

SANGEETHA G

Chennai

IT will no longer be mandatory for owner-drivers of vehicles to buy a personal accident cover bundled with the motor cover as stipulated earlier by the insurance regulator. Irdai has relaxed the norms and from January 1, 2019, a standalone personal accident cover will do.

As per Irdai regulations, currently an individual vehicle owner has to buy a compulsory personal accident (CPA) cover of Rs 15 lakh at an additional premium of Rs 750 with his vehicle insurance. This has to be mandatorily taken with every vehicle insurance

Irdai delinks personal accident cover from 3rd party motor insurance



policy. This was mandated under General Regulation 36 of India Motor

Tariff, 2002, and on September 20 this year, Irdai had enhanced CPA cover to Rs 15 lakh.

"In case where a customer has multiple vehicles, he may end-up buying CPA cover for more than one vehicle, which is unnecessary," said Animesh Das, head of product strategy, ACKO General Insurance.

Turn to P10

Single PA cover extended to multiple vehicles

From P1

Irdai said it has received feedback from various quarters wherein it has been pointed out that many owner-drivers already have existing general personal accident covers, which ought to be taken cognisance of. Also, the fact that owner-drivers may own more than one vehicle needs to be taken into consideration in a more rational manner so that they

don't have to take different policies for the different vehicles that they own.

Hence Irdai has decided to unbundle the compulsory personal accident cover and permit the issuance of a stand-alone CPA cover for owner-drivers. However, if a policyholder chooses to opt for the CPA cover as part of the liability only policy or the package policy as it exists today, he/she can continue to do so.

"Irdai has come up with a solution and introduced standalone personal accident cover where a single PA cover can be taken for multiple vehicles. With the introduction of this option, customers will be able to save additional Rs 750/vehicle," said Das.

Coverage under the standalone CPA will extend to all the vehicles owned by the owner-drivers under the same policy. The dura-

tion of the standalone CPA cover would be one year.

"Irdai's recent circular on the CPA cover has provided clarification in line with the Indian Motor Tariff provisions. From January 1, 2019, an option will be available to the customer to opt for a CPA cover as part of the package policy or liability only policy or to go for standalone CPA policy. The insurers have been asked to file the standalone CPA as a

product under the file and use guidelines along with its pricing. Additionally, if an individual has a personal accident policy covering death and permanent disability, total as well as partial, with sum insured of at least Rs 15 lakh, they need not take separate CPA cover, neither with motor policy nor as standalone," said Onkar Kothari, compliance officer and company secretary, Bajaj Allianz General Insurance.