

Date: 21.9.2018	Publication: Moneycontrol.com
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[Mandatory personal accident cover for vehicle owners raised to Rs 15 lakh](#)

Earlier, accident insurance of Rs 1 lakh for two-wheelers and Rs 2 lakh for cars was provided by general insurers

Last Updated : Sep 21, 2018 03:27 PM IST

Car and bike owners will now get a compulsory personal accident cover of Rs 15 lakh under their motor insurance policies. Earlier, the mandatory cover was Rs 2 lakh for cars and Rs 1 lakh for two-wheelers.

A premium of Rs 750 per annum will be applicable for the Rs 15-lakh cover, a significant jump from the Rs 100 premium for cars and Rs 50 for two-wheelers earlier. The expense is over and above the mandatory third party insurance product.

Personal accident cover for vehicle owners is mandatory as per insurance regulations.

Due to an increase in the sum assured for the personal accident cover, all vehicle owners and drivers will be eligible for insurance benefits for death and permanent complete disability. General insurers are required to mandatorily provide it both for third party liability as well as comprehensive covers.

An individual wanting a cover above Rs 15 lakh can buy one by paying a higher premium, said Insurance Regulatory and Development Authority of India (IRDAI).

Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance said, "I believe it is important to have an appropriate personal accident cover, for an effective financial support to the policyholders and their family members if she/he is disabled or succumbs to injury due to an accident. This will address the issue of underinsurance to some extent."

In an October 2017 judgement, the Madras High Court had said enhancing the compulsory personal accident cover will add to some solace to the victims of road accidents.

The owner of the insured vehicle holding an 'effective' driving license is termed as owner-driver for the purposes of this section. The cover is provided to the owners, and their drivers, while driving a vehicle.