



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA

**Title:**Circular

**Reference No.:**IRDAI/NL/CIR/MOT/081/04/2020

**Date:**03/04/2020

Premium payment for renewal of Motor Third Party Insurance policies falling due during the lockdown period ( 25th March, 2020 to 14th April, 2020) as a result of COVID 19 situation

The Authority is in receipt of a few queries in respect of Circular Ref.IRDAI/NL/CIR/MOT/079/04/2020 dated 2<sup>nd</sup> April, 2020 on the captioned matter.

The queries and the responses thereto are given hereunder:

**Q1. How is the relaxation in payment of premium to be applied for Motor Package policies?**

A.1. As regards Motor package policies, the relaxation is applicable only for the TP Liability component. For the Own Damage component there is no relaxation.

**Q.2. Is the relaxation in payment of premium only for Stand Alone Motor Third Party Insurance policies or is it for the TP portion of Motor Package policies also?**

A.2.The relaxation is for both Stand Alone Motor Third Party Insurance policies and the TP portion (alone) of Motor Package policies.

**Q3. How should the premium collected for the renewal of Motor TP policies that fell during the lockdown period from 25<sup>th</sup> March, 2020 to 31<sup>st</sup> March, 2020 be accounted?**

A3. Premium for renewals that fell from 25<sup>th</sup> March to 31<sup>st</sup> March, 2020 shall be recognised as income during the FY 2019-20 by debiting Outstanding Premium. Further, corresponding liabilities on such premium such as UPR, Claims provisioning etc shall also be provided for in FY 2019-20.

**(T.L. ALAMELU)**

**MEMBER (NON-LIFE)**