The Indian Journal for Research in Law and Management

Open Access Law Journal – Copyright © 2026

Editor-in-Chief – Dr. Muktai Deb Chavan; Publisher – Alden Vas; ISSN: 2583-9896

UNINSURED VEHICLE, INJURED PASSENGER: CAN YOU STILL CLAIM COMPENSATION?

Harsimran Kaur

"Justice delayed is justice denied."— William Ewart Gladstone

ABSTRACT

"An accident victim's right to seek justice should not depend solely on whether the vehicle involved carried a valid insurance policy."

This blog examines the legal position of an injured passenger seeking compensation when the vehicle involved in an accident does not have valid insurance. It explains the purpose of compulsory third-party insurance under the Motor Vehicles Act, 1988 and distinguishes the existence of a victim's right to seek compensation from the question of who ultimately satisfies the award. The blog discusses claims before the Motor Accident Claims Tribunal, the liability of the negligent driver or vehicle owner, relevant statutory remedies, and the practical difficulties involved in enforcing an award against an uninsured owner. It also identifies evidence that can strengthen a claim, including the FIR, medical records, treatment bills, vehicle details, photographs,

witness evidence, and income records. The blog concludes that absence of insurance does not automatically extinguish an injured person's legal remedy; however, recovery may become more difficult where the owner lacks sufficient resources. The study therefore emphasizes timely filing, proper documentation, and effective enforcement of compensation awards.

INTRODUCTION

Road accidents are an unfortunate reality on Indian roads, causing thousands of injuries and fatalities every year. To safeguard victims and ensure they receive financial relief, the Motor Vehicles Act, 1988[1] mandates compulsory third-party insurance for every motor vehicle used in a public place. Despite this legal requirement, many vehicles continue to operate without valid insurance, leaving accident victims uncertain about their legal rights[2].

A common misconception is that if an uninsured vehicle is involved in an accident, the injured passenger cannot recover compensation. Fortunately, that is not entirely correct. While the absence of insurance may complicate the process of recovering compensation, it does not automatically extinguish the legal rights of an injured passenger[3].

This article examines the legal position regarding compensation claims involving uninsured vehicles, the remedies available under Indian law, and the practical challenges victims may face.

WHY IS MOTOR VEHICLE INSURANCE MANDATORY?

The primary objective of compulsory third-party insurance is to protect innocent victims of road accidents. Insurance ensures that a person injured due to another's negligence receives compensation even if the owner of the offending vehicle lacks sufficient financial resources[4].

Sections 146 and 147 of the Motor Vehicles Act, 1988[5] require every motor vehicle used in a public place to be covered by a valid policy of third-party insurance[6]. Driving an uninsured vehicle is a statutory violation and may attract penalties prescribed under the Act.

---

[1] The Motor Vehicles Act, No. 59 of 1988 (India).
[2] Law Commission Reports - Law Commission of India - 85th Report on Claims for Compensation under Chapter VIII of the Motor Vehicles Act - Evolution of compensation law and Social welfare rationale.
[3] K.D. Gaur, Textbook on Law of Torts.
[4] Mangla Ram v. Oriental Insurance Co. Ltd., (2018) 5 SCC 656.
[5] The Motor Vehicles Act, 1988, § 146 (India) (mandating compulsory third-party insurance) and § 147 (requirements of policies and limits of liability).
[6] Oriental Insurance Co. Ltd. v. Meena Variyal, (2007) 5 SCC 428.

However, the owner's failure to comply with this legal obligation should not deprive an innocent passenger of access to justice.

CAN AN INJURED PASSENGER CLAIM COMPENSATION?

Yes. An injured passenger travelling in an uninsured vehicle may still file a claim before the Motor Accident Claims Tribunal (MACT)[7] seeking compensation for injuries sustained in the accident.

If the accident occurred because of the negligence of the driver or owner, the Tribunal may hold them personally liable for payment of compensation. In other words, although an insurance company may not be available to satisfy the award, the legal liability of the negligent driver or vehicle owner continues to exist[8].

The absence of insurance therefore affects the source from which compensation is recovered rather than the victim's right to seek compensation itself[9].

WHO PAYS THE COMPENSATION?

When a vehicle is insured, the insurance company generally satisfies the award passed by the Motor Accident Claims Tribunal in accordance with the policy and statutory provisions[10].

In contrast, if the vehicle has no valid insurance policy, the Tribunal may direct the owner or driver to personally pay the compensation awarded to the injured passenger[11].

This may present practical difficulties. Some vehicle owners may not possess sufficient financial resources, while others may delay payment despite judicial orders. As a result, the successful claimant may have to initiate execution proceedings to recover the awarded amount[12].

Nevertheless, the law continues to recognize the victim's legal entitlement to compensation[13].

REMEDIES AVAILABLE UNDER THE MOTOR VEHICLES ACT

The Motor Vehicles Act[14] provides multiple avenues through which an injured passenger may seek relief.

[7] Law Commission of India 119th Report - Focus: Motor Accident Claims Tribunals and Speedy compensation.
[8] National Insurance Co. Ltd. v. Baljit Kaur, (2004) 2 SCC 1.
[9] United India Insurance Co. Ltd. v. Tilak Singh, (2006) 4 SCC 404.
[10] Ningamma & Anr. v. United India Insurance Co. Ltd., (2009) 13 SCC 710.
[11] Shivaji v. Divisional Manager, United India Insurance Co., (2018) 5 SCC 762.
[12] Sarla Verma v. Delhi Transport Corporation, (2009) 6 SCC 121.
[13] New India Assurance Co. Ltd. v. Asha Rani, (2003) 2 SCC 223.
[14] The Motor Vehicles Act, No. 59 of 1988 (India).

A claim based on negligence may be filed before the Motor Accident Claims Tribunal[15] under the relevant provisions of the Act. Depending upon the circumstances, compensation may also be available under statutory no-fault liability provisions introduced to provide quicker relief to accident victims[16].

The Tribunal considers various factors while determining compensation, including[17]:

- Nature and extent of injuries.
- Medical expenses incurred.
- Loss of income.
- Permanent disability, if any.
- Pain, suffering, and loss of amenities.
- Future medical treatment where necessary.

The amount awarded depends upon the facts of each individual case.

EVIDENCE REQUIRED TO SUPPORT THE CLAIM

Since compensation proceedings are evidence-based, proper documentation is essential. An injured passenger should preserve all available evidence, including[18]:

- First Information Report (FIR), wherever registered.
- Medical reports and hospital records.
- Bills relating to treatment and medicines.
- Photographs of the accident scene.
- Witness statements.
- Vehicle registration details.
- Police investigation records.
- Income records where loss of earning capacity is claimed.

Timely collection of evidence significantly strengthens the claim before the Tribunal[19].

[15] Law Commission of India 119th Report - Focus: Motor Accident Claims Tribunals and Speedy compensation.
[16] National Insurance Co. Ltd. v. Sinitha, (2012) 2 SCC 356.
[17] Dr. Avtar Singh, Introduction to Law of Torts and Consumer Protection.
[18] National Insurance Co. Ltd. v. Pranay Sethi, (2017) 16 SCC 680.
[19] N.K.V. Bros. (P) Ltd. v. M. Karumai Ammal, (1980) 3 SCC 457.

JUDICIAL APPROACH

Indian courts have consistently interpreted the Motor Vehicles Act[20] as a beneficial social welfare legislation intended to protect accident victims.

Courts have repeatedly observed that technical deficiencies should not defeat legitimate claims where innocent persons have suffered injuries because of road accidents. At the same time, they distinguish between genuine third-party claims and cases falling outside the scope of statutory protection[21].

The judiciary has also emphasized that compensation should be "just," meaning it should fairly compensate the victim without becoming either excessive or inadequate[22].

PRACTICAL CHALLENGES

Although the legal right to claim compensation survives even where the vehicle is uninsured, practical challenges often arise.

The most significant difficulty is enforcement of the Tribunal's award. Unlike insurance companies, individual vehicle owners may lack sufficient financial resources or may avoid payment. Consequently, victims may spend considerable time pursuing execution proceedings before finally recovering compensation[23].

Delay in filing claims, inadequate documentation, and lack of legal awareness may further complicate the process. Therefore, accident victims should seek legal advice at the earliest opportunity and preserve all evidence relating to the accident[24].

PREVENTIVE MEASURES

Vehicle owners must ensure that their insurance policies remain valid and are renewed before expiry. Compliance with statutory insurance requirements not only protects the owner from legal consequences but also safeguards innocent passengers and other road users.

Passengers should also exercise caution while travelling. Although they may not always be able to verify insurance coverage, travelling in properly maintained and lawfully operated vehicles reduces legal and practical complications in the event of an accident[25].

---

[20] The Motor Vehicles Act, No. 59 of 1988 (India).
[21] Minu B. Mehta v. Balkrishna Ramchandra Nayan, (1977) 2 SCC 441.
[22] National Insurance Co. Ltd. v. Swaran Singh & Ors., (2004) 3 SCC 297.
[23] Pollock & Mulla, The Indian Contract Act and Specific Relief Acts.
[24] R.K. Bangia, Law of Torts**,** Allahabad Law Agency.
[25] United India Insurance Co. Ltd. v. Bindu, AIR 2003 Ker 225; 2003 ACJ 1331 (Kerala High Court).

CONCLUSION

The absence of motor vehicle insurance does not deprive an injured passenger of the right to seek compensation. Indian law recognizes that innocent victims should not suffer because a vehicle owner failed to comply with statutory insurance requirements[26].

Although recovering compensation from an uninsured vehicle owner may be more difficult than recovering it from an insurance company, legal remedies remain available through the Motor Accident Claims Tribunal and other provisions of the Motor Vehicles Act[27].

Ultimately, compulsory insurance exists to protect accident victims, but its absence does not erase the responsibility of a negligent driver or vehicle owner. The law seeks to balance accountability with justice by ensuring that those injured in road accidents continue to have access to meaningful legal remedies[28].

"Justice on the road is measured not only by preventing accidents but also by ensuring that every injured victim has an effective remedy when accidents occur."

---

[26] United India Insurance Co. Ltd. v. M. Thangavel, 2011 SCC OnLine Mad 2810 (Madras High Court).
[27] The Motor Vehicles Act, No. 59 of 1988 (India).
[28] Ministry of Road Transport and Highways - Rajya Sabha Unstarred Question No. 2173 (11 March 2026) - Statistics: Around 44.31% of active vehicles were reported uninsured. And Victims of identified uninsured vehicles may still seek compensation under Sections 164 or 166 of the Motor Vehicles Act.