

Bajaj Allianz cuts motor cover rates by up to 15%

TIMES NEWS NETWORK

Mumbai: Bajaj Allianz General Insurance has reduced its car insurance premium by 5% to 15% with effect from January 2018. The company said that it was passing on cost savings to policyholders to encourage more people to purchase insurance. "The company will pass on the benefits of digitisation and increasing efficiency in various distribution channels to all existing and new customers," said MD & CEO **Tapan Singhel**.

Motor own damage premium rates have been deregulated for several years. The motor insurance market has been witnessing disruption regularly as new entrants usually quoted lower

rates in order to gain market share. For instance, currently, Kotak General Insurance — a relatively new entrant — has been quoting aggressive rates in the mass segment.



Bajaj Allianz has traditionally been a conservative player in the motor segment and has not taken on underwriting losses in order to grow market share. "We have seen our combined ratio (ratio of claims & expenses to total premium) improve from 99% to 92% after we made investments in automation. Rather than generate undue profits, we felt that we should pass on the improved margins to the customer," said Singhel.

Following the rate cut, the premium on a Maruti Su-

zuki Wagon R LXI model has come down from Rs 16,500 to Rs 14,500. For a Swift Dzire LXI model, the premium is down from Rs 16,000 to Rs 14,000, while for a Honda City I-VTEC, the annual insurance outgo will be down from Rs 27,000 to Rs 25,500.

In the past, Bajaj Allianz General Insurance has explored and implemented new technologies for private car policyholders. The company had earlier launched DriveSmart — a telematics offering, which rewards customers for their good driving behaviour, and Motor OTS that enables customers to self-survey the loss with the company's Insurance Wallet application on their smartphones and allows them to settle claims of less than Rs. 20,000 immediately.