

# IRDAI hikes third party motor insurance premium

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**Chennai:** Insurance regulator IRDAI has approved the third party motor premium increase of 4.4% for bikes and 12% for cars. The regulator has introduced two new categories this year — the electric vehicles and the quadri-cycle category, an upcoming segment for intra-city shared mobility.

The revised Motor Third Party Liability Insurance premiums for two-wheelers, cars and taxis have received the nod and will be effective from June 16.

First, the electric vehicles introduced on the basis of motor power and their rates are 17%, which is lower than that of traditional fuel vehicles. The premium rate of electric cars is at an average of ₹3,735 for a one-year policy, and at ₹11,085 for long-term policies.

For e-bikes, the average rate is at ₹1,010 for a one-year



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policy, and at ₹4,848 for long-term policies.

Secondly, under the quadri-cycle category, the rate stands at ₹2,072 for private cars and for commercial vehicles not exceeding 500 cc will pay a basic premium of ₹2,595. The insurance regulator has increased the third party motor premium rate for bikes (not exceeding 75 cc) to ₹482 from ₹427 in the previous year.

For scooters and motor-bikes with an engine capacity of 75-150 cc, has seen a rate hike of 4.4% to ₹752.

For cars below 1,000 cc, the premium rate is increased by 12% to ₹2,072, cars under 1,000-1,500 cc category see a 12% rate hike to ₹3,221.

However, the highest rate is set for autorickshaws, which sees a hike of 24% to ₹3,914. “The rates for long-term policies for new private vehicles are unchanged. This is a positive move for the private car industry, which is going through a demand stress period. However, the insurance industry shall have challenge in terms of higher loss ratios due to inflation and claim cost,” said Gurneesh Khurana, President and business head, Motor, Bajaj Allianz General Insurance.

“In the quadri-cycle category, the premium rates are kept as passenger carrying vehicle 3-wheeler rates for this upgraded version, which shall help the industry to promote the vehicle segment in the market”, he added.