88735	626,174
064/065	1419	1179	3594	4741	1588	31	18	68667	3297	206	84740	710,914
065/066	1843	593	3643	6857	1287	128	20	83334	4663	202	102570	813,484
066/067	1888	780	4524	12268	1975	145	9	168707	11460	31	201787	1,015,271
067/068	1610	1370	1969	8510	3087	115	2	138907	7937	133	163640	1,178,911
068/069	2085	1170	1333	8711	2981	155	10	145135	8413	91	170084	1,348,995
069/070	3263	1328	3332	9595	5422	158	57	175381	9795	152	208483	1,557,478
070/071*	1000	505	1168	5721	2872	49	1	87178	4227	51	102772	1,660,250
Total	31,138	13,812	51,360	144,456	21,043	2,685	7,511	1,294,439	87,328	6,478	1,660,250	

Source: Department of Transport Management* only 6 months data

2.4.2 Issuance Driving License

Table 2-3 shows the issuance of driving license from zonal office of Department of Transport Management.

Table 2-3 Driving License Issuance

Zone	Received from Existing Police Office	Distributed from Office establishment to year 2066/77	Distributed in year 2067/68	Distributed in year 2068/69	Distributed in year 2068/70	Distributed in year 2070/71	TOTAL
Mechi	35,373	96,436	19,326	13,569	18,867	945	184,516
Koshi	58,014	91,609	30,416	13,310	12,171	1,296	206,816
Sagarmatha	-	-	14,534	7,635	9,888	-	32,057
Janakpur	31,385	30,451	7,582	10,832	4,466	2,409	87,125
Narayani	73,428	63,926	28,441	23,426	11,565		200,786
Bagmati	277,000	283,984	57,740	66,245	41,465	28,658	755,092
Lumbini	46,700	86,945	21,148	14,966	15,563	5,523	190,845
Gandaki	89,000	107,009	23,599	3,852	16,351	9,723	249,534
Rapti	-	7,098	3,465	25,690	4,797	2,731	43,781
Dhawalagiri	-	-	975	3,816	7,400	134	12,325
Bheri	-	34,935	12,712	19,800	9,191	5,737	82,375
Seti	22,500	13,219	4,715	6,369	7,795	608	55,206
Mahakali	12,318	9,292	4,232	6,770	4,071	-	36,683
TOTAL	645,718	824,904	228,885	216,280	163,590	57,764	2,137,141

Source: Department of Transport Management

In Nepal, the reported road traffic fatalities in the year 2013 are 1,816. Estimated Gross Domestic Product loss due to road traffic crashes is 0.8% of total GDP (2011)³. The national statistics in road accident is shown in the table below.

2.4.3 Distribution of Road Accident (by vehicle type)

Table 2-4 shows the annual numbers of accident suffered by various types of vehicle.

Table 2-4 Road Accident by vehicle

Year	Truck/ Tanker	Bus	Car /Jeep/Van	Tractor	Tempo	Motor Bike	Others	Total
2068-069	1441	1863	4141	531	229	5442	640	14287
2069-070	1369	1724	3951	496	242	5232	568	13582
2070-071	1684	1712	3799	473	208	5070	583	13529
2071-072	747	1012	2142	222	114	2812	314	7363
*								

Source: Traffic Police Directorate (Nepal Police Head Quarter) * 6 months data

Cumulative total number of buses is lower than that of trucks (Table 2.4) but numbers of accidents caused by buses are found higher than the trucks. The research has not been carried out on the reason behind on it but it seems that truck drivers are found more experienced and take rest on the way to their destination. On the other hand, bus drivers do not have chance take rest either on the day service or in the night. High speed is another reason of road accident. Further they compete with other buses of the same route and time to pick up more passengers and earn more money. This might be one reason of more accident by buses than trucks. Most risky vehicles are found to be car/jeep/van. Cumulative total car/jeep/van is found 144,000 but the accident caused by them is found highest in percentage. The taxi drivers might have contributed more accident. Though number of accidental caused by motor bike is recorded the highest, their cumulative total is found highest as well, (13, 00,000 motor bike).

2.4.4 Distribution of Accident by Nature

Table 2-5 shows the distribution of accident by accident cause. From the **Table 2-5**, 68 percent of the accidents are recorded due to driver's negligence and 15 percent of the accidents are due to high speed of the vehicle. Overtake and technical fault of the vehicle are found equal and their contribution is 4 percent. Accident due to drinking and driving is found at 3 percent and accident due to overload is found lowest at 1 percent.

³Global Status Report on Road Safety 2013, WHO (extracted from World Health Survey 2011, Final Report on Study of Health Care for Road Traffic Accidents (RTA))

Table 2-5 Road Accident by Nature

	Negligence of Driver	Negligence of pedestrian	Overtake	High speed	Drinking & driving	Technical fault of Vehicle	Overload	Cattle on the Road	Miscellaneous
2068-069	5795	361	528	1453	240	325	104	34	52
2069-070	5551	339	312	1292	271	387	103	34	153
2070-071	6005	274	278	1139	200	312	76	41	65
2071-072*	2913	158	103	624	103	156	19	25	54

Source: Traffic Police Directorate (Nepal Police Head Quarter)

2.4.5 Distribution of Road Accidental Casualties

Table 2-6 shows nature of road accident. Of the total victims, 58 percent of the victims are recorded non-serious injuries while 28 percent are found seriously injured. Statistics reveals that 14 percent of those who encountered road accident are found dead.

Table 2-6 Level of Road Accident Injuries

Year	Death	Serious injury	Non serious injury
2068-069	1837	4018	7811
2069-070	1816	3986	8000
2070-071	1787	3516	7877
2071-072*	1024	2063	4145

Source: Traffic Police Directorate (Nepal Police Head Quarter)

From timing point of view, majority of the accidents (43 percent) are found incurred in between 12:00 to 18:00 in the evening and accidents during the midnight to 6:00 are recorded at 29 percent while 18:00 to mid night are recorded lowest at 28 percent.

2.4.6 Effectiveness of Compulsory Third Party Insurance (CTP)

Table 2-7 shows number of vehicles covered either under comprehensive coverage or third party.

Table 2-7 Insurance Coverage

Year	Comprehensive coverage	Third party coverage
2068-069	205,315	262,258
2069-070	220,167	332,187
2070- 071*	124,494	170,344

Source: BeemaSamiti *-only six months data of 2071(up to Poush)

Cumulative total of vehicle registration by the end of Poush 2071 is estimated to 16, 60,000 vehicles. But total numbers of vehicles that have purchased comprehensive coverage or third party only is found to be 5, 50,000 in 2069-070. Of the registered vehicles, if we assume that 11, 00,000 vehicles are in good condition and ply on the road, then only 50 percent of them are covered by the Compulsory Third Party insurance. This indicates that compliance is merely 50 percent. But the estimate from some of the insurers on sale of third party insurance is around 40 percent only. There is need of further research, which is outside of the scope of this study, on how many vehicles move on road and have purchased motor insurance (either third party or comprehensive).

2.4.7 Claim Distribution by Vehicle Type

Table 2-8 shows cumulative of insured vehicle from 2068/069 to Poush 2071.

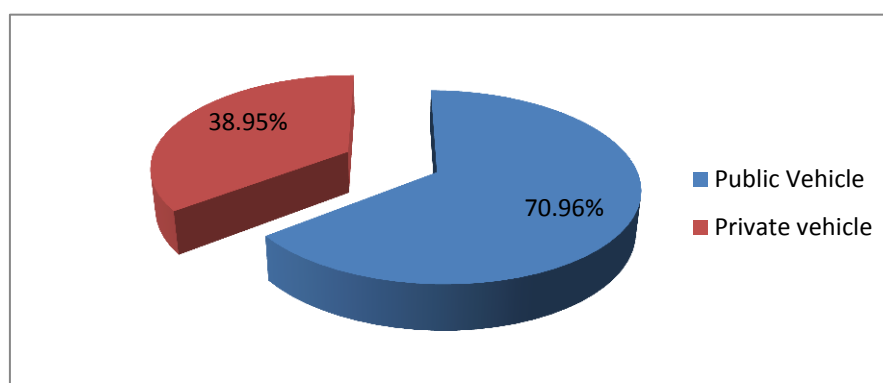
Table 2-8 Motor Vehicle Claim

Year	Public Vehicle		Private		Motor Bike	
	Comprehensive	Third party	Comprehensive	Third Party	Comprehensive	Third Party
Cumulative from 2068/69 to 2071(Poush)	177,846	73,576	124,000	41,000	247,072	649,542

Source : Beema Samiti

From the above table number of insured vehicle account very low compared to the total number of vehicle registered. This shows that there is need of monitoring and effective implementation of the existing MVTMA and MVTMR in respect of insurance.

Figure 2-1 Percentage of Public and Private Vehicles Insured



Source : Beema Samiti

Of the total vehicles insured, seventy one percent are found public vehicles and the percent of private vehicles are found only thirty nine. But it is found that the total percent of insured vehicles remains low as 40.

2.4.8 Research Activities

None of the insurers are found involved in the research activities of insurance development. Though there is newly established Nepal Insurers Association, it has also not been involved in the research and insurance development activities. Their role is not found in the loss prevention, loss control and awareness activities either on insurance or claim reduction. However on the field survey it is found that some insurers and Nepal Insurance Surveyor Association have conducted awareness on insurance. It has been observed from the insurers and other stakeholders that the development and research activities lies within the scope of the regulator for which the regulator raise 1 percent of the total annual premium volume. Stakeholders expect that it is necessary for the regulator as well as insurers to increase the human resources including the technical expertise in the field of insurance.

2.5 INTERNATIONAL PRACTICES

Motor insurance liability is unlimited in most developed countries; however it varies in developing countries. The majority of liabilities are paid either under a fault-based or no fault system. The differences between these are whether claimants are allowed to sue for compensation and whether the policyholder's insurer pays first-party benefits regardless of which driver was at fault. Under the fault based system, the claimants are allowed to sue for compensation. The no fault system does not allow the claimants to sue for compensation. Second party (insurer) pays the first party benefits under the no fault system no matter which driver was at fault. In contest of Nepal, fault system is applied for compensation case of collision and no fault is applied for the third party. No fault system has feature of quicker payment of claim, reduction in the numbers of lawsuits as merits. The demerits are no incentive to good drivers, limited economic damage and higher premium rate.

Table 2-9 Insurance Amount in Some Countries

Countries	Personal Injury	
	Per person	Per Accident
Bulgaria	€358,000	€512,000
France	N A	Unlimited
Finland	NA	Unlimited
Greece	NA	€500,000
Hungary	NA	€5636,000
Italy	NA	€774,685
Norway	NA	Unlimited
Netherland	NA	Unlimited
UK	NA	Unlimited
Poland and EU	NA	5 mil. Euro*
Australia		Unlimited

India		Unlimited
Nepal		Rs1 00,000 -Rs500,000

Source: Serap O. Gönülal⁴ * from email reply from Polish Motor Insurers' Bureau

2.6 CONSULTATIONS AND INTERACTION WITH STAKEHOLDERS

(1) Traffic Police

Traffic police Directorate office suggested that compensation amount must be same for death due to road accident and there should not be discrimination among passengers and other. They found difficulty in paying compensation when number of death are found more than number of seat specified in the bus. It was difficult for them to allocate who had bus ticket or who had not got it. Further suggestion was that there must be clear provision for reckless driver to be sent into jail. The amount of health insurance is not enough at the moment. Drivers for heavy vehicle must be at least of age of 25 years. Accident due to high speed can be reduced by installing beeping device in the vehicle. It is found that Pulsar Motor Bike, Taxi, Micro Bus are the most dangerous traffic.

Traffic police has notice that the most accident are incurred on road where route permit is not allowed. There must be provision of penalty other than monetary amount. Most accident are due to over load and there must be some provision of penalty attached to diver in such a case so that drivers should take due care. They also suggested that there must be provision of legal punishment in the act for a drunk driver, 50 percent accidents are due to careless of drivers. The drivers must be responsible for the accident caused due to drinking. They further suggested for a legal provision to suspend the driver for at least 6 months if more than two accidents incurred because of his careless. In present context it is difficult to implement unlimited liability amount as compensation. It may take longer time to settle claim but victims require compensation amount at the time of death.

(2) Insurance Experts

Meeting with insurance expert concluded that the existing compensation amount of Rs500,000 was set on ad-hoc basis and has no scientific ground. It was just increased as authority faced protest on the road for claiming higher amount of compensation. He further suggested that it must be adjusted regularly. He has experience of fraud documents produced by the concerned authority in lieu of getting benefit from victims. Compensation to disable due to road accident must be higher than death claim as there incurs other related cost such as care taker. An actuary argued that the compensation amount for third party is considered as litigious and hence considered higher than passenger. Authorities from the Federation of Truck Transport Entrepreneurs, Nepal suggested that the discretionary power must be removed in the case of

⁴ Motor Third-Party Liability Insurance in Developing Countries, by WB July, (2009)

claim settlement and government lawyer must be deputed in favor of victim for claim settlement in case of dispute occurred.

Experts also reported that the insurers dig up international practice in favor of them and hide facts in favor of victims. There is monopoly of insurers in the case of claim settlement. Some CDOs found ignorant of insurance and do not wish to be involved in the claim settlement process. Concerned government authority remains inactive in dispute settlement and traffic remains more disrupted. They have also found that there is lack of monitoring and supervision whether the premium charged is fair or not.

Experts have experience of pressure from the locals, no support from the government authority instead they play a role to pay in cash at the time of accident rather than forwarding documents to the respective insurers. They are in favor of transparent data base of all the vehicles that can be traced in real time. There must also be system of centralized data base for claim to eliminate duplicate payment. Some insured claim benefits from the both vehicles in case death occurred in collision. Compulsory motor vehicle insurance act is found more effective in neighboring countries and it must be applied in Nepal as well. Not all the vehicles are insured and initiative should be taken from the DoTM and Traffic Police. There is no provision in Act or Regulation about the insurance policy to be in the vehicle. Otherwise it was found difficult whether the vehicle has purchased insurance or not and what are the coverage. Insurers require the proof of accident but sometime it is very difficult to take photos, for instance, vehicle misshaped in the river and no debris is found.

Good relation between the insured and insurers at the time of policy purchase turns into bitter once the accident incurred. Insurers require only blue book at the time of policy purchase but require lot of documents if suffered an accident. It seems that there is lack of awareness even to the insured.

Official from the NLG insurance has same experience as the traffic police that most accident are due to careless of driver and no one knows who is legally responsible for an accident due to overloading. There must be provision in the law that the insured must be responsible, to some extent, for the accident due to overload. There is no mechanism of vehicle fitness testing and road permit on regular basis. They have same version as police that most accident occurred in the newly opened road, where most vehicle may not have route permit. The majority of the reports provided by the police are found influenced. Most collision cases are turned into third party with the help of police. Hospitals also produce documents in favor of victims by inflating the claim size. In order to make fake claim by some insured claim their compensation even after 3 months after the accident occurred. There must be two drivers in the night bust, they suggested. There is lack of awareness. They suggested for a separate motor act.

(3) Federation of Nepal National Transport Entrepreneurs

Federation of Nepal National Transport Entrepreneurs officials are in favor of unlimited liability provided insurers are ready to reduce some premium and make a single comprehensive policy including Riot & Strike, Miscellaneous Damage, Sabotage terrorism and the government must provide some subsidies. Insurers and regulator must increase the technical manpower in the profession.

Official from the Premier Insurance Company suggested that digital driving license will be more effective. And there should not be alternative provision such as in case of overload the legal provision is that insured is responsible for death other than specified number of seat in the vehicle.

(4) Surveyor Association

Surveyors association has shared their experience of not having Vehicle Fitness testing centre. Insured do mutual understanding to claim third party compensation. They are in favor of equal amount of compensation. Drivers for the public transport and heavy vehicle must be at least of 25 years with minimum of 2 year light vehicle experience. Most accidents incurred due to driver of young age, drink driver and not experienced. They have found many fake medical bills from dummy hospital, mostly in the Terai region. Innocent people are not getting the benefits of insurance but only influencing people are making insurance as good business. Government intervention is necessary for fake bills by doctors and hospitals. It is a hidden business for many power playing persons. There must be independent hearing committee to settle dispute of insurance claim. There must be single comprehensive policy and that must be compulsory in order to make road transport safety. No research has been carried out either from insurers or the regulators. Research must be carried out in this profession.

Awareness level is found very low and it must be increased for which insurers and the regulator should take initiative. There must be clear provision for old vehicle and overload, speed checking evenly distributed system in the country. Basic mechanical training should be provided to drivers. At the time of license, driver's health certificate is required but after that it is not required. There must be provision of submission of health certificate in every five years. Many drivers use the driving license of others or fake driving license. Smart card can reduce this risk. DoTM must coordinate to scrap the Blue Book in case of 75% compensation is paid. Every accident faced by a vehicle must be recorded on the Blue Book. There must be global accident recording system. There is no research in this field.

(5) Nepal Transport Labor Unions

Representative from the Nepal Transport Labor Union, sister wing of Trade Union have similar sense of experience as above. Vandalizing from the victims at the accident site takes place demanding more than the existing compensation amount of Rs 500,000. Therefore review on the existing insurance compensation is a must.

Private and government motor vehicle drivers are not necessarily covered under the existing provision and must be covered by the by the insurance policy, they advised. Some private companies have covered their drivers for a compensation of Rs 500,000 on voluntary basis but must be implemented compulsorily to all the drivers.

It is also found that bus owner turned the excess number of passengers than specified seat in the bus into third party in case accident occurred, or in some case they turned passengers in to third party in order to claim third party compensation and make money from the victims of that third party. For instance if 30 passenger died on a bus of 25 seat, 5 passenger were converted into third party. It is further found that the bus owner does not purchase insurance for the helper they are recruiting in the board but whenever the accident occurs and if the helper died, they claim it as third party to claim, In Japan, car owner or family head purchased insurance for all the children and spouse, it may found in some case that, certain other numbers of passengers remains covered by the insurance policy. Practice of covering the other relative and family members is not practiced in Nepal. Some school were found to have been covered their students (modern Indian and Kinder world); despite no provision in the MVTM A and MVTMR.

(6) Hospitals

Regarding the hospital expenses, it has been advised from the Bir Hospital that on an average the existing limit is enough. They further explained that cost of service is cheap in Bir Hospital in comparison to other hospitals and it may not be enough even for other university hospital. Head of Department of emergency unit in Teaching Hospital advised to increase the existing limit to two Lakh fifty thousand. Similar suggestion was found from the Kathmandu Medical College public Ltd. But physicians of emergency unit from B & B Hospital advised that there must be at least of Rs 500,000 of insurance coverage for the road accident related treatment.

2.7 FRAUD CONTROL

There must be stringent rule to control fraud. Unless and otherwise there is no legal provision to penalize the one who produce fake report, document and claim insurance on those fake accident or inflated claim⁵ or breach of utmost good faith, there will be more crime in the name of insurance and influencing person will continue their business of making money from insurance. Care should be taken for the innocent insured. However it is found that the insurance regulatory body is in favor of insured. Despite their favor there is need of making more awareness on the insurance and its claim procedure as well as the terms and conditions which are necessary for the insured to understand at the time of purchasing insurance policy.

⁵Guidance Paper On Preventing, Detecting And Remediating Fraud In Insurance, International Association of Insurance Supervisors 2006. All rights reserved. Brief excerpts may be reproduced or translated provided the source is stated.

Produce of fake documents in the case of hospital expenses are very high. It is also found that concerned stakeholders are engaged in the case of doing or producing documents in order to claim high amount of insurance.

CHAPTER 3 PRINCIPLE OF ROAD TRANSPORT INSURANCE

3.1 BASIC CONCEPT

Insurance is risk transfer device where many people called insured pay a small amount of money called premium and a few people who suffered from a specified risk called contingencies entitled to receive the specified large amount of sum insured in the policy. Insurance is a business based on the utmost good faith. The pooling principle works on insurance, where motor vehicles who do not encounter any accident in the policy period subsidize those vehicles which suffer losses due to accident. The higher the risk, the higher is premium. It is also a business based on law of large numbers. This mean premium goes down whenever number of policies goes up. The premium will further be down if the all the vehicles purchase insurance policies. But in case of Nepal it is found that only limited vehicles purchase insurance policy and if claim occurred then insurance company go on loss.

Figure below shows all insured person inside the circle pays premium but only few person in red color get compensation.

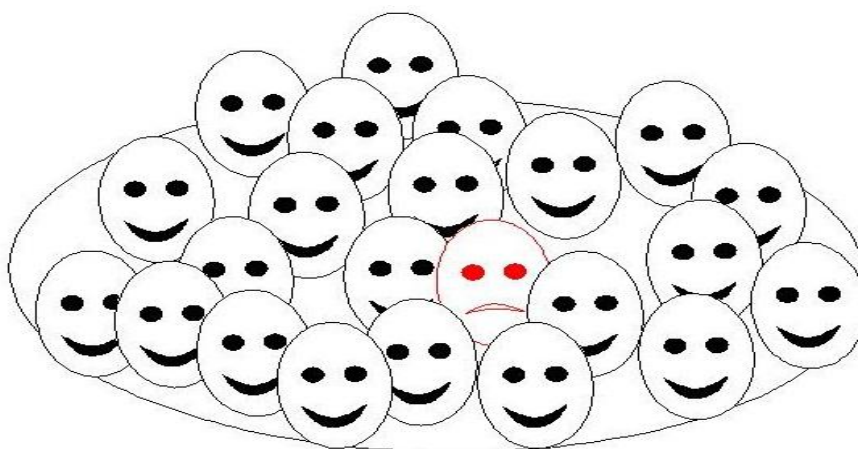


Figure 3-1 Insurance Premium and Compensation

Only few vehicles are found insured in Nepal. They neither purchased comprehensive nor third party insurance (Table 2-7).

3.2 INSURANCE PREMIUM BASIS AND COLLECTION SYSTEMS

Premium is designed on the risk level. Premium increases as risk level increases. Older vehicles are more likely to suffer from accident. Young drivers are more risky than the experienced ones and should charged higher premium; otherwise there will be moral hazard. In general premium is designed various risk factors such as: driver's age, education, marital status, and driving experience, region (Hill, Terai); age, vehicle engine power (cubic centimeter) and types of

vehicle. But in case of Nepal only vehicle type is taken into consideration. Both Sweden and UK allow premiums to be set by the insurers and many factors can influence the price. Among others factors, say for example in UK insurers offer premium reduction on the basis of age, sex, additional driver training and just recently, an insurer is offering to charge on the basis of mileage with a black box fitted to the vehicle.

In most countries, the insurance regulatory authority or government set motor insurance premium after consultation with insurers. In Nepal Beema Samiti, with the help of Tariff Advisory Committee (TAC) fix the premium. Some countries have adopted liberalization and the premium depends on individual insurer.

Table 3-1 shows influencing factors for third party insurance premium.

Table 3-1 Premium and Influencing Factors

Country	Responsible authority	Tariffs Basis (driver/Vehicle)	Driving Experience	Drink Driver Convection	Speeding Conviction	No Claim Discount
Nepal	State	Vehicle	No	No	No	Yes, 15-50% year
India	State	Both	Yes	No	No	Yes, 15-65%
South Africa	State	Distance	No	No	No	No
New Zealand	State	Vehicle	No	No	No	No
UK	Private	Both	Yes	Yes	Yes	10-65%
Victoria(Aus)	State	Vehicle	No	No	No	No
Sweden	Private	both	Yes	Yes	Yes	Yes

Source: *The Role of Motor Insurance Industry in Preventing and Compensating Road Casualties (2002)*

All the insurers in Nepal collect premium in three ways. The insurers communicate with business houses for their insurance products at specified premium rate and business houses decide whether or not to purchase the product offered by the insurers. The second way to sell insurance products is through Agents. Some insurers have direct sale force in their office for selling motor insurance products.

Table 3-2 shows some different ways of third party premium collection or levy on motor vehicle to cover their insurance.

Table 3-2 Premium Collection Methods

Country	Current Requirement	Industry type	Premium charged on
Australia	Personal Injury	State	Licensing fee
South Africa	Third Party Injury	state	Levy on Fuel sold
New Zealand	Personal Injury	state	On Licensing and fuel sold
UK	Third party Injury and damage	Private insurer	Premium

India	Third party Injury	Mixed	Premium
Nepal	Third Party Injury	Mixed	Premium

Some other South African countries⁷ have also adopted similar system that of South Africa to raise premium for road accident compensation. Then the non-compliance is almost impossible for the CTP insurance. Recently Mauritius has also implemented South African Model of raising premium on fuel levy.

3.3 DETERMINATION OF THIRD PARTY LIABILITY/COMPENSATION

Normally, insurance is purchased when there exists any obligation or liability after the accident or death of a person. For a family with a child of age less than age 18 may have obligation to educate and hence requires an insurance coverage. If a motorist hit an innocent pedestrian then his moral obligation is to treat him and financially support his family in case of death of pedestrian. What is the amount that the motorists need to pay as a liability or obligation varies by countries. International researcher has found that compensation of 6 to 10 times of annual salary of a person may help the dependent family for some years in case the breadwinner died. However, this is not a best estimate to buy a life insurance or compensate someone on road accident. While calculating third party liability amount, following factors usually be considered;

- a) Medical expenses incurred in relation to accident or treatment
- b) Loss of earning (due to accident) or property damage
- c) Past experience and education level
- d) General damage such as pain, suffering or disfigurement or loss of companionship of spouse.
- e) Survivors loss benefits
- f) Funeral and essential service expenses
- g) Punitive damage to punish people doing wrongful act and alert other.

Further existence of legal duty requires all motorists must protect other including pedestrian in the road. Manufacturer has a legal duty to produce safe products. Therefore all the vehicles have legal duty to drive safely and imposition of legal liability in case a vehicle hit a pedestrian.

3.4 MOTOR VEHICLE DRIVERS

Drivers play key role in the road accident. Past experience shows that 68 percent of the total accidents have been occurred due to drivers' carelessness. The accident due to driver's carelessness is recorded equivalently the same proportion in the Poland⁸. Insurance premiums reflect levels of risk, and if the risk of accident is perceived as extremely high, higher premiums will follow. Failure to address the reasons for high accident rates, for instance drunk driving, insurance companies could ultimately be forced to continue to increase motor insurance premiums. This

⁷Bostwana, Swaziland, Namibia and Lesotho

⁸ ROAD SAFETY for Central & Eastern Europe A Policy Seminar Budapest, Hungary 1994

will lead to a negative impact on consumers and ultimately the economy. It is therefore vital that drivers and insurance companies start working together to keep motor insurance costs down.

Most of the long route night buses are driven by a single driver which increases the chance of accident and there must be provision of at least two drivers in the night bus or shift system. The shift system of the driver will be shifted by the half way in the long route bus. Level of drowsiness which is recordable⁹ must also be taken into consideration while issuing the driving license. The higher the risk the higher is insurance premium. There must be some relation for risky and non-risky drivers. Driver's education, age and gender, marital status his/her past driving experience, drinking habit and past accident record must be taken into consideration at the time of insurance purchase. Age of 18 to 24 is considered to be more emotional and called accidental hump. Therefore there must be stringent rule while providing driving license to this age group. In some countries higher premium is applied to lower age group drivers. For instance 17 year male need to pay a premium of \$2050 compared to 44 year male auto insurance premium of \$524¹⁰. There are discrepancies among the premium charged to the various age levels. This is because of maturation; education and experience the adult people get than younger people. But in case of Nepal there is neither punitive measure nor incentive measure is applied in case of driver's age, experience and education.

Besides these it is an obligation of the drivers to keep insurance policies in the vehicle she/he driving it so that it helps authority to decide whether or not the vehicle is insured. Placing visible sticker on the vehicle will be very easy for the authorities to check whether the vehicle is insured or not. Length of training that a person takes before sitting for driving test is very low in compared to other countries. For instance 70 hours is necessary in Poland¹¹. The road accidents have been dramatically decreased when the driver's training is increased from 50 hours to 120 hours in Europe.

3.5 CLAIM SETTLEMENT AND COMPLIANCE

There are certain guidelines of the Beema Samiti for insurers to follow during the claim settlement. Dispute arises when insurers find false claim or inflated and policy that does not covers the risk the insured has made claim. Some time it is difficult to identify fault of party. There are three rules for deciding the any fault. Pure rule pays fixed percent of the damage. Insured can recover damage to its vehicle if its fault is less than 49 percent. But you can recover your damages if your fault is not greater than 50 percent. In practice there is difficulty of fixing level of fault while two motor vehicles collide.

To remove the ambiguity of deciding the level of fault some developed country for instance USA, Japan, South Korea and China has adapted Automatic Accident Recording System

9 Level of Sleepiness is Recordable Herbert Helmlle, AMTechPupilknowlogy GmbH Geneva, May 7, 2013

10 Auto Insurance Premium rate in Nebraska, Gerogre E Rejda page 270

11 ROAD SAFETY for Central & Eastern Europe A Policy Seminar Budapest, Hungary 1994

(AARS)¹². Most of the claims are from third party as there is crime of changing passenger into third party.

Compliance is recorded very low in case of Nepal. Motor insurance is universally considered a loss business¹³ even in the developed countries and similar experience is found in Nepal too. The better the motor insurance industry, the more investors it attracts. Therefore there is need of good coordination between the concern stakeholders namely: Vehicle registration office, Beema Samiti and Traffic Police to control fraud claim, non-compliance of third party insurance and track vehicle on the spot. This can be done if there is web based access to all vehicle registration data to all the above office.

It is very difficult for the traffic police at the time of accident whether the vehicle has purchased Compulsory Third Party Insurance or not. Because of this traffic disruption continue for hours and hours. Therefore, there is need of regular monitor whether a vehicle has purchased an insurance policy.

3.6 UNDERWRITING PROCESS AND PRACTICE IN NEPAL

Underwriting is selection of motor vehicles for the purposes of selling insurance policy and determining level of premium for them. The selection process take account of risk attached to vehicle such as age and mileage of vehicle, power and model. In case of Nepal, at the time of underwriting, only vehicle engine power (cubic centimeter) of motor vehicle is considered. The higher the cubic centimeter (cc), the higher is insurance premium. But it is more reasonable to consider territory, age, gender and marital status, type and use of motor, driver's education, individual driving record and insurance score or past record of driver associated with a relevant vehicle.

The Beema Samiti, insurance regulatory body, with the help of its Tariff Advisory Committee fixed the entire premium for non-life business. Insurers are not allowed to charge any extra premium other than they have already set. But in some countries, different insurers may have different premium for the same set of risk. The insurance companies, where de-tariff is applicable, may charge higher or lower premium depends on the level of risk at the time of selling insurance policy. The incentive is given to safe drivers, called bonus-mauls system. In case of Nepal, the bonus-malus system is there but the incentive goes to vehicle owner and not to any driver of the vehicle.

It is government's responsibility to ensure market competitiveness, fair and professionalism in the insurance industry. This is more easily possible if buyers are allowed to switch easily from one provider to another and any form of bonus-malus scale, if present. But in case of Nepal, as a

12 Obtaining and Applying of Traffic Accident Data Using Automatic Accident Recording System in Korea
JaehoonSul and Seonghee Cho Republic of Korea, The Korea Transport Institute, jhsul@koti.re.kr

13 The Role of Motor Insurance Industry in Preventing and Compensating Road Casualties (2002)

result of set tariffs, insurance companies are frequently obliged to apply tariffs below the real cost to higher risk motor vehicle. Therefore, liberalization can reduce moral hazard and increase competition among the insurers. In a liberalized market, good risk classification helps to reduce the total cost of risk by providing incentives to insured that alter their behavior.

Adverse selection takes place in most tariff based system. There is less chance of adverse selection in the liberalized economies.

Table 3-3 shows countries and level of risk they are allowed to take.

Table 3-3 Countries and Risk Covered

SN	Country	Level of Risk, at the time, Underwriting they are allowed to take
1	In Germany	Companies cannot refuse a particular risk, but they can offer the potential bad risks coverage with caps on reimbursement, in case of an accident, well below the full coverage offered in the rest of the market.
2	In France, Portugal and Spain	Companies are not obliged to underwrite all types of risks, and the bad risks can buy coverage from public entities, generally at higher prices than ordinary policies. These public entities are financed pro rata by the entire insurance sector.
3	Ireland, Netherland and United Kingdom	The situation is slightly different. In these countries, companies are not obliged to under-write all risks, and the bad risks generally find coverage through private niche companies at a higher price and for a limited period of time. This means that the applied tariff for standard risks reflects only the costs of the risks that are insurable: the system, as a whole, does not need to bear the costs of the worst risks.

Source: Noam Noked (2010), Providing a Corrective Subsidy to Insurers for successful in Reducing Traffic Accident The role of Insurers

Selling insurance is not only a business of insurers but their role is to take preventive and risk control measure as well. It is found that some countries have allocated certain slice of annual premium for road loss prevention, education and awareness programs to school children, drivers and community people. But in case of Nepal, none of the insurers are found engaged in awareness, risk prevention and control program, except a few case of awareness on importance of purchasing insurance by some of the insurers. The crisis of trust between the insurers and the motor industry is found. There is chance of win - win situation provided the motor industry followed utmost good faith and the insurers supported some awareness program, invest on risk prevention and control program, increases skilled manpower so that the insured should know the terms and condition of the insurance policy at the time of purchasing the policy. What the motor industry has experienced is the insurers are only for selling their policies and do not favor if the claim arises.

3.7 USE OF MODERN DEVICE IN THE MOTOR VEHICLES

It is found that some of the countries such as China has adopted a beeping device in the vehicle to check if the vehicle has exceeded the speed limit. Whenever the driver exceeds the specified speed limit, then the system automatically beeps and a record will be forwarded to the central database or control room and the driver will be penalized. A similar device called Automatic Accident Recording System (AARS) is used in China, South Korea, Japan and USA to identify the fault of drivers in case of collision between two vehicles on the road. The insurance companies provide a premium discount provided the prospective vehicles have installed such a device. Both the systems may also be useful in the near future in Nepal.

3.8 COORDINATION AMONG THE STAKEHOLDERS

The insurers in Nepal are not involved in road safety programs. They are direct beneficiaries of the road safety program. Lower the road accident, there will be low insurance claims and vice versa. In some countries, insurers are found to be involved in many road safety programs such as school children awareness programs, drivers' training programs and other awareness programs. They are found only involved in case a claim is reported to the company. If there is no claim to the insurance companies, they are less likely to be involved. None of the insurance companies have a research department for accidental data base and systematic claim data system. Because of this they lag behind on any sort of accidental claim analysis and just depend on the tariff rate of the supervisory body. There exists a crisis of trust among the police and insurers, hospital staff and local authorities. It is found from the field study that there is a need of cordial relationship within the stakeholder. Insurance business cannot flourish without help and coordination of other stakeholders such as police, hospital, local authority and motor industries. It is the responsibilities of the local authorities, police and hospital to disclose the reality in order to help insurance companies to pay claims to the right person only. Therefore, it is a sole responsibility of the concerned parties to adhere the rule and regulation, rather than help producing fake documents or bills. For this there is a need of ample need of coordination among them which is not found in practice.

CHAPTER 4 POLICY ASPECTS FOR ROAD TRANSPORT INSURANCE

4.1 INSURANCE AND AWARENESS

Opportunities do exist for governments to draw the insurance industry and other private sector interests into the battle to improve road safety by establishing voluntary or compulsory levies. Investment in road accident prevention can reduce outlays in accident insurance claim compensation and is seen as a good business decision by those already active in this field. This will not only decrease the road accident but also increase the level of profit by decreasing claim. Further such activities help to increase the business volume of a company and as a whole insurance industry flourishes.

The role of the insurance industry should not be limited to a passive funding source for road safety. A more active partnership should be sought between the insurance industry and the government. The insurance industry's support and commitment to road safety will be greater if it is involved in the organization of road safety and is able to help determine the use of their funds.

Insurers should be considered or new ways of reducing road accident including frequency and severity of collisions. It is also their social responsibility to lower claims rates. By analyzing claims data, insurers identify groups of high-risk drivers and isolate the factors that contribute to their risk as a group

Insurers should involve in four main areas of sponsorship as follows:

- i. Road safety education and knowledge transfer,
- ii. Publicity and awareness campaigns,
- iii. Enforcement, and
- iv. Driver's training.

The motor insurance industry plays an important role in road safety. Not only do most motor insurance companies assist in the creation of awareness through advertisements and circulars to clients, but they also provide the platform and solution to repair damaged vehicles. This also helps the driver of the vehicle, peace of mind.

Many European and Asian countries, as well as in North-American states or provinces, insurers' use experience rating in order to relate premium amounts to individual past claims experience in motor insurance. Such systems penalize insured drivers responsible for one or more accidents by premium surcharges (or maluses) and reward claim-free policyholders by awarding them a discounts (or bonuses) and are called no-claim discounts, experience rating, merit rating, or bonus-malus systems. But in case of Nepal, no claim discount is provided and there is no penalty on the malus system. If this is implemented then the careless or risky driver will be charged more premiums and will help to reduce road accident.

4.2 FINANCING ROAD SAFETY THROUGH INSURANCE

No serious road safety measures can be implemented or sustainably succeed without sound financing mechanisms. Insurance levies are a form of road user safety fee providing an ongoing, predictable source of revenues, collected by adding levies or surcharge compulsory insurance premium to fund road safety. The major funding sources are: budget lines for road safety in the relevant ministries, drawn from general tax revenues, levies added to insurance premiums, traffic lines dedicated to road safety activities, and a certain percentage of road user charges and private sponsorship.

Motor vehicle insurance should begin to receive more priority in road safety management from the government. Insurance companies should begin sponsoring events such as awareness in school level, road show about insurance and how it help to prevent accident, refreshment training to drivers, driving skills development training. Road safety financing from the insurers seems reasonable as they get benefits if there is reduction in the claim frequency and severity.

Since the increasing medical bills and auto repair is beyond the control of insurance companies, investing more money to reduce crashes and subsequent claims costs became their best interest. Research shows that the investing in road safety reduced claims often outweighs the amounts invested. The countries like Canada, Australia and Finland found advantage from investing in road safety through Insurance. The licensing, education, training, crash avoidance skills, hazard awareness and panic management are key factors that help to reduce road accident¹⁴.

4.3 FUNDING MECHANISM

In most countries, the insurance industry has traditionally limited its involvement to post accident compensation payments. A no-claims discount was most probably the only incentive or attention that motor vehicle insurance companies gave to accident prevention. This situation has proven unsustainable with many insurance companies (in developing countries), incurring excessively high claims loss ratios; the accident claims increase rapidly in the countries undergoing rapid motorization like in Nepal. If there is no financing from the insurers, it will be very hard for insurers to settle claim or they need to revise the premium rate every year. To raise the premium may be very difficult to implement in each and every successive year. Therefore it is worth for the insurance company to finance on the road safety program either by awareness or driver training or refreshment program.

4.4 DISTANCE-BASED VEHICLE INSURANCE

Practice of charging insurance premium is fixed with respect to vehicle power and its age. A reduction in vehicle mileage does not usually provide a comparable reduction in insurance

14Motorcycling safety policies, Aline Delhaye FEMA General Secretary FEMA General Secretary On behalf of motorcyclists worldwide

premiums. Distance-based pricing converts insurance into a variable cost, so reducing a vehicle's annual mileage reduces its insurance premiums, other things remains constant. It is based on the principle that prices should reflect costs, so consumers who reduce the costs they impose should receive proportionate savings. Reduced driving reduces the risk of crashes and insurance claims. By the existing pricing system, claim cost savings that result when motorists reduce their mileage are retained as profits by insurers, or returned to premium payers as a group. With distance-based pricing these savings are returned to the individual motorist that reduces mileage. The less you drive the more you save, reflecting the insurance cost savings you. It is worth to consider distance based premium to be charged to the motor vehicle. If this is implemented then some vehicle owner will get incentive for not driving and there will be less vehicles in the road which supports road safety. Authority should take initiative toward distance based motor vehicle premium as one factor.

4.5 POLICE RECORD AND PREMIUM CALCULATION

The cost of motor insurance premiums is determined by the Beema Samiti after consulting the insurance companies. It is standard practice to base the insurance premium on the vehicle type, but many countries also consider other factors such as geographical locations, driver's age, life style and past record. Therefore, it is crucial for the insurers if they attach insurance premium to drivers past accidental record. For this the police record on drivers past accident plays a pivotal role in knowing the history of applicant and determining the premium that he/she has to pay. For this there is need of drivers past accident data base system.

4.6 INVOLVEMENT IN RESEARCH ACTIVITIES

The research should be carried out both from the insurers and the regulators to investigate age profile of the person died on road accident, their family members, amount of hospitals expenses they paid, whether the existing compensation level meets the minimum requirement of deceased's dependents. Similar research is needed on the most drivers, vehicles and region in the nation. Depending on the data and research outcomes, insurers can add extra premium to the vehicle having more risk or runs in the risky area for instance, Terai region is less risky than mountain. The research obviously will help to determine the compensation level to both third party and other passenger and crews on the board.

4.7 METHODS OF DETERMINING ACCIDENTAL COST

The existing amount of compensation is fixed on straight line method. It does not make sense to those victims of the road casualties who have dependents compared to single people. Some may have higher level of living standard and earning. Therefore, same level of compensation does not seem scientific

Table 4-1 shows different methods applied for Accidental Costing/Valuation.

Table 4-1 Cost Determination Methods

1	Gross output or human capital method	Based on the assessment of economic consequences, usually supplemented by a notional sum to reflect the pain, grief, and suffering of victims and their family members.
2	Net output method	Deducts the future consumption of individuals killed in road accidents. Reflects a more conservative economic cost to society
3	Life insurance method	Measures the valuation of risk associated with road use. Determined by the premiums that the driver population is willing to pay.
4	Court award method	Based on the actual compensation settlements awarded, which may be influenced by the degree of negligence found.
5	Implicit public sector valuation	Is a set of implicit values that are used to value human lives
6	Willingness-to-pay method	Estimates the amount of money people affected would pay to avoid a road accident

Source: *Cost of Road Traffic Accidents in Nepal*, ND LEA Inc., Canada in Association with CENAT Consultant (2008)

None of the above approaches have been used in determining the compensation amount to be paid to the road victims in Nepal; instead it is fixed on a lump sum basis to NRs 500, 000 maximum.

4.8 COMPENSATION POLICY

Care should be taken in determining compensation amount to be paid to the kin of road accident victims. It is found that most countries adopt the first method to calculate the amount of compensation in relation to road accidental death, either it can be indexed linked (i.e. price inflation) compensation method or unlimited liability; more detail is described in chapter 5.

4.9 CLAIM DATA REPORTING AND RECORDING SYSTEM

Whenever an accident happens the driver or vehicle owner need to inform to the insurer as soon as possible. The objective of informing to the insurers is to find the fault of the insured vehicle and surrounding situation. From the field survey, it was found that the practice has not been developed yet. Some insured inform their insurer for the claim purposes only they moved from the site. The reason behind this was found that they were unknown about the information they need to forward to the insurer. It has also been found that insured do inform the insurer after they have manipulated the vehicle position and the entire document required. Claim data information is done in the hard copy and no software or central data base has been set up either for claim settlement or research purposes. Accident data base remain constraint within the respective insurer. Newly established Nepal Insurer's Association is also away from centralizing the claim data centre. It will worth for setting up centralized data base for the insurance industry for which government should take initiative on this. This will increase the awareness level on insurance as

well as the data base will be used for various research to decrease premium level and charge more premium to risky drivers.

CHAPTER 5 RECOMMENDATION FOR ROAD TRANSPORT INSURANCE PROVISION

5.1 AMOUNT OF INSURANCE COVERAGE FOR TRASPOT WORKERS, PASSENGERS AND THITRD PARTY

The drawback of the existing insurance coverage for passenger and third party or transport workers is that many passengers or their victims claim themselves as a third party in lieu of claiming higher compensation amount. Almost all the stakeholders suggested that the compensation amount must be equal. The existing legal provision of compensation level for children less than 5 years must also be waived and must be treated equally. Again from the consultations, the Study Team came to know that all the insurance professionals and other stakeholder realized that compensation limit of Rs500, 000 neither scientific nor address inflation effect. Therefore there must be more scientific way of compensation in the regulation. This can be addressed in many ways. Most suitable models for short and long term are described below.

5.2 IMMEDIATE ACTION: EQUAL AMOUNT OF COMPENSATION

The existing sum insured must be equal for all insured, namely transport workers, passengers and third party, no matter how old a passenger is. This will remove the chance of turning passengers as well as other person on the vehicle, if died on an accident, into third party in order to claim five lakh rather than one lakh. The difference within the passengers can be removed by charging minimum amount of fare to the infant so that it will cover the specified amount of insurance. There must be equal amount of hospital treatment expenses of Rs 250,000 to every person injured on the road accident.

5.3 MEDIUM TO LONG TERM ACTION: TOWARDS UNLIMITED COMPENSATION

Since existing compensation amount of Rs500, 000 can be reviewed in line with inflation or Consumer Price Index (CPI) in order to address the issue of road block by relative of victims in road accident.

- The following are recommended model for insurance compensation

(1) **Model A: Compensation based on some multiple of minimum wage determined by the Government**

Under this model, the compensation amount will be fixed by multiplying the minimum wage (annual) determined by the government by some commutation factors say 10 or the compensation will be equivalently 10 years minimum wage or salary fixed by the government.

(2) Model B: Index Linked Model of Compensation

The existing compensation can continue with limit of Rs 500, 000 with indexing from the date it has got legal status. For example if the MVTMA1993 set compensation amount of Rs500,000, then the compensation to the person died in the year 2008 would be calculated at the rate of CPI raised during this year or compounded at the rate of certain per cent as a base rate. If compounded at the rate of 5 per cent, then dependent of the above deceased person would have got Rs 814,000 in 2008 lump sum amount. Similarly the amount will be Rs 942,000 in 2010 and Rs12, 03,000 in 2015 and so forth. This seems reasonable as it address inflation.

In this model, insurance amount can be review in each 5 or 10 years. The sum insured will be increased at the rate of Consumer Price Index (CPI), published by the Central Bank before the cutoff date.

(3) Model C: Mixed Model of Compensation

Under this model certain amount of compensation will be fixed for all and on top of this the unlimited part will vary depending on the parameter provided in **Section 3.3** and **Section 4.7** of this report. The fixed amount can be multiple of average annual salary of civil servant or average salary determined (survey report if available) by Central Bureau of Statistics (CBS) or multiple of minimum salary determined by the Nepal Government. On top of this unlimited part will be determined by the weighted average methods on the parameter mentioned above.

(4) Model D: Unlimited Model of Compensation

Under this model claim compensation amount will be totally determined by court or a committee consisting representative from Insurance Association, Federation of Nepal National Transport Entrepreneur, Traffic Police and Chief District Officers of the district where accident occurs. It must be administrator by Fast Track and Slow Tract basis. Under the fast Track, certain fixed amount to meet funeral and other cost will be paid and full claim will be paid by court decision or the above committee's decision.

5.4 HARMONIZATION OF RENEWAL DATE FOR BLUE BOOK AND INSURANCE POLICY

There must be insurance in place at the time of vehicle registration or renewal of blue book covering the insurance up to next blue book renewal date. If this is not maintained, there may remain gap in between in the insurance policy purchase or renewal and blue book renewal date. During this period, if any accident happened, the insurance will not be covered. To reduce the risk or moral hazard in such a situation, care should be taken by the concerned authority so that all the time every vehicle remains insured. Without this, there is chance that a vehicle owner might purchase insurance policy in the middle of the blue book renewal period so that the vehicle remains insured only at the time of renewing it.

5.5 INSURANCE COVERAGE OTHER THAN TRANSPORT CREW, PASSENGERS AND THIRD PARTY

Many of the road transport sectors employees are not covered by the existing act or rule. Among those there is not provision for school children who uses school bus, government driver and staff carried from home to office or on a field trip, construction workers, labor working in the aggregate transportation from the river side and staffs who work in the night business, family and friend travelling through relative's private vehicle, a person sitting behind motor bike etc. Besides these, goods and cattle transported from place to place are also not covered by the existing the MVTMA or MVTMR. Some form of insurance seen in the field study that, for goods transported from Tatopani to Kathmandu are found insured for maximum of NRs ten (10) Lakh per truck, no matter the value of the property in the vehicle. To be covered all the above there must be some provision of insurance in the Act or Regulation.

5.6 COMPREHENSIVE POLICY OR PACKAGE POLICY

In order to increase road transport safety and make insurance business more attractive, there must be a compulsory comprehensive policy in the market. By definition, premium amount decreases if there are a large numbers of exposure units. If there is comprehensive policy implemented in the market, the insurers will be ready to decrease the premium rate as they get large amount of premium collection. On the other hand if the vehicle, all the passenger, crew, and third are insured against all the peril in a single policy, the premium will naturally be lower than covering different peril such as Riot and Strike, Terrorist Attack under the different policies.

Further, it will be very easy for the concern authority to check in one go that whether property damage and bodily injury is covered. In the existing policies, some purchases third party only and other purchases comprehensive or package policy. The comprehensive policy covers property damage and bodily injury to anyone due to any accident except Riot or Strike or Terrorist Attack. If someone wishes to cover his property damage and bodily injury due to any sort of peril, an alternative left to him is to buy package policy. In order to increase the insurance business volume and decrease the insurance premium the package policy will play a crucial role.

5.7 PENALTY SYSTEM

In order to increase road transport safety, there must be penalty system to both vehicle owner and driver for not buying the insurance policy and driving a vehicle without insurance policy. If this happened, both of the driver and vehicle owners will not be reluctant to purchase insurance and drive vehicle without it. The penalty to the vehicle owner can be imposed in the compounded system at certain rate, for instance, 5 percent per day compounded to base amount of Rs2000, Rs3000 and Rs5000 for motor bike, light four wheeler and heavy vehicle for each days from the last blue book renewed date to the time it was found without insurance.

If the vehicle is found without insurance policy in place at the time of accident, on top of the existing legal provision, there must be penalty to vehicle owner by suspending the vehicle from its regular service for a period as far as practicable. There must be heavy penalty to the driver if he is found driving and drinking.

In case of accident due to overload, the vehicle owner must be responsible for the claim amount to some extent. If it found that accident was purely due to overload of the passengers or goods on the public vehicle, then the total claim amount to will be shared in between the insurer and the vehicle owner in a proportion of over load to specified limit of passengers permitted to be carried. This makes vehicle owner more responsible and will try to keep the load limit or numbers of passenger as specified in the route.

5.8 INCENTIVE FOR SAFE DRIVERS

No claim discount is found in the nation and incentive goes to the vehicle owner. There is no reward to the safe drivers. There must be some consideration or incentive to safe drivers of the commercial vehicles. The consideration can be some percentage of premium discounts or any other incentive such as free refreshment on driving or on mechanical part. But the maluses system is not applied by any of the insurers in the nation. Therefore, to encourage safe driver there must be provision of maluses system in the nation and there must be some centralized drivers past record keeping, in context of accident, system provisioned by the MVTM Act or Regulation. The penalty can be suspension from the driving for a certain period of time or scraping the licensing for conducting more than 3 or 4 accidents in last three consecutive years. The penalty system will help the insurers to reduce numbers of claim, as result the premium rate will be decreased.

5.9 PROVISION FOR HIT AND RUN DRIVERS

Many cases of hit and run are found on the road transport. But there is no provision to compensate pedestrians suffered from hit and run drivers. Though it gives incentives to careless drivers if the fund is set up to cover hit and run drivers. However from the public responsibility point of view, it is worth setting up fund for the above. In the developed countries there remains provision of hit and run fund in order to subsidize the victims on the road transport accident. The provision necessary for Nepal as motorization is increasing day by day. The contribution can be made from the annual premium collected by the insurers or Transport Registration Management Office, fuel levy, levy on the driving license at the time of renewal and registration. The fund will be used for any bodily or property damage not covered by any of the road transport insurance policies mention in the MVTMR 1997. Some countries such as Serbia¹⁵ have set up a Guaranteed Fund for the above purposes.

¹⁵Law On Compulsory Traffic Insurance (consolidated text) in Serbia

APPENDIX - 1: STAKEHOLDERS CONSULTATION

SN	Name of person	Organization	Designation	Contact phone	Email
1.	Bijaya Shah	Insurers Association	Chairman	9851015729	Info@nlgi.com.np
2.	Chandra Singh Saud	Insurers Association	Vice Chairman	9851043471	
3.	Purna Singh Khadka	Nepal Traffic Police Directorate	DIG		
4.	Bijaya Kumar Bhatta	Nepal Traffic Police Directorate	DIG		
5.	ChabiLal Joshi	Nepal Traffic Police Directorate	SSP		
6.	Prem Joshi	Nepal Traffic Police Directorate	Inspector		
7.	Rajendra Kumar Shrestha	Federation of Truck Transport Entrepreneurs, Nepal	General Secretary	9851035548	rajendrasth@ftten.org.np
8.	Kiran Ranjitkar	NLG Insurance	Head of Claim Dept.	4418113	nlgi@mail.com.np
9.	Hemant Udas	National Insurance	Manager		
10.	Sudyumna Prasad Upadhyaya	Premier Insurance co. (Nepal) Ltd	CEO	4413543/985 1049548	sudyumna@pict.com.np
11.	Dinesh Bhandari	Federation of Nepal National Transport Enterp.	Chairman		
12.	Rajan Sharma	Nepal Freight Forward Association	President	4419769/985 1020211	neffacontact@gmail.com
13.	Shankar Regmi	Siddhartha Insurance	Claim Department	9840059542	
14.	Surya Prasad Joshi	Nepal Insurance Surveyor Association	Chair	4427225 (o)	
15.	Mayur Ankolekar	Micro Insurance India	Actuary		
16.	Official Reply	Polish Motor Insurers' Bureau			pbuk@pbuk.pl
17.	Ajay Kumar Rai Dharma R Bhandari	Transport Labour Union (NC)	President Gen Sec	9851085690	
18.	Rajiv Ghimire	Nepal Transport	President		

TASK A-3/ Review and Recommendation of Road Transport Insurance Provision

SN	Name of person	Organization	Designation	Contact phone	Email
	Bhim R Acharay	Union (UML) (GEFONT)	Gen Sec		
19.	SurajRajbahak	Shikhar Insurance	Dy Manager	4246101	Suraj.shikharinsurance.com
20.	Prof. Swyam Prakash Pandit	Bir Hospital	Director	4221800	
21.	Dr. Nhuchhe Man Dangol	Emergency unit Bir Hospital	Superintendent		
22.	T B Basnet (Kumar)	Kathmandu Medical College Public Limited	Manager (Account)	4477920	kumarbasnett@gmail.com
23.	Dr. Pratap Narayan Prasad	Emergency Unit (TU Teaching Hospital)	HoD Emergency Unit		
24.	Dr. Arbind Jha	B & B Hospital	Head Emergency Unit	5531930	

¹Law On Compulsory Traffic Insurance (consolidated text) in Serbia

APPENDIX - 2: LIST OF NON-LIFE INSURANCE COMPANY

List of Non –Life insurance companies offering road transport insurance policies

1.	Nepal Insurance Company Limited
2.	The Oriental Insurance Company Limited
3.	National Insurance Company Limited
4.	Himalayan General Insurance Company Limited
5.	United Insurance Company (Nepal) Limited
6.	Premier Insurance Company (Nepal) Limited
7.	Everest Insurance Company Limited
8.	Neco Insurance Limited
9.	Sagarmatha Insurance Company Limited
10.	Alliance Insurance Company Limited
11.	NB Insurance Company Limited
12.	Prudential Insurance Company Limited
13.	Shikhar Insurance Company Limited
14.	Lumbini General Insurance Company Limited
15.	Siddhartha Insurance co Ltd
16.	NLG Insurance Co. Ltd
17.	RastriyaBeema Company Ltd

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अनुसूची ४: सवारी तथा यातायात व्यवस्था ऐन, २०४९ मा संसोधनका लागि सिफारिश गरिएको व्यवस्था

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
१.	१४८	(१)	बीमा सम्बन्धी व्यवस्था सवारीको बीमा गराउनु पर्ने : सवारी धनी वा व्यवस्थापकले तोकिए बमोजिम प्रत्येक सवारीको बीमा गराउनु पर्छ ।	सरकारी, निजि तथा यातायात सेवा सञ्चालन गर्ने सार्वजनिक सवारी धनी वा व्यवस्थापकले तोकिए बमोजिम प्रत्येक सवारीको बीमा गराउनु पर्छ ।			
२.		(२)	उपदफा (१) बमोजिम बीमा नगरेको सवारीको दर्ताको प्रमाणपत्र नवीकरण गरिने छैन र त्यस्तो सवारी सार्वजनिक सवारी भए त्यस्तो सार्वजनिक सवारीलाई यातायात सेवा सञ्चालन गर्न पञ्जीकृत गरिने र बाटो इजाजतपत्र प्रदान गरिने छैन ।	(१) बमोजिम अर्को नविकरण हुने मिति वा अवधिसम्मको तोकिएका बीमा नगरेको कुनै पनि सवारीको दर्ताको प्रमाणपत्र जारी तथा नवीकरण गरिने छैन र त्यस्तो सवारी सार्वजनिक सवारी भए त्यस्तो सार्वजनिक सवारीलाई यातायात सेवा सञ्चालन गर्न पञ्जीकृत नगरिनुको साथै र बाटो इजाजतपत्र प्रदान गरिने छैन।			सवारी दर्ता हुदाँ विमा हुनुपर्ने कुरा उल्लेख नभएको र ब्लु बुक र विमाको नविकरण मिति फरक पर्ने हुनाले एकै हुनु पर्ने कानूनमा कुनै व्यवस्था नभएको
३.		(३)		ब्लु बुकको नविकरण भएको तर बीमा नगरिएको पाइएमा, विमा र ब्लु बुक नविकरणको रकम बराबरको दण्ड जरिवाना र अन्तिम विमा सम्पत्ती मिति देखि अर्को ब्लु बुक नविकरणसम्मको विमा गर्नु पर्नेछ वा विमा नगरिएको पाइएमा, सवारी साधन अनुसार तोकिएको जरिवानालाई अन्तिमपटक ब्लु बुक नविकरण गरेको मिति देखी ५ प्रतिशत प्रतिदिन चक्रवृद्धिका दरले जरिवाना तिनुपर्ने छ । मोटर साइकल, निजि सवारी र सार्वजनिक सवारीको यस प्रयोजनको लागि जरिवाना क्रमश रु २००० ।, र रु ३००० । र रु ५००० । हुनेछ ।			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
				त्यस्तो सवार (निजि तथा सार्वजनिक) सवारी चलाउने चालकलाई पनि दण्ड जरीवाना हुनेछ । विमा गरेको प्रमाण नभई वुक् वुक नविकरण गर्ने कर्मचारीलाई पनि नियम अनुसारको कानुनी कारवाहि हुनेछ ।			
४.		(१)	<u>चालक, परिचालक, सुरक्षाकर्मी तथा अन्य कर्मचारीको बीमा</u> : यातायात सेवामा संलग्न प्रत्येक सार्वजनिक सवारीको चालक, परिचालक, सुरक्षाकर्मी तथा सो सवारीमा काम गर्ने अन्य कर्मचारीको तोकिएको रकमको दुर्घटना बीमा सवारी धनी वा व्यवस्थापकले गर्नु पर्छ ।	यातायात सेवामा संलग्न प्रत्येक सार्वजनिक सवारीको चालक, परिचालक, सुरक्षाकर्मी तथा सो सवारीमा काम गर्ने अन्य कर्मचारीको तोकिएको रकमको दुर्घटना बीमा सवारी धनी वा व्यवस्थापकले गर्नु पर्छ । सार्वजनिक सवारी वाहेक अन्य सबै निजि तथा सरकारी सवारी साधनको तलवी चालक र अन्य कर्मचारीको पनि तोकिएको विमा सवारी धनी वा व्यवस्थापकले गर्नु पर्छ			सरकारी ड्रैभर स्कुलका विद्यार्थी, इटाभट्टामा काम गर्ने कामदार निमार्ण कार्यमा काम गर्ने ज्यामीहरु कभर नभएका
५.	१४९	(२)	सवारीको दुर्घटनाबाट चालक, परिचालक, सुरक्षाकर्मी तथा अन्य कर्मचारीको अङ्गभङ्ग वा मृत्यु भएमा सो बापत पाउने रकम निज स्वयं वा निजको नजीकको हकवालाले पाउनेछ ।	सवारीको दुर्घटनाबाट चालक, परिचालक, सुरक्षाकर्मी तथा अन्य कर्मचारीको अङ्गभङ्ग वा मृत्यु भएमा सो बापत पाउने बीमा रकम निज स्वयं वा निजको नजीकको हकवालाले पाउनेछ ।			
६.		(२)	उपदफा (१) बमोजिम चालक, परिचालक, सुरक्षाकर्मीको बीमा नगराई यातायात सेवा सञ्चालन गर्दा कुनै सार्वजनिक सवारी दुर्घटना हुन गई निजहरूलाई कुनै पनि किसिमको हानि नोक्सानी भएमा निजहरूले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निजहरू वा निजहरूको हकवालालाई सवारी धनी वा	उपदफा (१) बमोजिम चालक, परिचालक, सुरक्षाकर्मीको बीमा नगराई यातायात सेवा सञ्चालन गर्दा कुनै सार्वजनिक सवारी, अन्य निजि (तलवी चालक र अन्य कर्मचारीको) तथा सरकारी सवारी साधनको दुर्घटना हुन गई निजहरूलाई कुनै पनि किसिमको हानि नोक्सानी भएमा निजहरूले पाउनु पर्ने उपदफा (१) बमोजिमको			सवारी धनीले कहाँबाट दिने नभएमा यसको व्यवस्था हुनुपर्छ । स्टेक होल्डर वाट हटाउने सुभाब आएको

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ ।	बीमा रकम निजहरू वा निजहरूको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ। यसको साथै घटना घटेको दिनदेखि १ महिना यातायात सेवाबाट वन्चित गरिनेछ । त्यस्तो सवारी (निज सवारी वा सार्वजनिक० चलाउने चालकलाई पनि दण्ड जरिवाना हुनेछ । विमा गरेको प्रमाण नभै वुक् नविकरण गर्ने कर्मचारीलाई कानुनी कर्वाही हुनेछ ।			
७.							Overloading driver's को लापरवाहि, मादक पदार्थ, सेवन गरी दुर्घटना भएको पाईएको cartage % claiun को भागिदार driver पनि हुनुपर्नेछ ।
८.	१५०	(१)	<u>यात्रीको बीमा</u> यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले यात्रा गर्ने प्रत्येक यात्रीको तोकिएको रकमको दुर्घटना बीमा गराउनु पर्छ ।	यातायात सेवा सञ्चालन गर्ने सार्वजनिक सवारी धनी वा व्यवस्थापकले यात्रा गर्ने प्रत्येक यात्रीको तोकिएको रकमको दुर्घटना बीमा गराउनु पर्छ। सार्वजनिक सवारी बाहेक अन्य सवै निज तथा सरकारी सवारी साधनको सिट संख्याको आधारमा तोकिएको विमा सवारी धनी वा व्यवस्थापकले गर्नुपर्छ ।			सरकारी ड्राइभर स्कुलका विद्यार्थी, इटाभट्टामा काम गर्ने कामदार निर्माण कार्यमा काम गर्ने श्रमिकहरूको कभर नभएको ।
९.		(२)	सवारी दुर्घटनाबाट यात्रीको अङ्गभङ्ग भएमा अङ्गभङ्ग भए बापतको दुर्घटना बीमाको रकम निजले पाउनेछ र सो दुर्घटनाबाट निजको मृत्यु भएमा निजको नजीकको हकवालाले सो बापत पाउनु पर्ने दुर्घटना बीमाको रकम पाउनेछ ।				


क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
१०.		(३)	उपदफा (१) बमोजिम यात्रीको बीमा नगराई यातायात सेवा सञ्चालन गर्दा कुनै सार्वजनिक सवारी दुर्घटनाग्रस्त भई त्यसमा यात्रा गरिरहेका कुनै पनि यात्रीलाई कुनै पनि किसिमको हानि नोक्सानी भएमा निजले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निज वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतीपूर्ति वापत दिनु पर्छ ।	उपदफा (१) बमोजिम यात्रीको बीमा नगराई यातायात सेवा सञ्चालन गर्दा कुनै सार्वजनिक सवारी अन्य निजि तथा सरकारी सवारी साधन दुर्घटनाग्रस्त भई त्यसमा यात्रा गरिरहेका कुनै पनि यात्रीलाई कुनै पनि किसिमको हानि नोक्सानी भएमा निजले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निज वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतीपूर्ति वापत दिनु पर्छ । यसको साथै घटना घटेको दिनदेखि १ महिना यातायात सेवाबाट बन्चित गरिनेछ । त्यस्तो सवारी (निजि सवारी वा सार्वजनिक चलाउने चालकलाई पनि दण्ड जरिवाना हुनेछ । विमा गरेको प्रमाण नभै वुक् नविकरण गर्ने कर्मचारीलाई कानुनी कर्वाही हुनेछ ।			सवारी धनीले कहाँबाट दिने नभएमा यसको व्यवस्था हुनुपर्छ । स्टेक होल्डर बाट हटाउने सुझाव आएको ।
११.		(४)		अधिकभार, चालकको लापरवाहि, मादक पदार्थ, सेवन गरी दुर्घटना भएको पाईएको केहि प्रतिशत दाबी को भागिदार चालक पनि हुनुपर्नेछ ।			
	१५१	(१)	<u>यात्रीगुण्टाको बीमा</u> : तोकिएको बाटोमा यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले यात्रा गर्ने प्रत्येक यात्रीको यात्रीगुण्टाको तोकिएको रकमको बीमा गराउनु पर्छ ।	यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले यात्रा गर्ने प्रत्येक यात्रीको यात्रीगुण्टाको तोकिएको रकमको बीमा गराउनु पर्छ ।			कार्यान्वयन नभएका
		(२)	यात्रीगुण्टाको वास्तविक मूल्य जतिसुकै भए तापनि त्यस्तो यात्रीगुण्टा कुनै कारणबाट हराए वा नष्ट भएमा उपदफा (१) बमोजिम गरिएको बीमा रकमभन्दा बढी हुने गरी दावी				

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			गरिएको क्षतिपूर्तिको रकम प्रति सवारी धनी वा व्यवस्थापक उत्तरदायी हुने छैन ।				
		(२)	उपदफा (१) बमोजिम यात्रीगुण्टाको बीमा नगराई कुनै सार्वजनिक सवारीले यातायात सेवा सञ्चालन गर्दा कुनै यात्रीगुण्टा हराए वा नष्ट भएमा यात्रीले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम यात्री वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ ।				
	१५२	(१)	तेस्रो पक्षको बीमा : सवारीको दुर्घटनाबाट कुनै तेस्रो पक्ष वा निजको कुनै सम्पत्ति कुनै किसिमले नोक्सान भएमा सो नोक्सानीको क्षतिपूर्ति दिने प्रयोजनका लागि सवारी धनी वा व्यवस्थापकले तोकिएको रकमको तेस्रो पक्षको बीमा गराउनु पर्छ ।	सवारीको दुर्घटनाबाट कुनै तेस्रो पक्ष वा निजको कुनै सम्पत्ति कुनै किसिमले नोक्सान भएमा सो नोक्सानीको क्षतिपूर्ति दिने प्रयोजनका लागि प्रत्येक सवारी धनी वा व्यवस्थापकले तोकिएको रकमको तेस्रो पक्षको बीमाअनिवार्य गराउनु पर्छ । व्लु बुकको नविकरण भएको तर विमा नगरिएको पाइएमा, विमा र व्लु बुक नविकरणको रकम बराबरको दण्ड जरिवाना र अन्तिम विमा समाप्ति देखीको अर्को व्लु बुक नविकरण सम्मको विमा गर्नु पर्ने (छलफल गर्नु पर्ने) वा विमा नगरिएको पाइएमा, सवारी साधन अनुसार तोकिएको जरिवानालाई अन्तिमपटक व्लु बुक नविकरण गरेको मितिदेखि ५ प्रतिशत प्रतिदिन चक्रवृद्धि दरले जरिवाना तिर्नुपर्ने छ । मोटर साइकल, निज सवारी र सार्वजनिक सवारीको यस प्रयोजनका लागि जरिवाना क्रमश रु २००० । , रु३००० । र रु ५००० । हुनेछ ।	दुर्घटनाग्रस्त भई त्यसमा यात्रा गरिरहेका कुनै पनि यात्रीलाई कुनै पनि किसिमको हानि नोक्सानी भएमा निजले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निज वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ ।		

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
		(२)	सवारी दुर्घटनाबाट कुनै तेस्रो पक्ष वा निजको कुनै सम्पत्ति नोक्सान भएमा सो नोक्सानीको क्षतिपूर्ति बापत उपदफा (१) बमोजिमको रकम निज वा निजको हकवालाले पाउनेछ ।				
		(२)	उपदफा (१) बमोजिम तेस्रो पक्ष वा कम्प्रिहेन्सीभ बीमा नगराई चलाएको सवारी दुर्घटनाग्रस्त भई कुनै तेस्रो पक्ष वा निजको सम्पत्ति नोक्सान भएमा नोक्सानी बापत तेस्रो पक्ष वा निजको हकवालाले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निज वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ ।	उपदफा (१) बमोजिम तेस्रो पक्ष वा कम्प्रिहेन्सीभ बीमा नगराई चलाएको सवारी दुर्घटनाग्रस्त भई कुनै तेस्रो पक्ष वा निजको सम्पत्ति नोक्सान भएमा नोक्सानी बापत तेस्रो पक्ष वा निजको हकवालाले पाउनु पर्ने उपदफा (१) बमोजिमको बीमा रकम निज वा निजको हकवालालाई सवारी धनी वा व्यवस्थापकले क्षतिपूर्ति बापत दिनु पर्छ । यसको साथै घटना घटेको दिनदेखि १ महिना यातायात सेवाबाट बन्चित गरिनेछ । त्यस्तो सवारी (निज सवारी वा सार्वजनिक चलाउने चालकलाई पनि दण्ड जरिवाना हुनेछ । विमा गरेको प्रमाण नभै वुक् नविकरण गर्ने कर्मचारीलाई कानुनी कर्वाही हुनेछ।			सवारी धनी सम्म नभएमा कहांबाट सोधभर्ना दिने यसको लागी सरकार जिम्मेवार हुनुपर्छ वा च्भकबखभ गलम गनुपर्छ यो रकम बिमा शूल्कको केहि प्रतिशतबाट कटाएर राख्न सकिन्छ ।
	१५२ (क)			स्कूल बसको वारेमा बीमा गर्नु पर्ने प्रवधानहरु नभएकाले सो को (बिधार्थीको) बिमा हुनुपर्नेछ।			
	१५२ (ख)			टूक वा अन्य सवारी सवारी साधन मार्फत सामान वा पसुधन ढुवानी गर्दा सो को विमाको व्यवस्था हुनुपर्नेछ ।			
	१५२ (ग)			हिट एन्ड रन चालकबाट हुने मानविय क्षती वा मृत्यु कानुनमा कुनै प्रावधान नभएको			
	१५२			ढुङ्गा खानी, इटाभट्टा अन्य निमार्ण कम्पनीमा काम			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
	(घ)			<p>गर्ने कामदारलाई निर्माण स्थल सम्म लैजाने र ल्याउने कार्य टिपणी वा, सिट उल्लेखित काम</p> <p>गर्ने कामदारलाई निर्माण स्थल सम्म लैजान र ल्याउने कार्य टिप्परमा वा, सिट उल्लेखित</p> <p>नभएको सवारी साधनमा, जस्तै टनक्टर्को ढालामा, हुने हुदाँ त्यस्ताको ऐनमा कुनै प्रावधान नभएकोले बिमाको व्यवस्था हुनुपर्नेछ ।</p>			

अनुसूची ५: सवारी तथा यातायात व्यवस्था नियमावली, २०५४ मा संसोधनका लागि सिफारिश गरिएको व्यवस्था

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
१.	५२ 		परिच्छेद - ७				
२.		१.	बीमा सम्बन्धी व्यवस्था यातायात सेवामा काम गर्ने कर्मचारीको बीमा : (१) यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले ऐनको दफा १४९ बमोजिम दुर्घटना बीमा गराउँदा सो यातायात सेवामा संलग्न सवारी चालक, परिचालक, चेकर, हेल्पर, सुरक्षाकर्मी वा अन्य कर्मचारीको सवारी दुर्घटनाको कारणबाट हुने मृत्यु, अङ्गभङ्ग तथा उपचार वापत यस नियममा उल्लेख भए बमोजिमको रकमको बीमा गराउनु पर्नेछ ।	(१) यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले ऐनको दफा १४९ बमोजिम दुर्घटना बीमा गराउँदा सो यातायात सेवामा संलग्न सवारी चालक, परिचालक, चेकर, हेल्पर, सुरक्षाकर्मी वा अन्य कर्मचारीको सवारी दुर्घटनाको कारणबाट हुने मृत्यु, अङ्गभङ्ग तथा उपचार वापत यस नियममा उल्लेख भए बमोजिमको रकमको बीमा गराउनु पर्नेछ ।सार्वजनिक सवारी वाहेक अन्य सर्वे निजि तथा सरकारी साधनको तलवी चालक र अन्य कर्मचारीको पनि तोकिएको विमा सवारी धनी वा व्यवस्थापकले गर्नु पर्छ ।			
३.		(२)	उपनियम (१) बमोजिम बीमा गराउँदा मृत्युको लागि पाँचलाख रुपैयाँको बीमा गराउनु पर्नेछ ।				के को आधारमा ५ लाख गरिएको ?
४.		(३)	यातायात सेवामा संलग्न कुनै सवारी साधन दुर्घटना भई उपनियम (१) मा उल्लिखित कुनै व्यक्तिको मृत्यु भएमा त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले प्रत्येक मृतकको परम्परा अनुसारको काज किरिया खर्च वापत निजको हकवालालाई तत्काल पच्चीस हजार रुपैयाँ उपबन्ध गराउनु				

दोस्रो संशोधनद्वारा संशोधित ।

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			पर्नेछ र सो रकम त्यस्तो धनी वा व्यवस्थापकले उपनियम (२) बमोजिमको बीमा रकमबाट सोधभर्ना लिन सक्नेछ ।				
५.		(४)	उपनियम (९) बमोजिम बीमा गराउँदा अङ्गभङ्ग वापत देहाय बमोजिमको बीमा :-		मान्यता प्राप्त चिकित्सकले निर्धारण गरेको क्षती अनुसारको मनासिक विमा क्षति अनुसारको मनासिक विमा रकम गराउनु पर्नेछ बढिमा दुई लाख पचास हजार रुपैयाँ		
			(क) स्थायी पूर्ण अशक्तता ।	पाँच लाख रुपैयाँ ।			
			(ख) दुवै आँखाको दृष्टी गुमेमा ।	पाँच लाख रुपैयाँ ।			
			(ग) दुवै हातको नाडी वा दुवै खुट्टाको गोली गाँठोका ।	पाँच लाख रुपैयाँ ।			
			(घ) एउटा हातको नाडी, एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथि र एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा ।	पाँच लाख रुपैयाँ ।			
			(ङ) एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा ।	दुई लाख पचास हजार रुपैयाँ ।			
			(च) एउटा हातको नाडी वा एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथिको भाग बेकम्मा भएमा ।	दुई लाख पचास हजार रुपैयाँ ।			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			(छ) अन्य कुनै अङ्गभङ्ग भएमा । मान्यता प्राप्त चिकित्सकले निर्धारण गरेको क्षति अनुसारको मनासिव बीमा रकम गराउनु पर्नेछ ।				
६.		(५)	उपनियम (१) बमोजिम बीमा गराउँदा घाउचोटको उपचार खर्च, विरामी कुरुवा खर्च र विविध खर्च बापत देहाय बमोजिमको बीमा गराउनु पर्नेछ:- (क) एक लाख रुपैयाँसम्मको वास्तविक उपचार खर्च, (ख) अस्पताल भर्ना भएको अवधिको लागि प्रति दिनको पाँच सय रुपैयाँका दरले बढीमा तीस दिनसम्मको लागि कुरुवा खर्च र विविध खर्च ।				
		(५)	उपनियम (१) बमोजिम बीमा गराउँदा घाउचोटको उपचार खर्च, विरामी कुरुवा खर्च र विविध खर्च बापत देहाय बमोजिमको बीमा गराउनु पर्नेछ:- (क) एक लाख रुपैयाँसम्मको वास्तविक उपचार खर्च, (ख) अस्पताल भर्ना भएको अवधिको लागि प्रति दिनको पाँच सय रुपैयाँका दरले बढीमा तीस दिनसम्मको लागि कुरुवा खर्च र विविध खर्च ।	वढीमा दुई लाख पचास हजार रुपैयाँसम्मको वास्तविक उपचार खर्च,			
७.	५ ३.	(१)	यात्री बीमा : यातायात्र सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले ऐनको दफा १५० बमोजिम यात्रीको दुर्घटना बीमा गराउँदा यात्रुवाहक सवारी साधनको हकमा सो सवारी साधनको सीट संख्या बराबर र	यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले ऐनको दफा १५० बमोजिम यात्रीको दुर्घटना बीमा गराउँदा यात्रुवाहक सवारी साधनको हकमा सो सवारी साधनको सीट संख्या बराबर र			सरकारी कर्मचारी स्कुलका विद्यार्थी, इटाभट्टामा काम गर्ने कामदार निर्माण कार्यमा

दोस्रो संशोधनद्वारा संशोधित ।

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			मालवाहक सवारी साधनको हकमा सो सवारी साधनको ब्यु बुकमा उल्लेख भए बमोजिमको सीट संख्या बराबरको संख्यामा यात्रीको मृत्यु, अङ्गभङ्ग तथा उपचार खर्च वापत बीमा गराउनु पर्नेछ ।	मालवाहक सवारी साधनको हकमा सो सवारी साधनको ब्यु बुकमा उल्लेख भए बमोजिमको सीट संख्या बराबरको संख्यामा यात्रीको मृत्यु, अङ्गभङ्ग तथा उपचार खर्च वापत बीमा गराउनु पर्नेछ । नावालकको हकमा सिट संख्या गणना हुने छैन सार्वजनिक सवारी वाहेक अन्य सबै निजि तथा सरकारी सवारी साधनको सिट संख्याको आधारमा तोकिएको विमा सवारी धनी वा व्यवस्थापकले गर्नुपर्छ ।			काम गर्ने ज्यामिहरु, रात्रीकालिन सेव गर्ने वसार पसार कर्मचारी कभर नभएका
८.		(२)	उपनियम (१) बमोजिम बीमा गराउँदा सवारी दुर्घटनाबाट हुने मृत्युको लागि पाँच वर्षभन्दा बढी उमेर भएका प्रत्येक यात्रीको लागि एकलाख रुपैयाँ, एक वर्षदेखि पाँच वर्षसम्मको प्रत्येक यात्रीको लागि पचास हजार रुपैयाँ र एक वर्षभन्दा कम उमेरको यात्रीको लागि पच्चीस हजार रुपैयाँको बीमा गराउनु पर्नेछ ।	उपनियम (१) बमोजिम बीमा गराउँदा सवारी दुर्घटनाबाट हुने मृत्युको लागि प्रत्येक यात्रीको पाँचलाख रुपैयाँको बीमा गराउनु पर्नेछ ।			
९.		(३)	यातायात सेवामा संलग्न कुनै सवारी साधन दुर्घटना भई यात्रीको मृत्यु भएमा त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले प्रत्येक मृतकको परम्पार अनुसारको काज किरिया खर्च वापत निजको हकवालालाई तत्काल पच्चीस हजार रुपैयाँ उपलब्ध गराउनु पर्नेछ र सो रकम त्यस्तो धनी वा व्यवस्थापकले उपनियम (२) बमोजिमको बीमा रकमबाट सोधभर्ना लिन सक्नेछ ।				
१०.		(४)	उपनियम (१) बमोजिम बीमा गराउँदा अङ्गभङ्ग वापत देहाय बमोजिमको बीमा गराउनु पर्नेछ :-				

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था		संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			(क)	स्थायी पूर्ण अशक्तता ।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको शतप्रतिशत ।			
			(ख)	दुवै आँखाको दृष्टी गुमेमा ।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको शतप्रतिशत ।			
			(ग)	दुवै हातको नाडी वा दुवै खुट्टाको गोली गाँठोको जोर्नी वा सो भन्दा माथिको भाग बेकम्मा भएमा ।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको शतप्रतिशत ।			
			(घ)	एउटा हातको नाडी, एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथि र एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको शतप्रतिशत ।			
			(ङ)	एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा ।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको पचास प्रतिशत ८०% ।			
			(च)	एउटा हातको नाडी वा एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथिको भाग बेकम्मा भएमा ।	उपनियम (२) मा मृत्यु वापत उल्लिखत बीमा रकमको पचास प्रतिशत ५०% ।			
			(छ)	अन्य कुनै अङ्गभङ्ग भएमा ।	मान्यता प्राप्त चिकित्सकले निर्धारण गरेको क्षति अनुसारको मनासिव बीमा रकम ।			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
११.		(५)	उपनियम (१) बमोजिम बीमा गराउंदा घाउचोटको उपचार खर्च, बिरामी कुरुवा खर्च र विविध खर्च बापत देहाय बमोजिमको बीमा गराउनु पर्नेछ:- (क) एक लाख रुपैयाँसम्मको वास्तविक उपचार खर्च, (ख) अस्पताल भर्ना भएको अवधिको लागि प्रति दिनको पाँच सय रुपैयाँका दरले बढीमा तीस दिनसम्मको लागि कुरुवा खर्च र विविध खर्च ।	(क) बढीमा दुइ लाख पचास हजार रुपैयाँसम्मको वास्तविक उपचार खर्च,			
१२.		(६)	यस नियममा अन्यत्र जुनसुकै कुरा लेखिएको भएतापनि सवारी साधनमा रहेको सीट संख्याभन्दा बढी संख्यामा यात्री सवार गराउने कुनै सवारी साधन दुर्घटना भई सीट बिना यात्रा गर्ने यात्रीको मृत्यु वा अङ्गभङ्ग भएमा वा त्यस्ता यात्री घाइते भएमा त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले यस नियममा उल्लिखत बीमा रकम बराबरको रकम मृतकको हकवाला वा अङ्गभङ्ग भएको व्यक्ति वा घाइतेलाई क्षतिपूर्ति वापत दिनु पर्नेछ । निश्चित वा तोकिएको सीट संख्याभन्दा बढी संख्यामा यात्री सवार गराउने सवारीलाई एक हप्तासम्म सेवावाट बन्चित गरिने छ ।	यस नियममा अन्यत्र जुनसुकै कुरा लेखिएको भएतापनि सवारी साधनमा रहेको सीट संख्याभन्दा बढी संख्यामा यात्री सवार गराउने कुनै सवारी साधन दुर्घटना भई सीट बिना यात्रा गर्ने यात्रीको मृत्यु वा अङ्गभङ्ग भएमा वा त्यस्ता यात्री घाइते भएमा त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले यस नियममा उल्लिखत बीमा रकम बराबरको रकम मृतकको हकवाला वा अङ्गभङ्ग भएको व्यक्ति वा घाइतेलाई क्षतिपूर्ति वापत दिनु पर्नेछ । यस्तो अवस्थामा नियम कानूनले तोके भन्दा जति प्रतिशत यात्रु बढि हुन्छन- त्यतिकै प्रतिशत विमकवाट पाउने कुल दाविको रकममा कम हुनेछ ।			
१३.	५४.		यात्री गुण्टाको बीमा : यात्री गुण्टाको बीमा रकम नेपाल सरकारले नेपाल राजपत्रमा सूचना प्रकाशन गरी तोके बमोजिम हुनेछ ।			कार्यनियन नभएको	राजपत्रमा प्रकाशित नभएर लागु नभएको

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
१४.	५.	(१)	तेस्रो पक्षको बीमा : सवारी दुर्घटनाबाट हुने तेस्रो पक्षको मृत्यु, अङ्गभङ्ग, घाउचोट वा सम्पत्तिको नोक्सानी वापत क्षतिपूर्ति दिने प्रयोजनको लागि सवारी धनी वा व्यवस्थापकले मृत्यु, अङ्गभङ्ग, घाउचोटको लागि न्यूनतम पचास लाख रुपैयाँ र सम्पत्ति हानी नोक्सानीको लागि न्यूनतम पचास लाख रुपैयाँ रकमको बीमा गर्नु पर्नेछ ।	सवारी दुर्घटनाबाट हुने तेस्रो पक्षको मृत्यु, अङ्गभङ्ग, घाउचोट वा सम्पत्तिको नोक्सानी वापत क्षतिपूर्ति दिने प्रयोजनको लागि सवारी धनी वा व्यवस्थापकले मृत्यु, अङ्गभङ्ग, घाउचोटको लागि न्यूनतम पचास लाख रुपैयाँलाई वढाउनु पर्छ र कती गर्ने भन्नेकुरा स्टकेहोल्डरहरुको आपसी छलफलबाट निर्धारण हुनेछ । हाललाई न्यूनतम ७५ लाख को गर्दा दायित्व मात्र हुनसक्छ । सम्पत्ति हानी नोक्सानीको लागि न्यूनतम ७५ लाख रुपैयाँ रकमको बीमा गर्नु पर्नेछ ।			
१५.		(२)	उपनियम (१) बमोजिम बीमा गराउँदा प्रत्येक तेस्रो पक्षको मृत्युको लागि सो उपनियममा उल्लिखित रकमको अधीनमा रही पाँच लाख रुपैयाँ उपलब्ध हुने गरी बीमा गराउनु पर्नेछ ।				
१६.		(३)	कुनै सवारी साधन दुर्घटना भई तेस्रो पक्षको मृत्यु भएमा त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले प्रत्येक मृतकको परम्परा अनुसारको काज किरिया खर्च वापत निजको हकवालाई तत्काल पच्चीस हजार रुपैयाँ उपलब्ध गराउनु पर्नेछ र सो रकम त्यस्तो धनी वा व्यवस्थापकले उपनियम (२) बमोजिमको बीमा रकमबाट सोधभर्ना लिन सक्नेछ ।				
१७.		(४)	उपनियम (१) बमोजिम बीमा गराउँदा अङ्गभङ्ग वापत देहाय बमोजिमको बीमा गराउनु पर्नेछ :- (क) स्थायी पूर्ण अशक्तता । उपनियम (१) मा उल्लिखित रकमको	(छ) मान्यता प्राप्त चिकित्सकले निर्धारण गरेको क्षति अनुसारको मनासिव बीमा रकम गराउनु पर्नेछ वढिमा दुई लाख पचास हजार रुपैयाँ ।			

दोस्रो संशोधनद्वारा संशोधित ।

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
				अधीनमा रही पाँच लाख रुपैयाँ ।			
		(ख)	दुवै आँखाको दृष्टी गुमेमा ।	उपनियम (१) मा उल्लिखत रकमको अधीनमा रही पाँच लाख रुपैयाँ ।			
		(ग)	दुवै हातको नाडी वा दुवै खुट्टाको गोली गाँठोको जोर्नी वा सो भन्दा माथिको भाग बेकम्मा भएमा ।	उपनियम (१) मा उल्लिखत रकमको अधीनमा रही पाँच लाख रुपैयाँ ।			
		(घ)	एउटा हातको नाडी, एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथि र एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा ।	उपनियम (१) मा उल्लिखत रकमको अधीनमा रही पाँच लाख रुपैयाँ ।			
		(ङ)	एउटा आँखाको दृष्टी पूर्णरूपले गुमेमा ।	उपनियम (१) मा उल्लिखत रकमको अधीनमा रही दुई लाख रुपैयाँ ।			
		(च)	एउटा हातको नाडी वा एउटा खुट्टाको गोली गाँठोको जोर्नी वा सोभन्दा माथिको भाग बेकम्मा भएमा ।	उपनियम (१) मा उल्लिखत रकमको अधीनमा रही दुई लाख रुपैयाँ ।			
		(छ)	अन्य कुनै अङ्गभङ्ग भएमा ।	मान्यता प्राप्त चिकित्सकले निर्धारण गरेको क्षति अनुसारको मनासिव बीमा रकम ।			
१८.		(५)	उपनियम (१) बमोजिम बीमा गराउँदा घाउचोटको उपचार	(क) बढिमा दुई लाख पचास हजार रुपैयाँसम्मको			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			खर्च, विरामी कुरुवा खर्च र विविध खर्च बापत देहाय बमोजिमको बीमा गराउनु पर्नेछः- (क) एक लाख रुपैयाँसम्मको वास्तविक उपचार खर्च, (ख) अस्पताल भर्ना भएको अवधिको लागि प्रति दिनको पाँच सय रुपैयाँका दरले बढीमा तीस दिनसम्मको लागि कुरुवा खर्च र विविध खर्च ।	वास्तविक उपचार खर्च,			
१९.	५५		क. बीमाको प्रमाणपत्र र बीमालेख : सवारी साधनको धनी वा व्यवस्थापकले यस परिच्छेद बमोजिम गराएको बीमाको प्रमाणपत्र र बीमालेख सम्बन्धित सवारी साधनमा अनिवार्य रूपमा राख्न लगाउनु पर्नेछ ।	सवारी साधनको धनी वा व्यवस्थापकले यस परिच्छेद बमोजिम गराएको बीमाको प्रमाणपत्र र बीमालेखको साथै वाहिरबाट प्रस्ट देखिनेगरी स्टिकर सम्बन्धित सवारी साधनमा अनिवार्य रूपमा राख्न लगाउनु पर्नेछ ।			
२०.	५५		ख. बीमाको प्रमाणपत्र र बीमालेखको दाखिला : कुनै सवारी दुर्घटना भएमा दुर्घटना हुने वित्तिकै त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले दुर्घटनास्थल रहेको जिल्लाको प्रमुख जिल्ला अधिकारी समक्ष बीमाको प्रमाणपत्र र बीमालेख बुझाउनु पर्नेछ ।				व्यवहारमा छैन ।
२१.	५५		ग. बीमा रकम उपलब्ध गराउने अधिकारी र अवधि : नियम ५५ख. बमोजिम बीमाको प्रमाणपत्र र बीमालेख प्राप्त भएपछि प्रमुख जिल्ला अधिकारीले यस परिच्छेद बमोजिमको बीमाको रकम दुर्घटनाबाट मृत्यु भएको अवस्थामा दुर्घटना भएको एक्काइस दिनभित्र मृतकको हकवालालाई र अन्य अवस्थामा तीन महिनाभित्र सम्बन्धित व्यक्तिलाई सम्बन्धित सवारी धनी वा व्यवस्थापकको रोहवरमा	नियम ५५ख. बमोजिम बीमाको प्रमाणपत्र र बीमालेख प्राप्त भएपछि प्रमुख जिल्ला अधिकारीले यस परिच्छेद बमोजिमको बीमाको रकम दुर्घटनाबाट मृत्यु भएको अवस्थामा मृत्यु भएको एक्काइस दिनभित्र मृतकको हकवालालाई र अन्य अवस्थामा तीन महिनाभित्र सम्बन्धित व्यक्तिलाई सम्बन्धित सवारी धनी वा व्यवस्थापकको रोहवरमा विमकबाट उपलब्ध			

क्र. सं.	दफा	उपदफा	भैरहेको व्यवस्था	संसोधन गर्न खोजिएको व्यवस्था	पुस्त्याई	संलग्न विज्ञ	कैफियत
			विमकबाट उपलब्ध गराइदिनु पर्नेछ ।	गराइदिनु पर्नेछ ।			
२२.	५५	(१)	✓घ. बीमा सम्बन्धमा सवारी धनी वा व्यवस्थापकको दायित्व : यातायात सेवा सञ्चालन गर्ने कुनै सवारी धनी वा व्यवस्थापकले यस नियम बमोजिम बीमा गराएकोमा त्यस्तो बीमामा उल्लिखित रकमको दायित्वभन्दा बढी रकमको दायित्व निजले वहन गर्नुपर्ने छैन ।				
२३.		(२)	यस नियममा अन्यत्र जुनसुकै कुरा लेखिएको भएतापनि त्यस्तो सवारी साधनको धनी वा व्यवस्थापकले यस नियममा उल्लिखित बीमा रकमभन्दा बढी विमाङ्क रकम कायम गरी बीमा गर्न यो नियमले बाधा पुऱ्याएको मानिने छैन ।				
२४.	५५		ङ. यातायात संस्था मार्फत बीमा गराउन सकिने : यातायात सेवा सञ्चालन गर्ने सवारी धनी वा व्यवस्थापकले यस परिच्छेद बमोजिमको बीमा गर्दा यातायात व्यवसायसँग सम्बन्धित संस्था मार्फत बीमा गराउन सक्नेछ ।				