

₹15-lakh accident cover must for motor owners

Insurance To Cost Additional ₹750/Year

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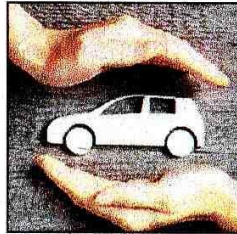
Mumbai: All motor policies will now include personal accident protection that will cover the owner-driver for Rs 15 lakh in case of death due to accident while driving.

The move will go a long way in providing succour to families of accident victims, particularly two-wheeler owners who are often under-insured. Insurance regulator IRDAI has directed companies to include this cover to owner-drivers of all classes of vehicles for an additional premium of Rs 750 for the annual policy. This will be part of the mandatory insurance cover that all vehicle owners need to buy.

While the insurance has to be provided mandatorily with both comprehensive and third-party covers, the regulator has left it to companies to decide on how to

price long-term policies. An earlier order makes it mandatory for insurers to offer long-term third-party liability cover of five years for two wheelers and three years for four wheelers.

IRDAI's directive comes in the wake of a judgment of the Madras HC in October 2017. The court had ordered IRDAI to hike the



The cover is provided to the owner-driver of the vehicle – including mounting into/dismounting from or travelling in the vehicle as a co-driver

personal accident cover from the existing Rs 1 lakh to not less than Rs 15 lakh “to add to some succour or solace to victims of road accidents, who are owners of vehicles, who may sustain bodily injury or death”.

According to Bajaj Allianz General Insurance MD & CEO Tapan Singhel, this is a good sign as it will add-

ress the issue of underinsurance in India. “I strongly believe that it’s vital to have an appropriate personal accident cover since it 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,” he said.

“Insurers will have the freedom to offer a cover that is higher than Rs 15 lakh. Overall, there has to be equity in terms of the compensation that is available to the owner-driver and to third-party victims,” said Sanjay Datta, head of underwriting and claims at ICICI Lombard General Insurance.