

[Insurers witness surge in claims, higher payouts amid heavy floods in North India](#)



Amid the worsening floods situation across North India, heavy damage was incurred by vehicles and property, including loss or complete write-offs, resulting in a surge of claims. We have talked with a few industry experts to sneak into the prevailing situation and how they are dealing with it. Read here:

It's a free Content, simply login/signup to unlockThe devastating floods in the Northern parts of India have led to a surge in claims over vehicles and immovable property damages.If industry leaders are to be believed, the insurance companies are now facing higher payouts, causing increased financial liabilities and a re-evaluation of risk assessment in flood-prone areas.

Talking about the situation of the claims filed due to recent floods, Animesh Das , Chief Underwriting Officer, ACKO said that the company has witnessed approximately 15% increase in the claims in Delhi, Himachal , and Uttarakhand , while a further increase is expected as more individuals are yet to report their claims.

In the event of heavy rainfall and flooding, there are frequent cases of engine damage due to water ingress, electrical system malfunctions, bodywork damage, and even complete vehicle write-offs.

"In the standard comprehensive cover, if the car is totally damaged then the customer will get the IDV (Insured's declared value). Every year, the car value depreciates roughly by 10% and in case of impactful damage, the customer gets the claim amount minus the depreciation of the parts," he explained.

The insurance regulator, IRDAI has also urged general insurance companies and standalone health insurers to expedite processing of claims related to floods and activate their 24x7 dedicated helplines. Insurers have also been instructed to launch various awareness campaigns to highlight the actions taken.

IRDAI directs insurers to respond promptly on flood claims

Bajaj Allianz General Insurance company (BAGIC) have also started to receive claim intimations – currently close to 350 – across motor, home, & property insurance. The claim intimations are primarily from Delhi, Punjab, and Himachal Pradesh.

The insurer has enabled a 24x7 dedicated emergency helpline where the company executives will help customers and provide instant support. BAGIC has proactively contacted its customers in the affected regions to assess any damage and communicated all their emergency contact information.

"Claims arising from this natural calamity will be fast-tracked and settled on priority. We have also deployed our surveyors on-ground for faster assessment and resolution. We expect more claims in the following days and have mobilized our resources to address these claims accordingly," MD & CEO, Tapan Singhel told ETBFSI.

Gaurav Arora - Chief - Underwriting & Claims Property & Casualty, ICICI Lombard shared that till date the company has received about 350 Claims in total between Property and Motor line of businesses.

Claim settlement TAT for flood loss claims is around 12 to 15 days on an average from the date of vehicle reporting to garages. With our claims team mobilising on ground wherever the water has receded, we expect faster claim settlement timelines in most parts of affected areas. he added.

Taking cognizance of the devastating effects of flood and the resultant damage to human lives and livelihoods in Northern parts of India, HDFC ERGO General Insurance has also extend support to its customers by setting up a dedicated helpline and claims desk for the claims arising from the North India floods.

So far the company has received 231 claims from the flood affected areas, out of which 23 are motor and property claims from Himachal Pradesh.

With the rise of Yamuna river to 208.66 meters, this is Delhi's worst flood in historical records. Till date, the insurer has received 58 motor and properties claims from Delhi. All these claims have been addressed with utmost priority, Parthanil Ghosh , President – Retail Business of HDFC Ergo said.

"We have also sensitised our customers on dos and don'ts against such a natural disaster through various communication channels like – personalised mails, SMS and social media posts. The actual impact and claims numbers can be accessed during aftermath as once the water starts receding, people start filing the claims for the damages caused," he added.

In addition, Ghosh pointed out that in this hour of need, when people are stranded at their homes, the company's is leveraging heavily on AI powered engines, where customers themselves can take pictures of their damaged vehicles and send across.

Strong insurance model needed for protection against disasters

In a research report released by SBI on Monday, it was highlighted that as the number of natural disasters in India is increasing, the country needs an insurance model to protect against disasters which could offer benefits over government loans and grants during a crisis.

Indian economy marred by floods, protection gap alarmingly high: SBI report

The latest note pegs the current status of economic losses due to the floods in northern India and Biparjoy cyclone in Gujarat to be upto Rs 15,000 crore.

Apart from the typical issues of planning up of urban infrastructure, the havoc created by natural disasters have raised a crucial issue of protection gap (uninsured losses), which is almost neglected in India. The report shows that the protection gap in case of India is 92%, much higher than the global average of 54%

According to the SBI Ecowrap, the insurance sector and governments need to actively engage and discuss how best to address the potential contingent liabilities.