

[Assam flood aftermath: Motor and Property insurance most impacted, no new claims in Aug](#)



The Assam floods which have impacted over 8.9 million people, nearly one-third of the state's population in the last 3 months have started to subside and life is settling down. To understand the impact and aftermath, ET BFSI spoke to insurance companies, according to whom, the motor and property segments were most impacted. In Assam, insurance companies have received the claim intimations in two tranches on account of two separate incidents of flooding – one in May 2022 and the other in mid-June 2022. In the last 3 months, the Assam floods have impacted over 8.9 million people, nearly one-third of the state's population.

According to insurers, the claims were reported till the end of June and as the flood subsided and life started to bounce back, no new flood-related claims have been received by insurers in August. "For the Assam floods this year, we have witnessed close to 400 claims, out of which more than 70% have already been settled, and the rest are in the process," said T A Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance. The company saw a significant impact on non-life claims, especially in property and motor insurance claims. "We hope insurance has been a positive catalyst in the rehabilitation of our citizens in Assam and contributed to closing the large gap between actual loss and insured loss," he added.

As the water recedes in the area, no further flood loss claim is reported, and neither does any flood-like situation is appearing in the location. Life in the affected area is now settling down, said Sanjay Datt Chief – Underwriting, Claims and Reinsurance – ICICI Lombard General Insurance.

"In fact, we are now receiving feedback that our positive approach helped in boosting the faith in the market and our market share can possibly see an increase in the region," he added. Along similar lines, he said that Motor OD is the segment along with the Motor Trade policy that got the major impact on the location.

Inundation loss is a covered peril in ICICI Lombard's Motor OD policy but there is also chances of consequential loss in a few major assemblies where the insurer offers add-on-line Engine protection.

In this flood, the company saw many cases where aggravation of loss happened due to prolonged periods these flood-affected vehicles remain submerged in the corrosive and muddy water, electrical component failure also occurred even after cleaning and initial repair. In electric vehicles, performance issue in the battery was majorly observed, he pointed out.

Assam flood reports hundreds of motor and health insurance claims" In my opinion, we can offer a special add-on for the Flood to address such losses which can't be included currently in our standard OD policy or Engine protect add on so that insured does not have to bear any major cost in future is such adverse condition," he said.

According to Datta, being an under-penetrated market with mostly motor-related policies sold, very few property/house policy is currently opted in the location which also may get impacted during this kind of natural calamity.

Like in the past catastrophic losses, most insurers are expected to settle the claims on the basis of minimum documentation. Recognizing that the customers have already experienced enough challenges and losses, SBI General Insurance earlier reported that the company has been waiving the paperwork requirement wherever possible. "To avoid any delays in the claim settlement procedure, the Company has contacted and engaged a panel of surveyors.

SBI General follows a process of 'Express Claims' settlement in case of commercial claims for losses of up to Rs. 10 lakhs for affected customers," Atul Deshpande is Head-Claims, Digital & Projects at SBI General Insurance highlighted. The insurer started settling claims in April and relief in the form of interim payments has also been considered in larger losses, he added.