



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA

CIRCULAR

Ref No.: IRDA/NL/CIR/MISC/051/03/2016

15th March 2016

To

The CEOs of all General Insurance Companies other than ECGC Ltd, AIC Ltd and Stand-alone Health Insurance Companies

Re: Dismantling of Indian Motor Third Party Declined Risk Pool (IMTPDRP) for Commercial vehicle (Act only Insurance)

Considering compulsory nature of Act only liability policy as per the MV Act, and to avoid possible supply side constraints for such insurance covers, the Authority vide its order "IRDA/NL/ORD/MPL/277/12/2011" dated 23rd December 2011 formed Indian Motor Third Party Declined Risk Pool (IMTPDRP) for Commercial vehicle (Act only Insurance), commonly called as Declined Risk (DR) pool. The pool was made effective from 01.4.2012.

In the meantime, the Insurance Laws (Amendment) Act of 2015 was notified on 23.03.2015, mandating insurers to complete a certain minimum motor third party insurance business in the manner to be specified by the Authority. In compliance to the said amendment in the Insurance Act, the Authority has issued IRDAI (Obligation of Insurers in respect of Motor Third Party Insurance Business) Regulations, 2015 which specified the insurers to underwrite minimum obligations in respect of Motor Third Party Business.

The GI Council and some of the Members of the pool, in their representations to the Authority, have expressed that there is no need of continuing the DR Pool after the insurers are mandated by law and maintaining two mandates for the same purposes is not required. On examination of the said suggestions, the Authority decided to dismantle the Indian Motor Third Party Declined Risk Pool for Commercial Vehicle (Act only Insurance) with effect from 1st April, 2016.

Notwithstanding, the General Insurers shall not deny motor third party insurance cover to any vehicle owner at any point of time. Any such refusal shall be viewed seriously and treated as regulatory noncompliance.

Suresh Mathur
Senior Joint Director