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# Fake motor insurance policies more than double in last two years

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**Chennai:** Fake motor insurance policies have more than doubled from 498 cases to 1,192



cases, with more than ₹53.7 crore worth fake policies sold in India in the last two years, data from IR-DAI's fraud monitoring cell showed. For the year 2016-17 498 fake policies were sold, which rose to 823 in 2017-18, which further increased to 1192 in 2018-19, finance minister **Nirmala Sitharaman** told the parliament in a written reply earlier this month.

Most of the duplicate policies have been sold to truck users and two wheeler owners, who buy them to avoid police scrutiny when vehicular checks happen. All of these are sold as renewal policies, with almost identical data that is contained in a genuine motor policy, making it difficult to differentiate the original from the fake. "A genuine motor insurance policy will cost ₹10,000, while a fake policy would cost between ₹5,000-₹6,000. The vehicle owner is much aware that the fake policy certificate could only help to escape the police, but not help while claiming for damages, however many purchase them." Sanjiv Dwivedi, he-

ad of Investigation and Loss Mitigation Team, Bajaj Allianz, said. "About 70% of vehicles in India are not insured."

"We have filed about 93 cases with the police against fake motor insurance policies in 2018, many of which were sold in Ferozepur in UP, Tiruvananthapuram in Kerala, and Akhuj in Maharashtra so far," Dwivedi added.

IRDAI said that it had received complaints directly relating to three entities—AKPCL General Insurance Company Ltd' in 2016, Gone General Insurance and Marines Technology in 2019 — for fake policy sales, in the past.

Most fake policies have be-

en linked to insuring second hand vehicles, where it is purchased for statutory compliance rather than safety.

"Finding fake policies is not new to the insurance sectors. Fake agents mislead customers using our brand name to sell at lower rates," Sanjay Datta, head of underwriting, claims, reinsurance and actuary of ICICILombard, said.

To combat this menace, insurers have started to fix bar codes, which when scanned will throw details of the policy. Some others affix 3D holograms and also educating the police and investigation agencies to differentiate between a original and fake policy.