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## From Jan 1, vehicle owners can buy standalone personal accident policies

### OUR BUREAUS

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Starting January 1, vehicle owners and drivers have the choice of buying a standalone personal accident cover, or purchase it as a bundled product along with their third-party motor insurance.

This means a person with two or more cars can purchase a single compulsory personal accident (CPA) cover. The cover will extend to all the vehicles driven by the policyholder, and have a validity of one year.

Earlier this year, a CPA of ₹15 lakh sum assured, which costs ₹750, was made mandatory with every vehicle insurance policy.

"Feedback has been received 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," the Insurance Regulatory and Development Authority of India (IRDAI) said in a circular.

It has therefore decided to unbundle CPA cover from third-party cover.

"In the event the policyholder chooses to take a standalone CPA policy, the CPA cover offered as part of a 'liability-only' or 'package' policy shall be deleted," the circular said. However, a policyholder can also opt for a traditional bundled policy.

IRDAI has asked insurers to file new standalone CPA products by January 15.

The regulator further said if an owner-driver already has a 24-hour personal accident cover, he/she needn't take a separate CPA cover.

Insurers said the move will benefit customers, who get more options. "The customer can replace the CPA cover either with a standalone PA policy or with one from any general insurer," said Sajja Praveen Chowdary, Business Unit Head, Motor Insurance, Policybazaar.com. Insurers can also tailor their prices better, Chowdary added. Insurers have been asked to file standalone CPAs as products under the 'File and Use' guidelines along with their pricing," said Onkar Kothari, Company Secretary, Bajaj Allianz General Insurance.