



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 2nd 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 25th March, 2020 to 31st March, 2020 be accounted?

A3. Premium for renewals that fell from 25th March to 31st 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)