

THE PUBLIC LIABILITY INSURANCE (AMENDMENT)  
ACT, 1992

No. 11 OF 1992

[31st March, 1992.]

An Act to amend the Public Liability Insurance Act, 1991.

BE it enacted by Parliament in the Forty-third Year of the Republic of India as follows:—

1. (1) This Act may be called the Public Liability Insurance (Amendment) Act, 1992.

(2) It shall be deemed to have come into force on the 31st day of January, 1992.

2. In section 2 of the Public Liability Insurance Act, 1991 (hereinafter referred to as the principal Act),—

(i) for clause (a), the following clause shall be substituted, namely:—

‘(a) “accident” means an accident involving a fortuitous or sudden or unintended occurrence while handling any hazardous substance resulting in continuous or intermittent or repeated exposure to death of, or injury to, any person or damage to any property but does not include an accident by reason only of war or radio-activity;’

(ii) for clause (g), the following clause shall be substituted, namely:—

‘(g) “owner” means a person who owns, or has control over handling, any hazardous substance at the time of accident and includes,—

(i) in the case of a firm, any of its partners;

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(ii) in the case of an association, any of its members; and

(iii) in the case of a company, any of its directors, managers, secretaries or other officers who is directly in charge of, and is responsible to, the company for the conduct of the business of the company;';

(iii) after clause (h), the following clause shall be inserted, namely:—

'(ha) "Relief Fund" means the Environmental Relief Fund established under section 7A;'

3. In section 4 of the principal Act, after sub-section (2), the following sub-sections shall be inserted, namely:—

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section  
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'(2A) No insurance policy taken out or renewed by an owner shall be for an amount less than the amount of the paid-up capital of the undertaking handling any hazardous substance and owned or controlled by that owner, and more than the amount, not exceeding fifty crore rupees, as may be prescribed.

*Explanation.*—For the purposes of this sub-section, "paid-up capital" means, in the case of an owner not being a company, the market value of all assets and stocks of the undertaking on the date of contract of insurance.

(2B) The liability of the insurer under one assurance policy shall not exceed the amount specified in the terms of the contract of insurance in that insurance policy.

(2C) Every owner shall also, together with the amount of premium, pay to the insurer, for being credited to the Relief Fund established under section 7A, such further amount, not exceeding the sum equivalent to the amount of premium, as may be prescribed.

(2D) The insurer shall remit to the authority specified in sub-section (3) of section 7A the amount received from the owner under sub-section (2C) for being credited to the Relief Fund in such manner and within such period as may be prescribed and where the insurer fails to so remit that amount, it shall be recoverable from the insurer as arrears of land revenue or of public demand.'

4. In section 7 of the principal Act,—

(a) for sub-section (3), the following sub-section shall be substituted, namely:—

Amend-  
ment of  
section 7.

"(3) When an award is made under this section,—

(a) the insurer, who is required to pay any amount in terms of such award and to the extent specified in sub-section (2B) of section 4, shall, within a period of thirty days of the date of announcement of the award, deposit that amount in such manner as the Collector may direct;

(b) the Collector shall arrange to pay from the Relief Fund, in terms of such award and in accordance with the

scheme made under section 7A, to the person or persons referred to in sub-section (1) such amount as may be specified in that scheme;

(c) the owner shall, within such period, deposit such amount in such manner as the Collector may direct.”;

(b) after sub-section (7), the following sub-section shall be inserted, namely:—

“(8) Where an owner is likely to remove or dispose of his property with the object of evading payment by him of any amount of the award, the Collector may, in accordance with the provisions of rules 1 to 4 of Order XXXIX of the First Schedule to the Code of Civil Procedure, 1908, grant a temporary injunction to restrain such act.”.

5 of 1908.

Insertion  
of new  
section 7A.

5. After section 7 of the principal Act, the following section shall be inserted, namely:—

“7A. (1) The Central Government may, by notification, establish a fund to be known as the Environmental Relief Fund.

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(2) The Relief Fund shall be utilised for paying, in accordance with the provisions of this Act and the scheme made under sub-section (3), relief under the award made by the Collector under section 7.

(3) The Central Government may, by notification, make a scheme specifying the authority in which the Relief Fund shall vest, the manner in which the Relief Fund shall be administered, the form and the manner in which money shall be drawn from the Relief Fund and for all other matters connected with or incidental to the administration of the Relief Fund and the payment of relief therefrom.”.

Amend-  
ment of  
section  
14.

6. In section 14 of the principal Act, in sub-section (1), for the words, brackets and figures “sub-section (1) or sub-section (2)”, the words, brackets, figures and letters “sub-section (1) or sub-section (2) or sub-section (2A) or sub-section (2C)” shall be substituted.

Amend-  
ment of  
section  
23.

7. In section 23 of the principal Act,—

(a) in sub-section (2),—

(i) clause (a) shall be re-lettered as clause (ac);

(ii) before clause (ac), as so re-lettered, the following clauses shall be inserted, namely:—

“(a) the maximum amount for which an insurance policy may be taken out by an owner under sub-section (2A) of section 4;

(aa) the amount required to be paid by every owner for being credited to the Relief Fund under sub-section (2C) of section 4;

(ab) the manner in which and the period within which the amount received from the owner is required to be remitted by the insurer under sub-section (2D) of section 4;";

(b) in sub-section (3), for the word "rule", wherever it occurs, the words "rule or scheme" shall be substituted.

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**8. (1) The Public Liability Insurance (Amendment) Ordinance, 1992 is hereby repealed.**

**Repeal  
and  
saving.**

(2) Notwithstanding such repeal, anything done or any action taken under the principal Act, as amended by the said Ordinance, shall be deemed to have been done or taken under the principal Act, as amended by this Act.