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## *Owner-drivers mandated to get a minimum personal accident cover of ₹15 lakh*

IRDAI enhances sum insured, fixes ₹750 p.a. premium

### OUR BUREAU

Hyderabad, September 21

Individuals who drive two- and four-wheelers will now have a mandatory personal accident insurance of ₹15 lakh.

Under the existing norms, the compulsory personal accident (CPA) cover under both liability-only and package policies for two-wheelers and private cars/commercial vehicles is ₹1 lakh and ₹2 lakh, respectively.

But now, the Insurance Regulatory and Development Authority of India (IRDAI) has provided for a steep rise in the sum insured

with immediate effect. "A minimum capital sum assured of ₹15 lakh should be provided under CPA cover for owner-driver under liability only, under Section III of package policies to all classes of vehicles and bundled covers..." the regulator said in a directive sent to the general insurers.

The premium will be ₹750 per annum.

The significant increase in cover by the regulator came in the wake of a recent direction from the Madras High Court in a case between a public sector general insurer and an individual.

It asked the regulator to enhance the compulsory personal accident cover from ₹1 lakh to at least ₹15 lakh so that "it will add to



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some succor or solace to the victims of road accidents who are owners of the vehicle who may incidentally sustain bodily injury or death."

The owner-drivers also have the option of a cover over and above ₹15 lakh on payment of a higher premium.

For CPA cover under long-term motor policies, insurers may fix the premium in line with their current pricing methodology.

### Impact

Given the increasing number of road accidents, the significant increase in personal accident cover "provides much-needed financial support to the policyholder and their family members if she/he is disabled or succumbs to injury due to an accident," Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance, told Business Line.