



Ref: IRDAI/NL/CIR/MOTOD/118/07/2019

Date: 25th July, 2019

To,

**ALL GENERAL INSURERS (OTHER THAN STAND-ALONE HEALTH INSURERS
AND SPECIALISED INSURERS)**

Re:- Misuse of Total Loss Accident Vehicle Documents over Stolen Vehicles

It has come to the notice of Authority that in case of Total Loss (TL) of the vehicle, salvage of the vehicle is being sold to scrap dealers without **cancelling Certificate of Registration (RC) of the vehicle.**

2. It has been informed by the Law Enforcement Authorities that documents pertaining to such vehicles are being misused like giving new identity to the stolen vehicles by forging engine number and chassis number of destroyed vehicles under TL claims.

3. As per Section 55 of Motor Vehicle Act 1988,

(1) If a motor vehicle has been destroyed or has been rendered permanently incapable of use, the owner shall, within fourteen days or as soon as may be, report the fact to the registering authority within whose jurisdiction he has the residence or place of business where the vehicle is normally kept, as the case may be, and shall forward to the authority the certificate of registration of the vehicle.

(2) The registering authority shall, if it is the original registering authority, cancel the registration and the certificate of registration, or, if it is not, shall forward the report and the certificate of registration to the original registering authority and that authority shall cancel the registration.

4. In view of the above, all insurers are advised to ensure cancellation of Certificate of Registration (RC) of the vehicle in case of total loss claim settlement.

Yours faithfully,

(Yegnapriya Bharath)
Chief General Manager (NL)