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Be prepared to shell out more to insure your e-car

Their parts are costlier and repairing often means replacing an entire system, which drives premium rates up



IMAGE:STOCK

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With the government keen to make India a 100 per cent electric vehicle driving nation by 2030, these vehicles are becoming a more common sight on our roads now. Industry experts believe that the demand for e-cars will grow in the years to come with rising consumer awareness and stricter emission norms. Auto companies have also taken electric vehicles (EVs) seriously with companies such as Tata Motors and Mahindra & Mahindra already out with their e-cars. While electric cars are more

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expensive than petrol and diesel cars, they come with advantages like being noiseless and non-polluting. However, along with paying a higher price to buy these cars, electric vehicle owners should also be prepared to shell out more to insure them.

Currently, electric cars are covered by the same motor insurance policies, which are in turn based on the same standard guidelines that govern insurance for fuel-based vehicles. With the numbers of electric cars being limited, no separate cover is available currently. Insurers face certain issues in offering them. "At pres-

ent insurance cover for electric vehicles come with some limitations as insurers do not have any historical claims data," says Jaideep Devare, managing director, Mahindra Insurance Brokers.

In some ways, however, the covers for these vehicles are different. "Underwriting of electric vehicles is slightly different as accidental repairs can involve replacement of entire parts such as body shell, motor and battery assemblies," adds Devare. The chassis and body cover for an electric car remains similar to a normal car insurance cover.

In vehicles based on traditional fuels, premium rates are decided on the basis of engine capacity. "As there is no cubic capacity (CC) for an electric car, insurers take into account its

kilo watt (KW) to calculate the premium," says Sasikumar Adidamu, chief technical officer, Bajaj Allianz General Insurance. Instead of engine number, the battery number is documented while insuring them. Experts say that electric cars attract higher premium rates than diesel and petrol cars because in case of any damage getting them repaired is costlier.

The technology that goes into building these cars is more advanced, hence they also require specialist mechanics to repair them. Their batteries and other specialised parts are also expensive. "Before buying insurance, ensure that the cover is being provided at the right value of the vehicle. The coverage should be adequate so that your share in an accidental claim is minimal," says Amitabh Jain,

head-motor and health underwriting and claims, ICICI Lombard General Insurance. Adds Rakesh Jain, ED and CEO, Reliance General Insurance: "Since the battery and electricity supply unit is the key component of an electric car, the mechanical, electronic and electric failure of the battery and electricity supply unit should also be protected by opting for suitable warranty products."

Experts also suggest buying add-on covers for your e-car. Add-on covers should be bought that guard against the risk of damages due to battery charging, battery leakage, etc. The cover should also provide the facility for towing the vehicle to the nearest charging point, and there should also be provision for on-the-spot assistance.

As the cost of repairing these vehicles is high, a zero depreciation add-on cover can be useful. During a claim, the insurance company calculates the depreciation value of the car, which is then deducted from the claim amount. With a zero-depreciation add-on cover, the full amount of damage is paid.

Along with the above-mentioned points, check the claim settlement ratio of the insurer, and the availability of cashless facility.