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Motor cover renewals up 6x on fines

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Chennai: As traffic violators start paying hefty penalties under the new Motor Vehicles Act 2019, renewal of vehicle insurance policies has seen an increase of more than 50% in the last few days. In some cases, growth has surged as much as six times.

"We are experiencing an average increase of 3-4 times in insurance renewal enquiries for old vehicles. Consumers are definitely taking cognizance of the motor vehicles act amendments and wanting to comply with the same. The encouraging part is to see traffic from both online and offline distribution platforms," said Sanjay Datta, head (underwriting and claims) at ICI-CI Lombard General Insuran-

STEEP RISE

Motor insurance renewals (per day nos.)



Source: Policybazaar.com

ce, the largest private insurer.

Policybazaar.com has seen its two-wheeler policy renewals going up from 10,000 per day to 60,000 in the last one week, while the renewal run rate among car owners has gone up by more than 70% from 3,500 per day to 6,000 per day. "At this rate, we expect to hit 1 lakh policy renewals per day by the end of next week," Sajja Praveen Chowdary, business head of motor insurance at Policybazaar.com, said.

"Earlier, out of 100 visitors looking to renew their policies on our website, about 60% of two-wheeler customers held an expired policy, while the figure for car customers was 30%. However, in the last four days, such applications went up to 87% among bike owners and 52% for cars," Chowdary said.

"With time, we are sure that the amended motor vehicles act would help in converting the large uninsured base in our country," Gurneesh Khurana,

head of motor business at Bajaj Allianz General Insurance, said. The insurer has recorded an increase of approximately 60% in the renewals of motor cover policies among bikers in the last few days.

Under the new provisions, driving an uninsured vehicle will lead to a fine of Rs 2,000 and/or imprisonment up to three months for the first offence, and a fine of Rs 4,000 and/or imprisonment up to three months for the second offence. Earlier, a penalty of Rs 1,000 and/or punishment up to three months was levied on the same default. Industry estimates suggest that motor insurance penetration among vehicle owners stands at 35-40% for two-wheeler segment, 65-70% for passenger cars and 85% for commercial vehicles.