

MOTOR COVER**Tech Will Drive Down Cost of Car Insurance**

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Mumbai: Although the regulator raised third-party cover rates this year, the increasing deployment of technology will help drive down motor insurance premiums. Some experts suggest that rates could drop by as much as half thanks to the use of devices such as immobilisers, rear view cameras, speed governors, telematics dongles that boost safety and mobile apps that capture driving behavior.

Besides this, more stringent rules will result in features such as anti-lock braking systems (ABS) becoming a standard fitment on all cars. "Anybody giving proof of safety measures is rewarded with discount of up to 50% depending on make and model of the vehicle," said Vijay Kumar, president, motor insur-

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ance, Bajaj Allianz General Insurance. In India, the motor insurance premium is pegged at 1-1.5% of the sum assured as against 4-4.5% in the UK. High-end cars in India command a discount of as much as 50% on the sum assured as most of them sport a number of tech devices that reduce risk.

Indian auto manufacturers are laying greater emphasis on technology to make their vehicles safer after reports that base models suffered greatly in this respect during crash tests and in anticipation of the rule changes.

Where installed, anti-theft devices, speed governors and ABS are said to have had an effect on safety. For instance, fewer Hondas are being stolen after the company began fitting an immobiliser in all its cars. Insurers are moving beyond just looking at the loss experience with a particular make and model and geography to incorporate behaviour-based information to analyse risk. They are moving from a protection to a prevention model.