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FROM BELOW 10% OF ROUTINE LEVELS IN APRIL

Motor Claims Rise as India Hits the Road Again

Claims for accidents and own damage in May at 50-60% of pre-lockdown levels, early trends show

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Mumbai: In an early indication of road traffic returning to normalcy across the country after a complete nationwide shutdown, motor insurance claims with top insurers have surged in May.

While the claim frequency is still below the routine pre-Covid levels, the opening up of offices and relaxations in green and orange zones have caused accidents and maintenance related own-damage (OD) claims to surge in May to 50-60% of the normal, as per indicative trends shared by insurers with ET.

In April, when the entire country faced widespread restrictions in movement to contain the spread of the coronavirus, the claim ratio had fallen to below 10% of routine levels for most insurers.

While Bharti Axa and Bajaj Allianz General Insurance saw motor own-damage (OD) claims in May return to about 50% of the levels seen before the lockdown, SBI General and Future Generali said claim intimations spiked significantly in the second week of May, reaching about

70-80% of the pre-Covid daily average. ICICI Lombard and Digit Insurance also saw a marked increase in claims processed in May.

"Claim intimations reporting in April 2020 were less because there were restrictions on the movement of vehicles," said Pushan Mahapatra, MD and CEO, SBI General. "...with the gradual easing of movement restrictions and also workshops across India getting opened, there is a spurt in claims in May."

Insurers have attributed the trend to an increase in road traffic and reopening of garages that were shuttered earlier. "The increase could be on the back of three factors: return of traffic, a sudden influx in maintenance-



ce-related issues following reopening of garages and pent-up claims not reported due to the lockdown," said Milind V Kolhe, chief underwriting and reinsurance officer, Bharti Axa General.

The widespread destruction in West Bengal and Odisha due to cyclone Amphan also raised the claim frequency in May. "Over the week, we have also seen a marked jump in claims from eastern states, which we believe is due to damages related to Amphan," said Sanjay Datta, chief - underwriting & claims, ICICI Lombard.

"We have seen an increase in OD claims in May that we believe is also because of pent-up maintenance issues being reported," said Tapan Singhel, CEO of Bajaj Allianz General Insurance.