

[Role of digital for General Insurance companies to do vehicle policy management for EVs](#)

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As per various reports, India’s electric vehicle (EV) market size is likely to exceed \$ 150 billion (1.13 lakh crore) by 2030, with dramatic growth over the next eight years. As the market for electric vehicles, driven by the twin forces of government policies and consumer interest, scales up, there are implications for manufacturers, customers, and, of course, insurers!

As the electric vehicle market is still at a nascent stage, the general insurance industry is in the initial phase of formulating covers for these vehicles. The differences between EVs and conventional vehicles can impact covers in this space. At the same time, as per law, vehicles need to be insured with at least third-party cover. This is true for both conventional vehicles and EVs.

EVs can have lesser but more connected parts, leading to liabilities beyond the traditional manufacturer, with software providers coming into play. Since it can create fire hazards, the battery can result in exposure to the motor insurer and the insurer of the property where it is parked. There is also a higher probability of collisions since EVs make hardly any noise! Since these cars are “smart” with sensors and devices galore, tracking is far more real-time & granular, resulting in risk mitigation. Increased connectivity and reliance on data, detectors, and software can help manage vehicle systems, as well as aid driving. Also, the availability of data, thanks to battery management in terms of speed/braking/driving patterns, can result in a higher infusion of data-driven practices in claims and other areas. The underwriting teams can use the same data to reduce the risk of insurance fraud.

Again, unlike conventional vehicles, since EVs call for a new skill set to service them, specialised EV repair and maintenance centres by OEM's and non-OEM's can emerge wherein owners can take damaged vehicles, which can aid smooth claim processing, including potentially cashless claims. Also, professional liability insurance may have to be recalibrated as per EV software and data dependence. Add-on car covers wherein EV chargers, leased batteries, assistance at charging stations, towing in case of exhausted battery or breakdown et al are covered can come into play. Cyber insurance can come to the fore, given the exposure associated with the increased use of data and connectivity, such as security flaws at charging stations. Thus, insurance companies may have to review their claim handling capacities and processes to manage these changes caused by EVs.

Insurers are also pursuing digital options in the buying process, claim management and battery maintenance areas for EVs. EV comes with an app to manage and check details. Insurance companies can tie up with such apps to sell policies. The shift from conventional cars to EVs can also open spaces for smart solutions to smart challenges. The disruption in the automobile industry has started; the onus is now on carriers to latch on to the bandwagon and customize policies.