

# Insurers see explosion of opportunity on EVs

Swati.Rathor@timesgroup.com

**Hyderabad:** With rising fuel prices fueling EV sales and the government rooting for green mobility, general insurance companies are seeing a massive opportunity in the EV space in the coming days.

In March this year, IRDAI mooted a discount of 15% on third party motor premium rates for electric vehicles to incentivise usage of environmentally friendly vehicles. Besides, it also mooted a discount of 7.5% on motor third party premium rates for hybrid electric vehicles.

Adarsh Agarwal, chief distribution officer, Digit Insurance, said EVs can avail the same insurance benefits as other motor vehicles, which includes third party as well own damage cover.

“All EVs with a maximum speed above 25 kmph are required to buy a mandatory third-party cover. For EVs which don't require a mandatory co-

## EV RETAIL DATA

	FY22	FY21	FY20
2W	2,31,338	41,046	24,843
3W	1,77,874	88,391	1,40,684



ver, insurers also offer an ‘asset protection cover’ which essentially covers any accidental damage,” he said. “With more OEMs entering the Indian market, the opportunity is huge,” he added.

Even TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance, said, “Even in our books, we are seeing a good increase in EVs.” If the ecosystem is in place, there could be a big explosion in the EV market. However, one of the major challenges is the high cost of battery, which is around 55-60% of the vehicle.