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[You can buy a standalone 'own damage' motor insurance from September 1](#)

Till now, it is mandatory to buy a package motor insurance if a vehicle owner wants an own damage cover

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In less than three months from now, motor vehicle owners would be able to buy a standalone annual "own damage" cover. This will be applicable for cars and two-wheelers, both old and new. This means that buying a package policy of motor third-party and own-damage insurance will no longer be compulsory.

However, details of the third party policy taken will have to be provided to the insurance company. The own damage cover will protect against vehicle repairs, theft and fire.

Insurance Regulatory and Development Authority of India (IRDAI) said that insurers would have the option to offer package policies, in addition to stand-alone OD and TP policies. However, it clarified that long term stand-alone own damage policy would not be permitted for the present.

Onkar Kothari, Company Secretary and Compliance Officer – Bajaj Allianz General Insurance, said that the This circular from IRDAI had provided much-needed clarity in terms of insurer's approach for standalone motor OD policy, its pricing and duration.

"It is going to be an annual policy. It has also made it mandatory for insurers to ensure that no vehicle should be insured only for OD cover and the insurer needs to mention start and end date of TP policy and name of its issuer while giving standalone OD policy," he added.

IRDAI said that policyholders would have the option to renew the own damage component of a bundled cover falling due on or after September 1 with the same insurer or a different insurer. This can be done on an annual basis.

Here, the pricing of a stand-alone OD policy will be the same as that being offered for the OD component of a package policy.

Motor "own damage" policies are optional while the third party cover is mandatory for all vehicles running on Indian roads.