

Fake third party vehicle insurance racket exposed

Mahesh Buddi | TNN | Updated: Feb 10, 2013, 03:39 IST



HYDERABAD: If your vehicle happens to get rammed by any of the one lakh autos or two-wheelers plying in the Greater Hyderabad region, do not expect the third party insurance of the errant vehicle-owner to take care of the damage done to your vehicle. Reason: The insurance cover that he has is most probably a fake.

In a startling revelation, the city police have discovered that several fake third party insurance gangs are in operation in the city and that they have enticed auto drivers and two-wheeler owners to get their vehicles insured with them. "These gangs claim to represent major companies and offer insurance at a very low premium. In reality, they dupe you with fake insurance certificates. We suspect that at least half of the auto drivers and scores of two-wheeler owners have been duped into buying fake insurance with an offer of low premiums," a policeman said.

As per section 146 of the MV Act, each vehicle-owner should possess a third party insurance, which will provide monetary relief to the third party (accident victim) in case of an accident. The third party insurance annual premium is around Rs 350 to 700 for two-wheelers, Rs 1,000 to 3,000 for four-wheelers and Rs 3,500 for three-wheelers.

As it is mandatory, majority of the vehicle-owners dutifully purchase the third party insurance policies and pay the premium every year. This has spawned a racket. "By posing as insurance agents, the gang members lure customers by offering them third party liability cover at a lesser price. But what the customer would not realise is that they have been given a fake premium receipt by the fake agent," North Zone DCP Ch Srikanth told TOI.

The fraud came to light when an official of The New India Assurance Co Ltd lodged a complaint with the Mahankali police about a fake third party premium receipt he received from a claimant. After a detailed probe, police arrested four persons from Secunderabad and they turned out to be members of a gang, who have been preparing forged third party insurance receipts of various popular insurance companies including The New India Assurance, Bajaz Allianz and Reliance General Insurance.

Till date, the arrested four had duped over 1,100 auto drivers in the city by offering them annual third party insurance just for Rs 1,000 against the normal amount of Rs 3,500. During interrogation, the accused confessed that there are several other such gangs operating in the city and that about 50% of the auto drivers operating in the city must be carrying fake insurance receipts with them. While the arrested gang members focused only on auto drivers, police do not rule out the possibility of scores of cabbies and two-wheeler owners in the city also carrying similar fake insurance receipts on them.

According to senior traffic officials, it is a serious issue because an accident victim will not get any monetary relief if the accused motorist has a fake third party insurance policy. Moreover, it is impossible for the police to conduct frequent vehicle checks to identify the fake insurance receipts. "We have asked insurance companies to include some additional safety measures like hologram and water mark on their premium receipts to stop such crimes," the DCP said.

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