

**Report of the Working Group
on
Revisiting the product structure of
Motor Own Damage
20th March, 2019**



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



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Respected Sir,

Subject: Report of the Working Group on revisiting the product structure of
Motor Own Damage

I have the pleasure of submitting the Report of the above Working Group constituted vide IRDAI order IRDAI/NL/ORD/MISC/190/11/2018 dated 16th November, 2018.

The Recommendations contained in the report are an outcome of broad review of existing product structure, legal and regulatory framework and guidelines, meetings with various stakeholders and focused internal discussions by the Working Group. The Report broadly covered the following aspects:

1. The Legal and Regulatory framework of Motor product under India Motor Tariff
2. The impact of Technology and Emerging needs of Customers
3. The motor products in International Markets
4. Analysis of Comments received from Stakeholders
5. Recommendations for change in the product structure, policy wordings, policy forms

On behalf of the Members of the Working Group and on my behalf, I thank you for entrusting us with this task of considerable importance and supporting us in timely submission of report.

With kind regards,

Place: Hyderabad
Date: 20th March, 2019

P. Venkatramaiah
Chairman of the Working Group

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Acknowledgements

The Working Group is grateful to Dr. Subhash Chandra Khuntia, Chairman, Insurance Regulatory and Development Authority of India (IRDAI) for entrusting this task of great importance and providing an opportunity to review the current motor products structure. The Group is also thankful to Shri. P.J. Joseph, Member-Non Life (Retd), Shri. Sujay Banarji Member-(Distribution) and Smt. Yegnapriya Bharath, Chief General Manager- (Non Life) for taking active interest in the deliberations of the Group and sharing their insights on the subject.

The Group, during its meetings at New Delhi, Mumbai, Chennai, Kolkata and Hyderabad had interacted with representatives from various stakeholders and collected responses and deliberated extensively on the subject. The report, therefore, is the culmination of collective efforts and contributions of stakeholders.

The Working Group expresses sincere gratitude to the General Insurers carrying on Motor Insurance Business, Foreign Reinsurers Branches in India, Insurance Brokers Association of India, Indian Institute of Insurance Surveyors & Loss Assessors, other intermediaries, Insurance Information Bureau of India, Consumer Groups, Motor Transporter's Associations, Academic Institutions and Industry Experts for their active participation in the meetings and valuable contributions through responses to the questionnaire and personal discussions.

The Working Group is thankful to the General Insurance Council, United India Insurance Co Ltd and National Insurance Co Ltd for providing excellent logistic support in conducting the meetings with stakeholders at Mumbai, Chennai and Kolkata respectively.

The Working Group wishes to acknowledge the assistance and co-operation provided by IRDAI and its team in planning and organizing the various meetings of the Group and sub-groups. The exhaustive agenda notes and minutes prepared by them for each of the meetings of the Group had enabled the Group to have meaningful and focused discussions. They had also immensely supported and contributed in preparation of this report in time.

The Working Group is particularly grateful to the managements of IRDAI/Insurance companies/GI Council that the Working Group members represent for having spared the members with time and resources for completing this report.

P. Venkatramaiah
Chairman of the Working Group



Contents		
	Subject	Page No.
	Abbreviations	1
	Executive Summary	3
Chapter I	Introduction	9
Chapter II	Methodology	15
Chapter III	Products and Practices in International Markets	17
Chapter IV	Summary and Analysis of Stakeholder's Responses	41
Chapter V	Recommendations	51
Appendix	Annexure-I IRDAI Order	89
	Annexure-II List of Stakeholders	91
	Annexure-III Policy Wording and Forms	92
	Annexure-IV Motor Endorsements (M.Es)	131
	Annexure- V Questionnaire	151
	Annexure- VI Bibliography	156



Abbreviations

CTL	Constructive Total Loss
EP	Engine Protector
GRs	General Regulations (used in IMT)
IMT	India Motor Tariff
MEs	Motor Endorsements
MGRs	Motor General Regulations
MV Act	Motor Vehicle Act
NCB	No Claim Bonus
ND	Nil Depreciation
OD	Own Damage: physical damage or loss to the Insured Vehicle
PAYD	Pay As You Drive
PHYD	Pay How You Drive
PPI	Protection of Policyholders Interests
RTI	Return to Invoice
TL	Total Loss
TP	Third party: injury, death of third parties or damage to their property
UBI	Usage Based Insurance



Executive Summary

1. The pricing of the motor own damage segment was de-tariffed in 2007 but the basic product structure, including the terms and conditions, continue to be governed by the general regulations and various other provisions of the erstwhile India Motor Tariff (IMT) 2002. The Insurers are, however, allowed to file add-ons to the package policy subject to product filing guidelines.
2. It was felt that current underwriting in India is unduly dependent on the asset i.e. the vehicle characteristics and it needs to evolve in line with global best practices. Hence, there is a need to change the system into a more scientific and rational exercise, where the inter-play of various factors relating to the vehicle, driver, geographies etc, could play an integral part of motor insurance underwriting.
3. The Working Group (WG) consulted various stakeholders in the form of meetings or eliciting information through questionnaires which mainly focused on suggestions on policy wordings, conditions, endorsements, proposal forms and policy schedule formats, General Regulations (GRs), covers currently offered by Insurers, add-ons, any new covers and comments on classification of vehicles, discounts, loadings, deductibles.
4. The Motor Insurance covers, with specific reference to forms of Vehicle Own Damage Covers which are offered in countries such as the UK, the Caribbean, Kuwait and Japan are presented in a separate chapter.
5. The WG has analyzed written responses received from stakeholders. Broadly, the responses are in the areas of revision in General Regulations (GRs), Motor OD coverage options (stand-alone Own Damage coverage, Total Loss only cover), use of Telematics, scope of Own Damage / perils covered, extensions to Motor Own Damage Product, IMT – Endorsements, Add on covers {Nil Depreciation, Engine Protect, Return to Invoice, Consumables, Key and NCB protect (Only for Private Car)}, Classification of Motor Vehicles, Discounts and Loadings etc.
6. **Key Recommendations:**
 - 1) General Regulations (GRs) have been rationalized and renamed as Motor General Regulations (MGRs) and all pricing related GRs have been deleted.
 - 2) The depreciation and Sum Insured calculation has been made simple.
 - 3) Vehicle age based depreciation has been recommended for partial losses to make it completely objective and remove all ambiguity and subjectivity in claim settlement.
 - 4) Revised schedule of compulsory deductibles based on Sum Insured is recommended.
 - 5) Standardized NCB grid is introduced for long term policies.

- 6) For brand new private cars, a new Sum Insured option has been recommended where Return to Invoice is a part of basic cover.

7. **Sum Insured:** It is recommended

- a. **For Private cars and Two wheelers:** The Sum Insured shall represent the current day manufacturer's listed price of the vehicle insured including value of all accessories fitted thereon by the manufacturer, and adjusted by age wise depreciation to arrive at the sum insured as per new depreciation table suggested.

b. **For Private Cars Only**

Brand new Private Cars upto 3 years: The Sum Insured shall represent the current day on-road price of the vehicle insured including Invoice value, Road Tax & Registration charges and value of all accessories fitted thereon by the manufacturer. The value of accessories fitted by the Insured shall be separately mentioned.

For vehicles beyond three years: The Sum Insured shall be as per the suggested new depreciation table. Beyond 7th year, Sum Insured shall be arrived at a mutually agreed value between the Insured and the Insurer.

- c. **For Commercial Vehicles:** The Sum Insured shall represent the current day invoice value plus cost of body building, if any, and all accessories fitted thereon by the manufacturer adjusted for depreciation at the rate of 10 % per year or part thereof subject to maximum of 75%. For Total Loss, Theft and Constructive Total Loss claims, the amount payable shall be the Sum Insured.

- d. **For All classes of Vehicles (Option):** The WG recommended that Sum Insured shall represent the on-road price of the vehicle insured at the time of purchase of the vehicle, including Invoice value, Road Tax and all accessories fitted thereon by the manufacturer plus the value of the accessories fitted by the Insured. A new depreciation table is suggested upto 15 years.

8. **Depreciation for Partial Loss claims**

- a. **Partial Loss claims** shall be payable subject to depreciation as per the new scale. Proportionate premium for reinstatement of Sum Insured from the date of loss till expiry shall be deducted from all partial loss claims.
- b. **For Commercial and Miscellaneous D & Special Type of Vehicles:** Partial Loss claims shall be payable subject to depreciation as per the different scale suggested.

Proportionate premium for reinstatement of Sum Insured from the date of loss till expiry shall be deducted from all partial loss claims.

9. **Total Loss / Constructive Total Loss Claims:** In addition to the existing provision, it is recommended that in all cases of Total Loss / CTL and Theft claims, the Registration Certificate of the vehicle shall be cancelled and claim shall be settled only after the Insured surrenders such cancelled RC. The policy shall be cancelled without return of premium.
10. **Policy Period:** It is recommended that the policy can be issued for the period less than 12 months in special circumstances. e.g- Expiry of RC after prescribed age of the vehicle. Short period scale for Liability only policies shall be prescribed by the Authority. In case of long term Liability/ Bundled /Package Covers approved by the Authority, the policy period for such policies shall be as per its approval. Own-Damage only policies may be issued for period less than 1 year to coincide with the expiry of the Liability only policy as per rates filed and noted by the Authority. In case of Standalone Own Damage Covers, the OD cover expiry date shall not be beyond the Liability cover on the same vehicle.
11. It is recommended to revise minimum premium, certificate fee and transfer fees.
12. **No Claim Bonus (NCB):**
 - a. The NCB grid for long term policies is recommended.
 - b. It is, however, clarified that the entitlement of No Claim Bonus will be applicable for the substituted vehicle subject to the provision that the substituted vehicle on which the entitled NCB is to be applied is of the same class (as per these Regulations) as the vehicle on which the NCB has been earned and subject to submission of evidence of sale of the vehicle on which the NCB was earned.
 - c. Where the insured is unable to produce evidence of NCB entitlement from the previous insurer, the claimed NCB may be permitted after obtaining a declaration from the insured or verification with IIBI database.
13. **Compulsory Deductibles:** Renamed as Standard Deductibles and it is recommended that there shall be no waiver of the standard deductibles and the revised deductibles have been suggested.
14. It is recommended to issue restricted covers such as (i) Liability and Fire/Theft, (ii) Liability, Fire and Theft, (iii) Liability and Total Loss and (iv) Liability, Fire/ Theft and Total Loss.

15. It is suggested to revise the Towing charges for vehicles which have met with an accident as(i) For Two Wheelers: INR 500/-, (ii) For Private Cars and Three Wheelers: INR 2000/- and (iii) For all other classes of vehicles: INR 4000/-.
16. It is recommended that the alteration of coverage under Standardized Add-Ons shall not be permitted.
17. **Classification of Products:**
 - i) It is recommended that the basis for rating shall be the torque of the vehicle rather than the Cubic Capacity (CC).
 - ii) Educational institutions/Staff buses are in a distinct risk category and are accordingly recommended to be treated as separate category.
 - iii) Electrically powered vehicles may be classified in the respective categories based on the usage as per registration certificate.
 - iv) Goods carrying vehicles have only one permit and the distinction of private and public carriers may be done away with in due course.
 - v) Two-Wheelers employed by e-retailers including App based food delivery companies are separate risk category but under the current MV Act there is no provision for their registration as goods carrying vehicles.
 - vi) Private Cars type vehicles with carrying capacity upto 13 (including driver), i.e Maxi cabs should also be categorized as Taxies.
 - vii) It is recommended that the Authority may consider taking up with the Government of India regarding capturing of torque in registration certificates, classifying Educational Institutional Buses and Staff Buses, registration of goods carrying Two-Wheelers as separate categories and for reclassification mentioned.
 - viii) The list of miscellaneous and special types of vehicles have been updated by including new types of vehicles and deleting the obsolete models.
18. **It is recommended** to issue the following covers:
 - a. **Stand Alone OD (Own Damage) Cover:** Standalone OD cover may be allowed where long term liability policy is mandated. The expiry of the OD cover should not be later than the expiry of the liability policy. All the details of the liability policy

(including name, policy number and period) should be captured in the OD policy schedule. IRDAI may issue regulation on obligations to insure liability policies vehicle classwise to ensure that there is no avoidance of liability only cover.

- b. **Pay as you drive and Pay how you drive covers:** Based on data gathered, Insurers shall consider development of such products.
 - c. **Total Loss cover only:** The WG recommends to have Total loss only cover as one of the cover options for the consumers to choose from.
 - d. **Named Driver policy:** The WG recommends Named Driver policy as an option for private car and two wheeler policies. The details of the drivers may be incorporated in the Policy schedule.
19. It is recommended to adopt **Telematics for Motor Insurance**. A central repository of telematics data can be created where data from various sources flows to create a common pool. IIBI which acts as data repository for insurance companies can manage the data and its protection.
20. **Revised** proposal forms, revised policy wordings and revised policy schedules have been drafted in line with the recommendations of the WG. The summary of the changes are:
- a. Subsidence included in list of perils
 - b. Age wise Depreciation Introduced for partial loss claims
 - c. Reinstatement of Sum Insured by charging proportionate premium from date of loss till policy expiry is introduced for partial loss claims
 - d. Clarificatory Note on Consumables
 - e. Breakdown of Computerized parts excluded
 - f. Loss / damage caused by insured or any person driving with the consent of the insured's under the influence of psychotropic or narcotic substances is excluded
 - g. Clarificatory note on damage to engine parts, gear box parts and transmission arising out of ingress of water due to accidental means is included
 - h. New Options for Sum Insured determination suggested
 - i. New Deductible structure linked to Sum Insured is recommended
 - j. Claim Intimation period specified as 24 hours
 - k. Condition of Compliance with provisions of MV Act and MV Rules included
 - l. Towing expenses limits increased

- m. Right to Survey: Specifically mentioned under new Condition
 - n. Cancellation Clause: Modified to include cancellation provision for long term policies
 - o. Minimum Premium: Limits enhanced
 - p. No Claim Bonus (NCB): New NCB grid recommended for long term policies and revised NCB for annual policies
21. The existing IMTs are renamed as 'Motor Endorsements' (MEs) and the WG recommends to revise the wordings of IMT 21, 22, 23 and 47.
22. It is recommended that all the occupants traveling in Motor vehicles shall have Rs. 25,000/- medical expenses coverage arising out of an accident to the insured vehicle covered under the basic policy & appropriate premium for this shall be charged by the insurers.
23. The WG perceived Geographical Extension cover as a pricing matter which would be better decided by Insurers as per their internal guidelines.
24. WG was of the opinion that cover for damage by Rodents or insects is part of the basic policy under accidental and external means. Further, WG was of the opinion that losses arising out of damage to the engine parts due to water ingress are part of the basic policy.



Chapter I

INTRODUCTION

Brief Background

General Insurance Business has had a long history in India. The sector developed on the lines of the UK Market and at the time of nationalization in 1973, there were 107 Insurance companies, big and small. The market was regulated by the Controller of Insurance under the Insurance Act 1938, and its regulations, rates and terms for most classes of business were prescribed by tariffs administered through the Tariff Advisory Committee.

- 1.1 The industry was nationalized in 1973, with GIC and the four subsidiaries holding a State owned monopoly of the insurance providers. The tariff systems continued and expanded.
- 1.2 After liberalization of the economy, the insurance sector was opened up to private sector participation on the basis of Malhotra Committee recommendations. The sector is regulated by the Insurance Regulatory Development Authority of India (IRDAI). The motor insurance market now has 25 insurance companies including the four Government owned insurers. Some of the private players are joint ventures between overseas insurance companies and Indian companies.
- 1.3 Motor insurance portfolio has two distinct sections; one relating to the vehicle and its physical damage or loss, which is referred to as 'Own Damage' (OD); the other relating to injury, death of third parties or damage to their property known as 'Third Party' (TP). During the last several years, the motor insurance portfolio, particularly the Third Party (TP) part has been reporting increasing severity of claims.
- 1.4 The IRDAI had constituted a Committee headed by Justice Rangarajan, to examine aspects of motor underwriting, de-tariffing and pooling arrangements. This Committee had representatives from insurers, user groups, consumer groups and legal field. Recognizing the difficulties in a free market regime for TP issues, the said Committee recommended de-tariffing of OD part, quarantining the TP section.
- 1.5 In the market realities that emerged after liberalization, the administered pricing regime in insurance through the tariff was increasingly seen as an anachronism. Accordingly, after deliberations the Authority (IRDAI), freed the insurance market from the centrally administered pricing regime by de-tariffing pricing of all portfolios except motor third party insurance with effect from 1st January, 2007. The tariff of motor third party insurance is being administered by the Authority by virtue of Section 14(2)(i) of the IRDA Act, 1999.

1.6 The de-tariffing led to introduction of several add-on covers, enhancing the scope of cover under the OD section. Some of these covers have become very popular and helped growth in the segment.

1.7 Motor insurance in India (indeed in many insurance markets the world over) is the most cash generating portfolio but has been reporting adverse financial results.

Gross Direct Premium (GDP)

(Amount in Crores)

GDP	2013-14	2014-15	2015-16	2016-17	2017-18
Motor (Total)	33639.9	37566.3	42314.8	50250.6	59246.1
Increase		3926.46	4748.50	7935.76	8995.48
Growth		11.7%	12.6%	18.8%	17.9%
Motor Own Damage	17766.7	18019.1	21325.3	23728.1	26327.3
Increase		252.40	3306.21	2402.74	2599.24
Growth		1.4%	18.3%	11.3%	11.0%

(Data Source: IRDA Handbook 2017-18)

Net Incurred Claims (NIC)

(Amount in Crores)

NIC	2013-14	2014-15	2015-16	2016-17	2017-18
Motor (Total)	23496.0	25873.0	30439.0	37556.4	41015.6
ICR (%)	79.5%	77.1%	81.2%	88.2%	83.5%

(Data Source: IRDA Handbook 2017-18)

Chart 1: Gross Direct Premium in Motor portfolio

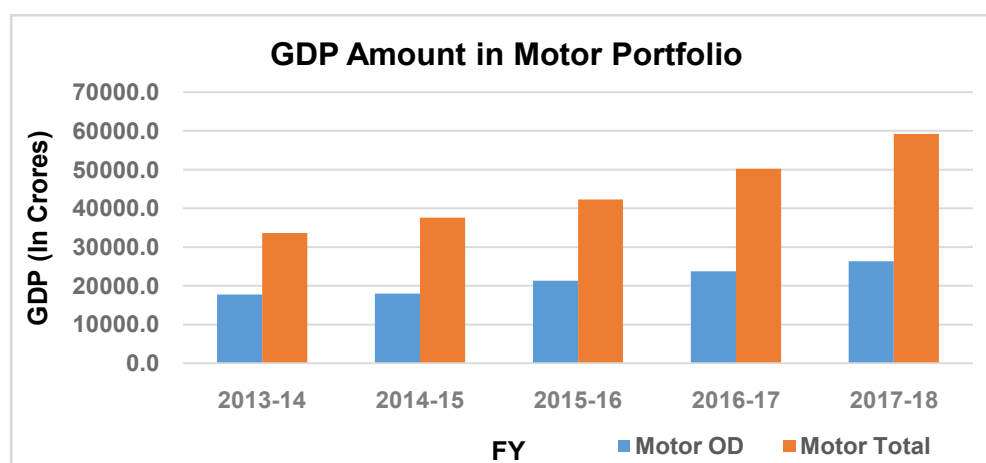
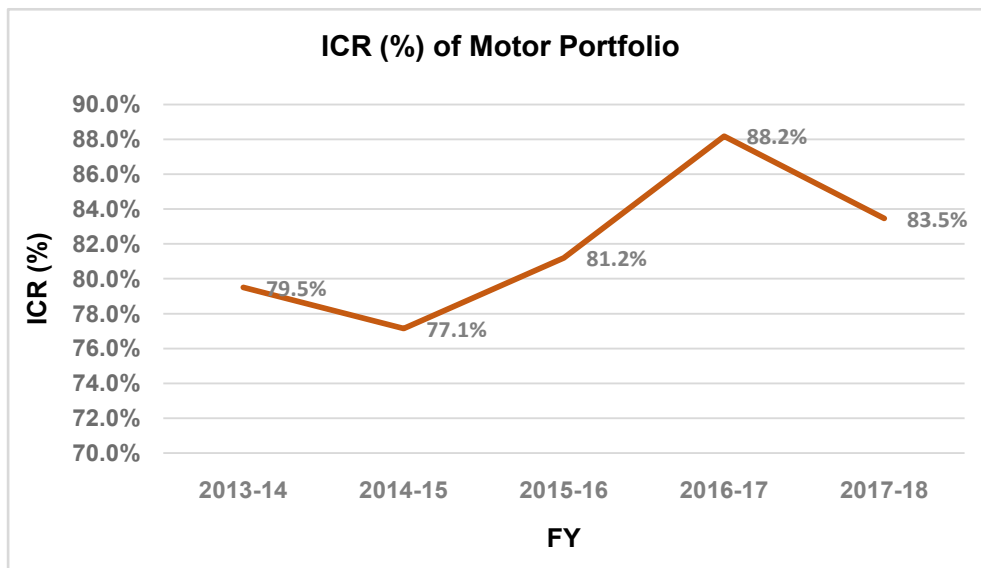


Chart 2: Incurred Claim Ratio (ICR) in Motor (Total) portfolio



1.8 There are nearly 230 million (source: Ministry of Statistics and Programme Implementation) registered vehicles in India (31.03.2016) and the total number of motor policies issued during 2017-18 is 94.4 million (source: IIBI). It is seen significant percentage of motor vehicles are uninsured for the mandatory third party cover. According to an estimate 60% of two-wheelers are uninsured. (www.coverfox.com/news/60-percent-of-uninsured-vehicles-in-india-are-two-wheelers/), Government / State owned vehicles are not required to be insured as per Motor Vehicle Act.

1.9 The Hon'ble Supreme Court by its Order dated July 20, 2018 mandated long term third party (statutory) insurance for new cars and two wheelers. It is important here to look into the legal and regulatory framework on motor insurance in this regard.

Legal and Regulatory Framework

1.10 Motor Vehicles Act mandates liability insurance for all motor vehicles registered in India and plying in a public place. This policy is popularly known as Motor Third Party policy. The Own-Damage cover (OD) covers a vehicle against damage or theft. OD coverage is optional and is always given in conjunction with the third party cover. Third party coverage and premiums are administered.

1.11 While pricing of the motor own damage segment was de-tariffed in 2007, the basic product structure, including the terms and conditions, continue to be governed by the general regulations and various other provisions of the erstwhile India Motor Tariff (IMT). Though adherence to general norms is mandatory, insurers are, however, allowed to file

add-ons to the package policy subject to product filing guidelines. Various add-ons enhancing the coverage under the policy have been introduced in the market with different names but with the similar coverage. The number of such add-ons in the market is very large, given the evolving nature of the business and demand for various types of covers. Thus, today the basic cover of OD resembles a giraffe's neck with a huge and burgeoning body of add-ons.

There is a need to review and standardize the most purchased add-ons, so that consumers can decide what additional covers they wish to purchase without having to compare coverage under widely different names and wordings. Similarly, the GRs need revisit and streamlining. Some of the GRs are now archaic and may need to be modified/removed. The endeavor is to make the motor insurance process simpler and easier for the consumer. Since MV Act, 1988 is not concerned with OD section of the motor policy, there is no legal bar in detaching it from the TP insurance and offering it separately.

Developments over the last few years

- 1.12 The present system of rating in India does not include most of the rating factors that have direct influence on the frequency and severity of claims, e.g. factors relating to the driver, vehicle features including its performance in various terrains, extent of use, safety aspects, etc. The erstwhile tariff took into account only three factors for assessing risk and fixing rates. These are the engine capacity, (power) in c.c. (cubic capacity), tonnage and zones. Factors such as driver, extent of use, terrain where the vehicle is used, safety features of the vehicle, fuel type etc. are not considered for risk selection and pricing.
- 1.13 It is worth mentioning that in most countries where there is no centrally administered Tariff rate, motor insurance product and practice has evolved from simple asset based ones to driver demographics and beyond. In Europe, UK, USA and other developed markets, driver details such as age, occupation, marital status, credit history, and driving history are commonly used for underwriting purposes. Evolved insurers now consider factors such as the driver's color of the eye, driving behavior (through telematics), social behavior etc. for a comprehensive assessment of the motor risk to be underwritten.
- 1.14 It was felt that the present system of underwriting in India is unduly dependent on the asset i.e. the vehicle characteristics and needs to evolve in line with global best practices. Hence, there is a need to change the system into a more scientific and rational exercise, where the inter-play of various factors relating to the vehicle, driver, location etc, could play an integral part of motor insurance underwriting. This evolution is a journey that needs to be undertaken by the industry. And the starting point is the number of data points and the quality of the data recorded by the industry for motor underwriting, Needless to say that this is pretty rudimentary and leaves much to be desired. Therefore,

the group is of the view that basic details of the owner and drivers, who will drive a vehicle to be insured, need to be captured and verified as part of the proposal and policy issuance process. Having a Know Your Driver (along with the KYC of the proposer) process as part of underwriting and providing the same on the policy schedule will go a long way in contributing to the next phase of development of motor insurance in India. Technology will also play an important part in this evolution. Insurers have the opportunity to leapfrog to the latest cutting edge technologies such as Telematics and adapt itself for the Indian ecosystem. In this regard, the insurance industry would need to have free access to the data generated by multiple sources including telematics and the like in the long term interest of better terms for consumers.

- 1.15 Removal of the constraining GRs of erstwhile India Motor Tariff from the OD segment of motor insurance will have to be accompanied by modification of terms and conditions in tune with the time. The terms and conditions, clauses and warranties currently in vogue have been mostly based on the U.K. model and have been subjected to judicial scrutiny and interpretation over the years. However, the fact remains that in the UK and other countries, the policy terms and conditions have been made simpler using plain language devoid of archaic wordings and, hence, more customer - friendly.

Impact of technological development over the last decade

- 1.16 The rapid advancement of technology continues to significantly impact all industries and sectors, and auto insurance is no exception. Starting with the ease of accessing, evaluating and purchasing the right insurance policy from a number of options available, to ongoing support and help during the tenure of the policy, the experience for the insured can be greatly improved. Similarly, for the insurer, the internet and social media have transformed the way they reach, fulfill and engage with their target segments.
- 1.17 Internationally, while most car insurers rely on data such as credit ratings, age, gender and type of vehicle to evaluate risks, they cannot accurately determine the driving behavior, check vehicle dynamics, or prevent mishaps. Technologies such as **telematics**, **on-board diagnostic (OBD) devices**, and **adaptive cruise control (ACC)** fill this void by monitoring vehicles in real-time through the use of sensors. These sensors send signals about drivers and their surroundings, which can help car insurance companies assess risks better. For example, insurers can analyze real-time driving data to determine fair insurance rates, develop tailored products, and even provide driving assistance to prevent accidents.
- 1.18 As internet adoption continues to rise in the country, it has become vital for insurers to embrace technology and provide enhanced services in the auto insurance industry. It is now possible for an insurer to provide faster, better services, with multiple policy options, in a fully digital environment. Service is available to the customer at the time of their choosing. Technology

increases choice and economic benefit by reducing the cost of service. For the insured, the entire experience of looking up options, evaluating need fit for their purpose, and finally buying a policy is now possible with just a few clicks, whether at home or on the move. The limitations of time and space have been significantly reduced, if not fully overcome. The coming age may witness the advent of connected vehicles, shared mobility, automated vehicles, which may require different legal and regulatory framework. The nature of Motor risks as is known today can undergo a substantial change to that of cyber and product liability risks.

To sum up –

- Considering that there is a need to review and standardize the most sold add-ons, so that consumers can decide what additional covers they wish to purchase without having to compare coverage under widely different names and wordings,
- The need to revisit the archaic GRs and
- Take into account the technological developments in the road transport area.

1.19 The Authority has constituted this group* to -

- (i) Revisit the framework for Motor insurance enunciated in the General Regulations (GR) of the erstwhile India Motor Tariff (IMT) in the light of various developments over the past few years, including the impact of detariffing of the pricing component and arrive at a revised framework.
- (ii) Revisit the classification of products under Motor OD as well as the product structure and design including aspects such as duration of products, expansion of product suite to include technology enabled ones etc.
- (iii) Revisit the wordings of the various existing products and also develop new ones where necessary.
- (iv) Take stock of various add-ons in the market, identify ones that could be standardised across the industry and identify those categories that could be left for insurers to innovate.
- (v) Any other matter relevant to Motor Insurance OD products and the Personal Accident component of Motor Insurance.

(*IRDAI Order Copy is attached as **Annexure I**)

Chapter II

METHODOLOGY

The terms of reference of the Working Group (WG) mandate stakeholder's consultation for revisiting the Motor OD coverage. Consultations can be in the form of meeting or eliciting information through questionnaire or discussion using digital media or any other forms of communication.

2.1 The Working Group finalized the list of stake holders to be contacted as below:

Sr. No	Category	Number
1	General Insurers Carrying on Motor Insurance Business	25
2.	Foreign Reinsurers Branches in India	9
3.	Consumer Groups	15
4.	Insurance Intermediaries	i) Insurance Brokers/Corporate Agents/ Insurance Marketing Firms/Insurance Surveyors (*written through Insurers/Associations)-4 ii) Web Aggregators- 29
5	Individual Agents	Through Insurers
6.	Common Service Center(CSC)	1
7.	Bima Lokpal	17
8.	Motor Transporter's Associations	15
9.	Academic Institutions	3
10.	Industry Bodies	3
11.	Professional Organization	1
12.	IIBI	1
13.	Industry Experts	6 (*Those who have voluntarily shared their contributions including articles published in journals/presentations made in the institutions)
14.	Automobile Associations	5

*Further details are given in the **Annexure II**.

2.2 The WG decided to hold stakeholder consultations at all the four metro cities and Hyderabad. Stake holder wise questionnaires were designed and sent to the respective groups of the stake holders. The questionnaire mainly focused on eliciting information on the following aspects.

1. Suggestions on Policy wordings, conditions, endorsements, proposal forms and policy schedule formats.
2. Suggestions on General Regulations (GRs)
3. Comments on the covers currently offered by Insurers.
4. Comments on add-ons
5. Suggestions about any new cover either as add on or to be included in the basic package policy.
6. Comments on classification of vehicles, discounts, loadings, deductibles.
7. Any other suggestions.

The suggestions/comments received by Working Group from stakeholders were consolidated and discussed by the working group in its meetings.

Separate subgroups were formed to analyze the comments received in respect of

1. General Regulations
2. Add-ons and policy coverage

2.3 The following structure was adopted for preparation of the report.

Chapter I Introduction

Chapter II Methodology

Chapter III Products and Practices in International Markets

Chapter IV Summary & Analysis of stakeholder's responses

Chapter V Recommendations

The stakeholder's comments/suggestions were discussed and taken into consideration while preparing the report.

Chapter III

PRODUCTS AND PRACTICES IN INTERNATIONAL MARKETS

This chapter looks at Motor Insurance Covers, with specific reference to forms of Vehicle Own Damage Covers, which are offered in countries such as the UK, the Caribbean, Kuwait and Japan.

A) Motor Insurance in UK Market

3.1 Covers for Private Cars

Three major types of covers are offered

- ✚ Comprehensive
- ✚ Third Party Fire and Theft cover
- ✚ Third Party Only

Parts of the Policy

- Insurance Policy document – Definitions of key words, Comparative chart of covers /Sections under the different policy types, Sections of the Policy, General Conditions, Exclusions, Endorsements
- The Motor Policy Schedule
- Certificate of Motor Insurance
- The Statement of Information or Statement of Insurance (information given by the proposer in the proposal form and including any additional information furnished verbally or in writing later)

Coverage under Comprehensive Cover - Section “Loss of or Damage to Car”

- ❖ Cover 1: The Insured Car - Covers loss or damage to the Insured Car and its accessories and spare parts kept in or on the car or in a private garage
 - by accidental damage, fire or theft or attempted theft.
 - Some Insurers cover accidental or malicious damage or damage due to vandalism (ref: Audi Insurance)
 - In the case of a few Insurers, the cause of loss is not defined (Brightside) but simply mentioned as “loss or damage to car or accessories is covered”.
 - Fire group of perils is defined variously by different Insurers as Fire, Lightning and Explosion (AA Car Insurance) or as Fire, Lightning, explosion or self-ignition (Endsleigh)

- ❖ Cover 2 : Replacement Car (Also termed as New for Old cover – End sleigh) : If the Insured Car is less than 13 months from the date of first registration and the Insured is the first and only registered owner and the car is stolen and not recovered within 28 days from the date of first notification, or if the cost of repairs exceeds 60% of the manufacturer’s latest list price including taxes and VAT, then the Insurer would replace it with a new car of the same make, model and specification if available. If not available, then Insurer would pay the price of the car plus fitted accessories and spare parts less the applicable excess.
- ❖ Cover 3: Car’s Audio, Satellite navigation and / or communication equipment: If the equipment is manufacturer-fitted and if the market value of such accessories has been included within the Market Value declared to the Insurer, then the claim is payable subject to an excess. However, if the equipment is non-manufacturer fitted, then the claim payable is upto a specified limit.
- ❖ Cover 4: Glass damage: Insurer pays for repair or replacement of the windscreen, sunroof or windows and the scratching of its bodywork caused solely by this damage. Some insurers exclude cover for damage to sunroof and panoramic roof. When damage relates only to the breakage of the windscreen, sunroof or other windows, No Claims Discount will not be affected.

Cover limits are defined by some Insurers for Windscreen damage; Audio/ Navigation/ Communication equipment etc

Other commonly offered Sections / Covers in the Comprehensive Policy for Private Cars are:

S. No.	Cover name	Brief description	Brief details of cover exclusions	Available for the Policy types
1.	Medical Expenses	Refund of medical expenses if the occupant of the Insured Car is injured in an accident involving the Insured Car. Specified amount is payable for each injured occupant	Not payable if vehicle is owned by a Corporate or a firm ; cost of emergency treatment	In Comprehensive Policy only
2.	Personal Belongings	Loss or damage to personal belongings including portable satellite navigation equipment, due to accident or fire or theft, upto a specified amount.	If there is no claim under loss/ damage to car; loss /damage to	In Comprehensive Policy only

			money, stamps, jewellery, tickets; tools/goods/samples	
3.	Child car seat	Cost of replacing child car seat if it is fitted and is damaged in the accident or by Fire or Theft or attempted Theft, with a child seat of similar make or model.		In Comprehensive and Third Party Fire and Theft only
4.	Replacement locks (Lost or stolen keys)	<p>If the keys, lock transmitter or entry card for a keyless entry system of the Insured Car are lost or stolen, the Insurer will pay up to a specified limit towards the cost of replacing:</p> <ul style="list-style-type: none"> -All entry locks that can be opened by the missing item; -The lock transmitter, entry card and central locking system; -The ignition and steering lock; 	Claim not payable if keys are left in or on the car at the time of loss or if the vehicle has been taken by a family member without permission	In Comprehensive and Third Party Fire and Theft only
5.	Emergency medical treatment	Emergency treatment fees arising from an accident covered under the Insurance, as required by Road Traffic Acts. By Law, the owner of the vehicle involved in the accident must pay the costs of Emergency Medical Treatment and Insurer must give the cover. If this is the only claim, No Claim Discount is not affected		In all 3 policy types
6.	Courtesy Car	A medium sized Courtesy car (usually hatchback) is provided, while the vehicle is being repaired by an authorized or approved repairer	Will not pay for fuel, fees, costs or charges relating to collection or delivery of the courtesy car	Comprehensive Policy only

7.	Travel abroad (Foreign Travel /European Cover)	<p>a) Compulsory cover outside the territorial limits : minimum legal cover to Insured/ Permitted driver to drive and use the Insured Car in any country which the Commission of the European Union approves as meeting the requirements of Article 7 (2) of the European Community Directive on Insurance of Civil Liabilities arising from the use of motor vehicle</p> <p>b) Extended cover outside the Territorial limits : Cover for upto 90 days for travel in any one or combination of the specified countries.</p>	Any single trip of more than 30 days ; no insurance cover in countries not listed in the EC directive; use of courtesy car or hire car outside the UK.	In all 3 policy types
8.	Onward transport and / or overnight hotel accommodation	If due to the loss or damage to the Insured car, the Insured is unable to continue his journey to his destination, then the Insurer reimburses the travelling expenses of the occupants of the car to reach the original destination or reimburses overnight hotel stay cost where loss of use of the car necessitates unplanned overnight stay. Such reimbursement is upto a specified limit.	<p>Excludes newspapers, drinks, telephone calls and meals.</p> <p>Does not operate outside the territorial limits</p>	Comprehensive Policy only
9.	Car sharing	If the Insured or any Permitted Driver accept payments as part of a car sharing arrangement for the carriage of passengers in the Insured Car for social or other similar purposes, this will not be regarded as the carrying of passengers for hire or reward or as use for hiring but will be regarded as a use covered by this insurance	Vehicles constructed or adapted to carry more than 8 passengers (excluding the driver);	In all 3 policy types

		provided that the total payments for the journey do not involve an element of profit and the passengers are not being carried in the course of a business of carrying passengers. (Not allowed for vehicles carrying 8 or more passengers)		
10.	Service or Repair	Loss of or damage to Insured Car will still be covered while it is in the custody of the motor trade for service, repair, maintenance or testing. While the Car is in the custody of the motor trade, the Insurer will ignore any limitations as to driving or Use as shown in the Statement of Insurance. Some Insurers include this in General Conditions (Swinton)		Comprehensive Policy and Third Party Fire and Theft
11.	Hire Car	Cover for up to 14 or 21 days* of continuous car hire within the Geographical Limits following an Insured Incident during the Period of Insurance and within those Geographical Limits. A maximum of two claims in the Period of Insurance can be made. Another Insurer offers this cover “ If vehicle is stolen and not recovered, then cost of hiring a car for upto a certain number of days and upto a specified annual limit.”	All fuel, fares, fines and fees relating to the Hire Car or when the vehicle was used for hire or reward	Comprehensive Policy
12.	Payment protect	Monthly benefits as agreed beforehand, paid during periods of accident/ sickness, hospitalization, or unemployment		
13.	Excess protect	Cover is provided for the Excess that the Insured is responsible for following the successful settlement	If claim on Motor Car is declined or if the	

		<p>of any loss, destruction or damage claim arising out of accidental damage, fire, theft or vandalism for which the Insured is at fault. For claims where Insured is deemed either partially at fault or not at fault, if the Excess is not recovered from the third party within 6 months from the date of Incident, then the Insurer reimburses any Excess payment for which Insured has been made liable up to the Annual Aggregate Limit insured under the policy.</p> <p>Once the Annual Aggregate Limit is exhausted this cover is automatically cancelled.</p>	<p>amount of the motor claim is within the excess or if excess solely in respect of glass repair or replacement or if the vehicle is used for hire or reward or motor trade etc</p>	
14.	Uninsured Driver	<p>In the event of a claim, if the Insurer establishes that the accident was not the Insured's fault and that the driver of the other vehicle is identified and was not insured, then No Claims discount is not affected.</p>	<p>Claim not payable if the other driver is not traceable or if it is subsequently proved that the accident was caused by the insured</p>	Comprehensive Policy only
15.	No Claim discount	<p>Different Insurers have different scales of discount for claim free years and step back scale in case of claims made or arisen. (ref: later para)</p>		In all 3 policy types
15a.	NCB protect	<p>Allows making a claim without the No claim bonus getting reduced</p>	<p>(Swinton)– more than 2 claims in a 5 year period</p> <p>(Aegeas)– more than 2 claims in a three year period</p>	

16.	Additional Car or Replacement Car	Cover for any change of car or acquisition of new car, subject to terms and conditions and premium payment, and subject to mention in the Certificate of Insurance		In all 3 policy types
17.	Cover during loading, unloading, travel by sea, air or rail route	Cover for loss of or damage during loading, unloading, travel by sea, air or rail route	Provided journey does not take more than 65 hours.	
18.	Trailer	Cover extends to single-axle trailer kept in roadworthy condition, which is attached to the private car. Subject to an excess.	Caravans, food vans, horseboxes etc are not covered. No cover for property kept in the trailer	Comprehensive Policy only
19.	Personal Accident	Accidental Bodily Injury to the Insured / spouse involving the Insured car or while travelling in or getting into or out of any other Private car. Cover for Death, Loss of limb or loss of all sight in one or both eyes, provided it occurs within 3 months of the accident due to the injury.	No cover If the injury / death is due to suicide or attempted suicide or under the influence of alcohol or drugs / not wearing a seat belt when it is required or when engaging in racing/ pace-making/ speed testing	Comprehensive Policy only
20.	Road rage benefit	If the Insured is injured solely and directly as a result of a physical and criminal Assault following a road traffic Incident involving the Insured Car occurring anywhere within the United Kingdom, the	Excess applicable. Benefit not payable if it is self-inflicted or due to suicide or	

	Insurer undertakes to pay specified amounts if within 90 days of the Incident the injury results in Death, PTD, Hospital Daily Cash upto 15 days, emergency dental treatment, clothing and personal effects, stress counseling	when under the influence of alcohol or drugs or provoked assault	
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Indemnification:

✚ Insurer may repair or replace or pay in cash the amount of the loss or damage and the maximum amount payable would be the market value of the insured car. If the car is disabled due to the loss or damage, then reasonable cost of protecting and moving the car to the nearest repairer and reasonable cost of delivery after repair, to the Insured's address is also payable.

✚ **Indemnity is provided on the basis of the Market value.** Market value is defined as the cost of replacing the car with one of the same make, model, specification, year, mileage and condition. In assessing the **market value**, Insurance industry recognized guides of vehicle values may be referred. However, the market value shall not exceed the estimated value provided by the Insured which is recorded in the policy schedule. Market value is defined also as "Value of the Insured car and its accessories as at the date of accident or loss" or the value before the loss or damage.

✚ If the vehicle is the subject of hire purchase or leasing agreement, payment for total loss or destruction of the car, is made to the legal owner.

Other Features of the Policy:

No Claim Discount (available in all 3 Cover types -Comprehensive, Third Party Fire and Theft and Third Party only)

Offered by most Insurers as a cover or section under the Policy

- Insurers may have different scales of No Claim Discount.
- Entitlement is based on there being no claim in the past year.
- No Claim discount is earned over a period of 12 months
- If a claim has been made or arisen under this insurance in any one period of insurance, the No Claim Discount will be reduced at the next renewal in accordance with the Insurer's 'step back' scale applicable at the time of renewal (usually to the equivalent of 0, 1 or 2 years) subject to any No Claim Discount Protection condition that may apply to this insurance.
- No Claim discount is not affected by:
 - Glass damage claims,

- Emergency treatment claims,
- Claims where the Insurer has made full recovery or where the vehicle is hit by an Uninsured driver and it is proved to be his fault
- No Claim discount protection: NCD not affected upto a specified number of claims. One Insurer (KwikFit Insurance Services) offers Protection for No Claims discount for upto 2 claims in 5 annual periods of insurance. Another Insurer offers NCD protect for upto 2 claims in a three-year period.
- Where more than one vehicle is covered by the Policy, each vehicle is assessed independently (Agri – Zenith)

Coverage on Named Driver basis:(Details of driver(s) who may drive the Insured Car are required to be furnished when taking out the policy.

Permitted Driver(s): Any person the Certificate of Motor insurance covers to drive or control the Insured vehicle.

Free Look period or cooling off period or reflection period (applicable for new policies and renewals) – period of 14 days. Insured can cancel the policy within 14 days and get full refund if the cover has not commenced and there is no claim.

Suspension– Suspension of the policy on notifying the Insurer in writing and surrender of Certificate of Insurance. Suspension from the date of receipt of the certificate of insurance by the Insurer. Full credit (reduced to 75%, if fire and theft cover remains in force) of the unused premium (excluding premium for any additional optional cover sections) will be deducted from the renewal premium, provided the policy term is for 12 months, each period of suspension is in excess of one month and no claims have occurred during the current Period of Insurance. The credit will not be given as a cash refund and cannot be used to extend the existing renewal date. Suspension credits are allowed instead of the next years No Claims Discount, but if the period of suspension is for less than six months, then both the credit and the additional years No Claims Discount will be allowed.

Excess – Types of Excess

Policy Excess – Amount depends on type of claim or type of damage

Young or Inexperienced Drivers excess – additional excess if vehicle is damaged when driven by young/ inexperienced driver. (Inexperienced Drivers excess: Driver who holds a provisional driving licence or a full UK driving licence for less than a year. Young driver: who has not yet reached 25 years of age.) This excess applies on top of any other excess payable.

Glass excess: Excess applied on claims for glass damage

Limited mileage excess: Excess applied when the Policy is subjected to a limited mileage clause and the limit is exceeded and there is a claim.

Excess on Accessories claims: Some Insurers levy an excess on claims for Accessories

Voluntary excess: If insured opts for Voluntary excess, he gets a discount on the premium.

General Conditions

- Observation of all terms, conditions and endorsements; to take reasonable steps to protect the car and keep it in roadworthy condition
- To notify Insurer of any changes and keep the policy up to date (incorporate material changes in the risk or insured or driver information)
- Policy cancellation
 - Cancellation of policy within 14 days of receipt of policy documentation or date of contract (whichever is later) if cover has not commenced: full refund of premium
 - Cancellation within 14 days if cover has commenced: refund of percentage of the premium calculated on a daily pro rata basis equivalent to the period of cover left of unused premium. i.e refund of unused premium, subject to administrative costs or processing fee.
 - Cancellation outside 14 days: Refund of percentage of premium calculated on a pro rata basis equivalent to the period of cover left unused, subject to minimum premium.
 - No refund of premium if a claim has been made or has arisen under this insurance prior to such cancellation during the current period of insurance.
- Making a claim: Insured to notify the Insurer in writing as soon as reasonably possible. In the event of a total loss, to submit all such documents and vehicle keys as called for.
- Rights of recovery
- Contribution
- Fraudulent or exaggerated claims not payable

Each Section/ Cover in the Policy has specific exclusions to that section/ cover

Specific Exclusions to the Section “Loss of or Damage to the Car”

- Excess (Young or Inexperienced driver, Policy excess, Voluntary excess etc)
- Loss of Use of Car or any loss arising from loss of use of the car
- Wear and tear or depreciation
- Mechanical, electrical, electronic, computer fault, failure, breakdown
- Damage to tyres caused by bursts, cuts, punctures or braking not as a direct result of an accident.
- The cost of parts in excess of the manufacturer’s last list price.

- Loss of or damage to the Insured Car by deception by a purchaser or agent.
- That part of the cost of any repair or replacement which improves the Insured Car beyond its condition before the loss or damage occurred.
- Any depreciation in the Market Value of the Insured Car following its repair the cost of which is the subject of a claim under this insurance. Loss or damage to the car arising from Theft when the ignition keys are left unattended in or on the car.
- Loss or damage to the car arising from Theft if the car has been left with a window or roof open.
- The Insured Car being confiscated or destroyed by or under order of any government or public or local authority.
- Loss from taking the Insured Car and returning it to the legal owner.
- Loss or damage as a result of a deliberate act by anybody insured by this policy.

General Exclusions

This insurance does not cover any accident, injury, loss, damage or liability:

1. When the Insured Car is being driven by (or is in the charge of, for the purpose of being driven by) a person who is not a Permitted Driver or the Insured Car is being used for any purpose not specified in Your Certificate of Motor Insurance; or
2. When the Insured Car is being driven by or is in charge of for the purpose of being driven by a person who is not complying with any conditions attaching to their driving licence or who does not hold, or at the relevant time was disqualified from holding, a driving licence which permits them to drive the Insured Car; or
3. Attaching as a result of an agreement or contract unless that liability would have existed otherwise; or
4. Arising outside the Territorial Limits other than as provided for in the Section "Travelling Abroad"; or
5. Directly or indirectly caused by
 - (a) Ionising radiation or radioactive contamination from nuclear fuel or waste; or
 - (b) The radioactive, toxic, explosive or other dangerous properties of nuclear equipment or its nuclear parts; or
6. Caused directly or indirectly by, or arising from, any of the following, and regardless of any other contributory cause or event:
 - (i) War, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to an uprising, military or usurped power; or

- (ii) Any action taken in controlling, preventing, suppressing or in any way relating to (i) above except as is necessary to meet the requirements of the Road Traffic Acts; or
7. Other than cover provided under Sections 1 (Liability to Others) and 7 (Emergency Medical Treatments), arising from or caused by:
 - (a) Earthquake; or
 - (b) Riot or civil commotion occurring elsewhere than in Great Britain, the Isle of Man or the Channel Islands; or
 8. When any vehicle insured by this Insurance Document is being driven or used in or on that part of an aerodrome airport airfield or military base provided for:
 - (a) The take off or landing of aircraft and for the movement of aircraft on the surface; or
 - (b) Aircraft parking aprons including the associated service roads refuelling areas and ground equipment parking areas; or
 9. When the Insured Car is being driven or used
 - (a) For hiring, racing, competition, rallies, trials, (other than road safety rallies or treasure hunts); or
 - (b) On derestricted toll roads;
 - (c) For the carriage of passengers for hire or reward;
 - (d) For any purpose in connection with the motor trade.
- notwithstanding the above, the Insurer will cover the Insured if:
- (a) The Insured Car is being used without his consent; or
 - (b) The Insured Car is in the custody or control of a member of the motor trade for service or repair, or of valet parking staff, or is being parked by an employee of a hotel, restaurant or car parking service; or
 - (c) If Insured did not know that the person driving, or in charge of, the Insured Car did not, at the relevant time, hold a valid licence to drive it.

3.2 Covers for Commercial Vehicles

Cover / Section: Loss of or Damage to Vehicle

- Cover for loss of or damage to the vehicle upto the market value of the vehicle; Insurer will not pay more than the estimate of value given by the Insured and shown in the schedule
- cost of protecting and removing the vehicle to the nearest repairer plus cost of delivery back to The Insured;
- cost of changing locks on the vehicle if the keys, transmitter or immobilizer have been lost or stolen provided it is reported to the police within 24 hours of discovery – cover for upto a specified limit

- Obsolete and Spare Parts : Insurer shall pay the cost shown in the manufacturer's last price list plus a fitting cost
- Replacement of vehicle: provided for vehicles less than 3.5 tonnes gross weight owned by the Insured and lost by theft and not recovered within one year from date of first registration or where cost of repairs is more than 50% of the price of an identical new vehicle: vehicle will be replaced with a new one of same manufacture and model subject to availability.

Other commonly available Sections (Covers)

- Emergency medical treatment (required under compulsory motor insurance legislation)
- Medical Expenses (up to a specified limit)
- Personal Belongings (upto a specified limit)
- Personal Accident cover (subject to age limit)
- Trailers: Indemnity provided in respect of any disabled mechanically propelled vehicle which is being towed by the Insured Vehicle or any trailer or caravan owned by the Insured for which he is responsible whilst it is attached to the vehicle or detached from any vehicle
- Foreign Travel
- No claim discount

Specific Exclusions listed for each Section

For Section “Loss of or Damage to the vehicle” - exclusions same as given for private car plus other exclusions such as

- Loss of or damage caused directly or indirectly by fire if the vehicle is equipped for cooking and / or heating of food and/ or drink “
- Loss of market value following repairs to the vehicle
- Loss of or damage to the vehicle resulting from fraud or deception or by using any counterfeit form of payment which a bank or building society will not authorize.

General Exclusions - same as in case of Private Cars

3.3 Goods Carrying vehicles

Types of cover

1. **Comprehensive**
2. **Third Party, Fire and Theft**
3. **Third Party**

Sections/ Covers

- **Cover for Loss of or damage to vehicle**
 - o Includes cover for audio visual communication and guidance equipment
 - o Replacement of locks due to loss or theft of keys / transmitters or security immobilisers; recovery (protecting and moving it to nearest repairer) and redelivery
 - o Replacement vehicle (if vehicle is 3.5 tonnes or less and less than 6 months old from date of purchase and first registration and vehicle is stolen or cost of repairs exceeds 60% of the manufacturer's list price including VAT)
- **Broken windows and windscreens**- subject to excess
- **Trailers and Towing** – Cover for trailers whether attached or detached and not being used (exclusion : broken down vehicle being towed for hire or reward; loss or damage to any property carried in or on the trailer or broken down vehicle)
- **Personal injury to driver**: If driver is injured in an accident covered by the policy, and if the injury be the sole cause of death within 3 months of the accident, then a specified amount is payable to the driver's estate
- **Medical expenses** – Medical, surgical and dental fees upto a specified amount for injuries caused by an accident covered under the policy
- **Personal belongings**: Specified amount for loss of or damage to personal belongings kept in or on the vehicle. Excludes money, stamps, tickets, securities, goods, tools or samples carried for business
- **Service or repair**- Cover is provided while vehicle is in the custody or control of a motor garage for the purpose of maintenance, repair, servicing or testing
- **Third Party Uninsured drivers** – If the driver of the other vehicle is not insured, then No claim discount will not be affected and excess will not be deducted, provided the accident is proved to be not due to Insured's fault and Insured has given full details of the other vehicle involved and its driver
- **Territorial limits and European travel- cover provided within Great Britain, Northern Ireland, Republic of Ireland, isle of Man, Channel Islands.** Cover provided for upto 93 days any one period of insurance if the vehicle is used in any member country of the European Union or which follows EU directives
- **No Claim discount on renewal**: If No claim discount protection not opted for and insured makes only one claim, then number of claim free years earned is reduced as per a scale. If two or more claims in a period of insurance, then not eligible for no claims discount at renewal. NCD does not apply to trailers NCD cannot be transferred to anyone else. Has to be earned over 12 months.

- Roadside assistance: cost of transport of vehicle and / or passengers; breakdown referral service cover; windscreen replacement;

General Conditions:

- Additional vehicles condition: for covering any additional vehicles. Separate policy and certificate of insurance is issued for each additional vehicle
- Approved repairer condition: In the event of a claim, insurer would use one of the approved repairers to repair the loss / damage. But if insured chooses to get it repaired elsewhere, then Insurer will not pay more than what the approved repairer would have charged
- Failure to maintain Motor Insurance Database condition: duty of the insured to update all changes, additions, deletions to the vehicle schedule
- Fraud condition: fraudulent claim or false statement or false / forged documents
- Proof of no claims condition: declaration of no claim; to get confirmation in writing from the previous insurer; to be earned on previous two years on private car or commercial vehicle; if not confirmed, then policy is invalid.
Other conditions same as in case of Private Cars and other vehicles

General Exclusions

- Agreement with others: no claim arising out of agreement or contract
- Airside exclusion: vehicle not to be used in parts of airport or aerodrome
- Earthquake: no claim arising out of or during or due to earthquake, other than as covered in section 1 Liability to Third Parties
- Hazardous goods: claim arising out of carriage of hazardous goods in or on the vehicle, unless agreed to by the Insurer
- Pollution / Contamination: not covered unless due to sudden and unforeseen incident
- Riot or civil commotion: not covered except as provided in Section 1 of the policy (Liability to Third Parties)
- Uninsured Drivers and use of vehicle
- War risk
- Radioactive contamination
- In case of Terrorism, (damage to property as a result of accident caused by the insured vehicle) and if the Insurer is liable under Road Traffic Acts, claim is payable only upto a specified amount

Indemnity: Repair / replace or pay in cash the loss or damage.

In the event of total loss, the limit of cover is the market value of the vehicle and its accessories and spare parts in or on the vehicle. Insurer will not pay more than the insured's estimate of vehicle value shown in the schedule.

Excess:

Young and Inexperienced driver excess – excess based on age of driver and type of licence

Voluntary excess

Excess for Broken windows and windscreens

3.4 Agricultural vehicles

Types of covers:

Comprehensive

Third Party Fire and Theft

Third Party only

Fleet Insurance product also available for 8 or more agricultural vehicles (excluding trailers) plus other vehicle types also such as Rangerovers, HGV etc

Coverage: Replacement or repair of your vehicle, or spare parts if the vehicle, accessories or spare parts are lost, stolen or damaged. Recovery and redelivery to the nearest repairer and back to the home address in the event of an accident covered under the policy.

Insurer may choose to repair it, replace it or pay in cash the cost of loss or damage. What will be paid is the Market Value of the vehicle and its fitted accessories and spare parts in or on the vehicles at the time of loss or damage. Insurer will not pay more than the Insured's estimate of value shown in the schedule.

- **Cover for loss or damage to Trailers:** Cover for specified trailers mentioned in the schedule as long as they are used for agricultural, horticultural or forestry work, while attached or detached; upto a specified limit
- **Indemnity to Hirers:** Cover available when vehicle is loaned or hired whether for reward or not
- **Service or Repair:** Cover continues when the vehicle is in the hands of a Motor Trader
- **Right of Recovery:** If Insurer has to make a payment which is not covered under the policy, the he has the right to recover it from the Insured
- **Geographical Limits:** Automatic minimum compulsory insurance in EU and EU approved countries

Cancellation of Policy – Premium refund according to short period scale

Exclusions

- Depreciation in market value of the vehicle following repairs
- Loss of use
- Wear and tear
- Mechanical or electrical breakdowns or failure or breakages
- Losing vehicle through deception by someone pretending to be a buyer or his agent
- Damage to tyres caused by braking, cuts, bursts, punctures
- Unattended Vehicle Clause – theft of or from the vehicle when the keys or entry device has been left in or on the vehicle
- Towing a disabled mechanically propelled vehicle for hire or reward

Types of Excess

- Policy excess
- Windscreen excess
- Additional excess for special vehicles like All terrain vehicle, quad bike etc
- Excess for claims on internal damage to the machinery due to ingestion of foreign matter

Motor Trade Policies has 5 compulsory sections or covers

- **Material Damage: all risks cover subject to certain exclusions**
- **Road Risks**
- **Equipment breakdown**
- **Public and Product Liability**
- **Legal expenses**

Other sections are optional

B) Motor OD covers in the Caribbean

1) Private Car policy

Section 1 – Loss or Damage

Loss of or damage to the vehicle, its accessories and spare parts whilst thereon due to

- Accidental collision or overturning or collision or overturning consequent to mechanical breakdown or collision or overturning consequent to wear and tear

- Fire, external explosion, self-ignition or lightning, burglary, housebreaking or theft
- By malicious act
- Whilst in transit (including the processes of loading or unloading incidental to such transit) by road, rail, inland waterway, lift or elevator

Certificate of Insurance contains

- Limitations as to Use
- Authorized Driver clause : Liability of the Company doesn't attach in case of driver less than 25 years old or who holds only a learner's driving permit

Liability of the Company :The Company may at its option pay the amount in cash or repair or reinstate or replace the Motor vehicle or any part thereof or its accessories or spare parts. Liability of the Company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts, **it being clearly understood that the Company's liability shall be limited to the market value of the vehicle at the time of loss or damage but not exceeding the Insured's estimated value stated in the Schedule.**

If the Motor vehicle is disabled by reason of loss or damage insured under the policy, the Company shall pay bear the cost of protection and removal of the vehicle to the nearest repairer and of delivery within the country where the loss or damage was sustained.

The Insured may authorize repair of the vehicle provided the cost of repairs is within the Authorised repair limit and a detailed estimate of the cost is forwarded to the Insurer without delay.

- Medical Expenses: Cover for reasonable medical expenses incurred due to bodily injury to driver, insured or occupant arising out of accident to the insured vehicle
- Personal Accident to the Insured: specified scale of compensation for Death, Permanent Disablement

Other optional covers incorporated as sections in the policy

- Windscreen- breakage of glass in windscreens and windows
 - Upto a specified limit
 - Claim under this section alone, does not affect No Claim discount
- Courtesy Car/ Loss of Use

General Exceptions

Same as in India Motor Tariff except for the following exceptions;

- "Loss or damage due to flood, typhoon, hurricane, volcanic eruption, earthquake or other convulsion of nature"

- Strike, riot and civil commotion
- Information Technology hazards clarification clause – Losses arising directly or indirectly out of “ loss of, alteration of or damage to or a reduction in the functionality, availability or operation of computer system, hardware, program, software, data, information repository, microchip , integrated circuit or other similar device in computer equipment or non computer equipment, whether the property of the policy holder or not do not and in themselves constitute an event unless arising out of fire, lightning, explosion, aircraft or vehicle impact, windstorms, hail, tornado, hurricane, earthquake, volcanic eruption .. “

Excess

Policy excess

Young or inexperienced driver excess

C) Motor OD cover in Kuwait

Cover for loss of or damage to the vehicle and /or its accessories and spare parts (subject to the values being declared separately) whilst thereon and occurring within the geographical area due to:

1. Accidental external means, collision or overturning
2. By fire, self-ignition, or explosion
3. By burglary, theft or attempt thereof
4. By malicious act which should be supported by a police report

Indemnity is subject to Deductibles and subject to depreciation scale in respect of spare parts replacement (10%/ 25%/ 35%/45%/55%/65% for over 5 years old vehicle)

Company may at its option repair, replace or reinstate at the garage of its choice, the Motor vehicle or any part or any accessory thereof or pay in cash the amount of loss or damage, subject to depreciation scale.

The liability of the Company shall not exceed the value of the parts lost or damaged and the reasonable cost of fitting such parts.

Vehicle is considered a total loss if the repair cost exceeds 75% of the market value or Insured value, whichever is less.

In case of Total loss or constructive total loss, liability shall be limited to the market value or the Insured value whichever is lower.

Special exceptions

- Consequential loss, depreciation, wear and tear, mechanical and electrical breakdown, failures, or damages,
- Damage to tyres, hubcaps, aerials, sunroofs (liability of the Company limited to 50%)
- Scratches, sandblasts, corrosion, dents
- Theft of the vehicle or any part thereof by the employee of the insured or their dependents
- Loss of or damage by theft when the vehicle is left unlocked and / or operational or temporarily unattended
- Partial loss as a result of theft of any part or item of the vehicle
- 50% of the total cost for any claim due to unknown accidents including overturning, hitting pavements or hitting a pole or any object other than a motor vehicle
- Losses caused while vehicle is in the custody of a workshop for repair, service or maintenance
- In case of transport vehicles or heavy trucks, Insurer is not responsible for loss or damage that may affect the vehicle or crane during lifting, dropping or operating processes. Or for losses or damages that may occur to the vehicle it has turned over during the lifting of the jack for operating or unloading process.
- Loss / damage to glass parts shall be restricted to 50% of its value
- Missing parts following an accident
- Repairs undertaken by the insured without prior approval of the Insurance Co.

General Exceptions

- Loss / damage sustained outside the geographical area
- Being used otherwise than in accordance with Limitations as to Use
- Force majeure
- War, invasion, mutiny etc
- Terrorism, riot, strike and civil commotion
- Act of god perils (storm, tempest, flood, inundation,. earthquake etc)
- Any consequential loss
- Any cargo kept in the vehicle or any equipment such as telephone, tape recorder, television etc unless they are specifically mentioned in the schedule

Rights of recovery:

Insured is entitled to recover applicable amount under the local legislation but has to repay the Insurer the amounts paid by them.

Condition precedent to the admission of liability and settlement of claim that Insured will submit original Final Traffic Court judgment and where applicable, certificate from competent authority confirming permanent closure of official investigations.

Conditions

- **Notice of claim:** Insured shall give notice as soon as possible to the Company along with a Police report. Condition no.12: Notify the Insurer within 48 hours of any accident
- **Condition of contribution**
- **Cancellation of policy:** If the insured cancels the policy with 7 days' notice in writing, the premium for the period the policy was in force is calculated at short period rates, and the balance premium returned.
- **Transfer of ownership:** Insured is sole and absolute owner of the vehicle: ownership cannot be transferred or assigned unless the Insured attends in person and approves in writing.
- No indemnity if the loss or damage is due to malfunction, defect in the vehicle or brakes or brake efficiency is not more than 30% or because of worn wheels more than 40%
- No indemnity if the vehicle load carried or passengers carried exceeds the allowed capacity or if it is used otherwise than as permitted by Limitations as to use

D) Motor OD covers in Japan



Coverage

Cover for damage to own vehicle indemnifies loss of or damage to the vehicle due to accidental causes including collision, contact, falling, rolling over, or contact with a flying or falling object, fire, explosion, theft, typhoon, flood, and tidal wave. Loss or damage to accessories of the insured vehicle, such as car navigation system or entertainment/communication in-vehicle devices, are also covered.

Key exclusions

- Loss or damage due to willful act or gross negligence of insured /owner/ beneficiary / policyholder
- Loss or damage when driven without a valid driving licence , when driven under the influence of alcohol or narcotics
- Loss caused by war, civil war, riot, insurrection, earthquake, volcanic eruption, tsunami, radioactive contamination
- Loss caused by fraud or embezzlement

- Loss caused while using the insured vehicle for racing or stunts
- Loss caused due to loading the vehicle with dangerous goods or towing a tractor with dangerous goods
- Loss caused while transporting the vehicle by plane or vessel
- Mechanical or electrical breakdown, defects, wear and tear, corrosion, rust and natural deterioration
- Loss caused to parts or accessories that have been unlawfully modified

Insured amount, Insurable value and indemnification

- Insured amount is as stated in the policy schedule.
- Loss payment is on the basis of insurable value of the vehicle: Insurable value is assessed as per the market value of identical vehicle of same type, make, model, initial registration year, and degree of wear and tear.
- If the cost of repairs exceeds the insurable value of the vehicle, the vehicle is deemed a total loss.
- **Underinsurance condition applies:** if the insured amount is less than the insurable value, then the amount paid for loss is paid in proportion of the insured amount to the insurable value.
- As long as the total value of the vehicle does not increase due to parts replacement, the claim for parts replacement is paid without adjustments.
- If the cost of repairing parts is less expensive than replacing them, then loss amount payable is determined based on the cost of repairs.

Deductibles

To eliminate small losses and to lower premiums, several deductible plans are offered.

Endorsements – to modify types of coverage

1. **Endorsement to limit drivers to named insured and family members** – coverage applies only when the vehicle is driven by insured and his/ her family members (includes spouse, child, any relative living in the same household)
2. **Endorsement to limit drivers to named insured and his / her spouse only**
3. **Endorsement to limit driver's age** – say, driver's age 21 or above or 26 or above
4. **Endorsement to limit coverage to loss or damage** caused by collision with another vehicle and when the other vehicle is identifiable and owed by a person other than the insured

5. **Endorsement to limit loss or damage due to specified causes only** – excludes high frequency risks such as collision, contact with other vehicles and other such similar incidents. Causes of loss covered are Fire, explosion, theft, typhoon, flood, tidal wave, or losses due to collision with flying or falling objects.
6. **Endorsement to extend coverage to driving another person's automobile:** Covers third party liability, personal accident, and vehicle damage when the named insured or member of his/ her family is driving another person's vehicle.

Does not cover loss or damage which occurs when the insured drives his employer's car during the course of business or employment or when he drives the other person's vehicle without authorization.
7. **Endorsement for motor-cycles**

Covers loss or damage occurring when the named insured or his family rides a motor-cycle.

Covered motor cycles include not only those owned by the insured but also those which he may borrow from other persons. However, cover does not apply if he rides it without permission or if he steals it.
8. **Endorsement on agreement of value of the insured vehicle**
Automatically included in coverage of private passenger vehicles – changes the process of determining the amount payable at the time of a claim.

Value of the automobile is agreed upon at the time of entering into the insurance contract. At the time of a claim, this is the value that is fully paid in case of a total loss. In case of a partial loss, the amount of repair costs, less the automobile's residual value and the deductible, is paid.

Reduces scope for disagreement between the policyholder and the insurance company regarding the assessment of the amount of losses or when the insured amount is less than the insurable value.

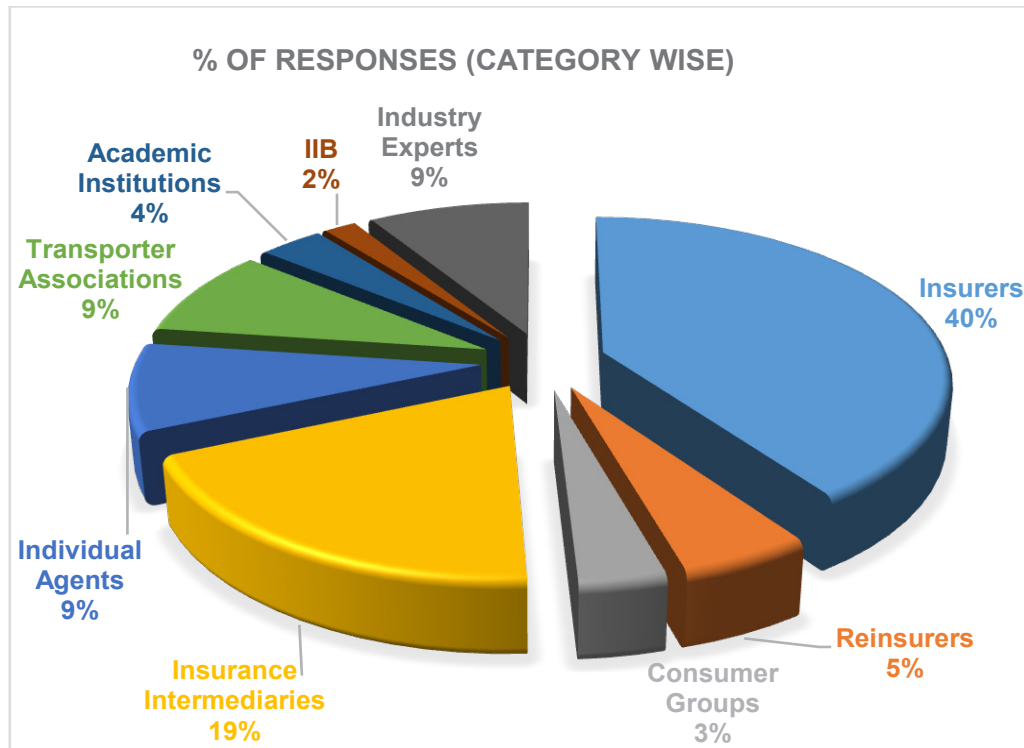
The agreed insurable value is assessed according to the market value of an automobile with identical use, type, name, model, specification, initial registration year, and degree of wear and tear as the insured automobile at the time of conclusion of the insurance contract. The agreed value is applicable throughout the policy period.



Chapter IV

SUMMARY & ANALYSIS OF STAKEHOLDER'S RESPONSES

There have been wide ranging responses on coverages and add-ons from different stakeholders. The WG has received written responses from 57 stakeholders which are categorized as below.



4.1 The comments on General Regulations (GRs) are summarized hereunder.

- All pricing related General Regulations should be removed and pricing including discounts/ loadings, should be left to Insurers to decide. Customer-centric general regulations should become part of the basic cover.
- Types of Motor Policies to include options for Standalone OD covers and to include long term covers.
- Vintage and classic cars should be as defined by the Vintage and Classic Cars Club and agreed value policies to be issued to them.
- GR 8 regarding Sum Insured payable in case of Total Loss/CTL and Theft claims has some ambiguous terms such as “IDV”, “aggregate cost”, “cost of repairs/ retrieval”, which need to be clearly defined to avoid different interpretations. Also, as per the MV Act, cancellation of Registration certificate must be incorporated as a mandate in Total Loss/ CTL and Theft claims. Age based depreciation grid for the

purpose of Sum Insured fixation to be revised to reflect customer demand for covers such as Return to Invoice and Zero depreciation.

- GR 9 dealing with scale of depreciation applicable for Partial Loss claims and differential depreciation for different categories of parts such as rubber, glass, fiber glass parts, etc should be revisited in the light of latest technology and structural material used for automobile parts and usage of vehicles.
- GR 11 pertaining to policy period should be revised in keeping with present day long term and short period options.
- No Claim Bonus General regulation to be revised in terms of the NCB grid as well as to include a malus clause and to standardize the basis for verifying NCB.
- Compulsory deductibles and Voluntary deductibles were fixed in 2002 and they need to be revised. Differential deductibles depending on number of claims, type of claim, type of add on cover, should be considered.
- Relevance of IMT 21 and IMT 23 to be looked into and if found necessary, the endorsements may be removed.
- IMT 47 “Overturning risks” endorsement for specified types of Miscellaneous Group D vehicles, contains anomalies which necessitates rewording of the endorsement.
- Policy wordings should be simplified and standardized and key terms such as Consequential Loss, wear and tear, theft etc should be clearly defined.
- Reclassification of vehicles such as School buses and Staff buses; and creating new vehicle segments for electric vehicles, two wheeler goods carrying vehicles, demo cars, quadricycles etc. are required.
- Medical expenses reimbursement should be reintroduced in the Motor policy
- Use for Hire or reward should be part of the basic policy in Agricultural and Forestry Tractors, Goods carrying Tractors, ambulances and other Miscellaneous Group D vehicles where they are currently excluded from the basic cover.
- Incorporation of clauses or GRs for Policy holders’ consent to data sharing, submission of vehicle and risk details to IIB.

4.2 Motor OD Coverage

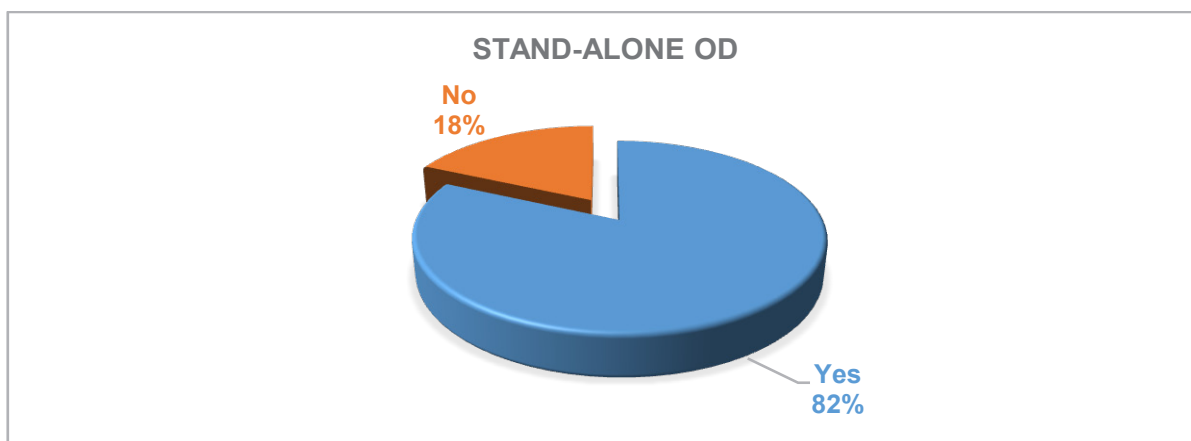
- **Cover Options**

1. **Stand-alone Motor OD Cover:**

With the new regulation on long term cover that mandates 3 year third party cover for all new Private Cars and 5 year third party cover for all new Two wheelers,

maximum vehicles are being insured for 1+3 or 1+5 option. The Own damage cover would expire after 1 year while the third party cover continues for 3 year / 5 year for Pvt Car / TW respectively. For all such policies stand-alone Own damage coverage shall be required.

Total 22 respondents have shared views on this & 18 have recommended that there should be an option to offer stand-alone Own damage cover to the customers.



2. Total Loss Only cover

Eight respondents have suggested for having TL + Liability cover as an option in addition to existing restricted covers - Fire/Theft only covers.

3. Use of Telematics

With the availability of technology based driver and vehicle insights, there is an ability to provide customized solutions to the consumers. Some of the available options are

1. PAYD (Pay as you drive)
2. UBI (Usage Based Insurance)
3. PHYD (Pay how you drive)

Total 9 respondents have suggested that telematics based insurance should be available. Separate detailed recommendation on Telematics is being presented in this report.

4.3 Scope of Own Damage / Perils covered

Rodent cover

All existing perils were discussed upon with stakeholders in various WG meetings. One of the common feedback received has been on damage to the vehicle due to rat bite / rodent. It was

informed that some of the insurers are denying liability of claims under Section-1 & have started offering this as an Add on cover.

Out of the written responses, 6 have suggested that Rat bite / Rodent damage should be covered in the basic policy & 1 stakeholder has suggested to exclude this and proposed add on cover for this.

4.4 Extensions to Motor Own Damage Product

IMT 21

IMT 21 by virtue of special exclusions under erstwhile India Motor Tariff excludes “loss of or damage to lamps tyres tubes mudguards bonnet side parts bumpers and paint work for all commercial vehicles (other than Taxies & Motorized Two wheelers carrying passengers for hire and reward) for all partial loss claims”.

There is a provision to delete this exclusion by paying certain defined premium (IMT 23). However, the insurer liability is restricted to “50% of the assessed loss in respect of each and every claim under this Endorsement” post applying appropriate depreciation.

Following is the feedback received on this

- Parts being excluded / covered need to be specifically defined to have clarity for all involved.
- Wherever IMT 23 is taken, clause of 50% coverage should be changed to 100% as depreciation is anyways being charged from the customer.

Out of the written responses, 4 stakeholders have suggested that IMT 21 should be deleted for all & rest have not shared any view.

IMT 47

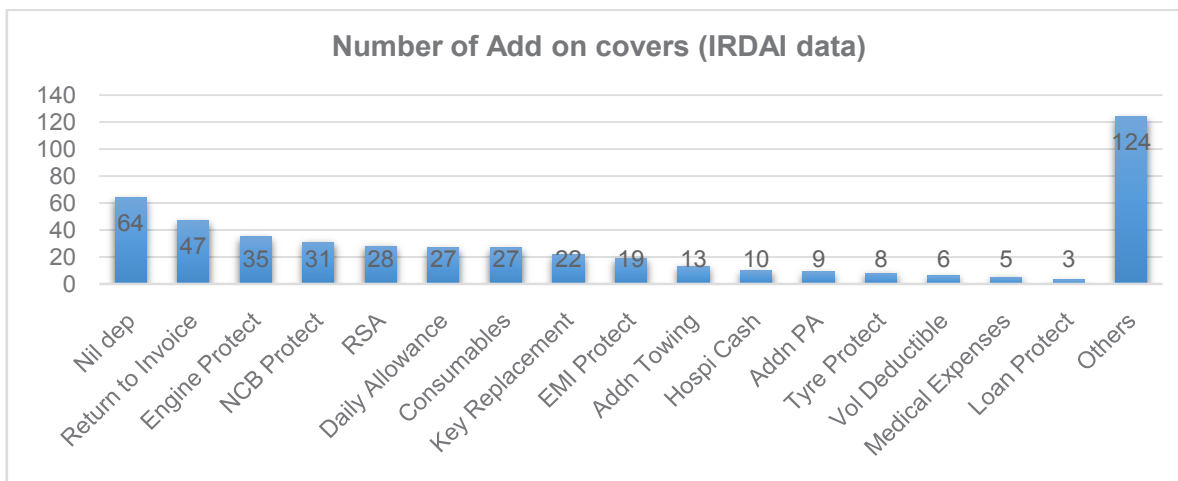
IMT 47 excludes “loss or damage resulting from overturning arising out of the operation as a tool” for Mobile Cranes/Drilling Rigs/ Mobile Plants/Excavators/ Navvies/ Shovels/ Grabs/Rippers under Misc-D class of vehicles.

There is a provision to delete this exclusion by paying certain defined premium under Overturning clause.

Out of the written responses, 5 stakeholders have suggested that overturning cover should be covered by default and appropriate premium should be charged.

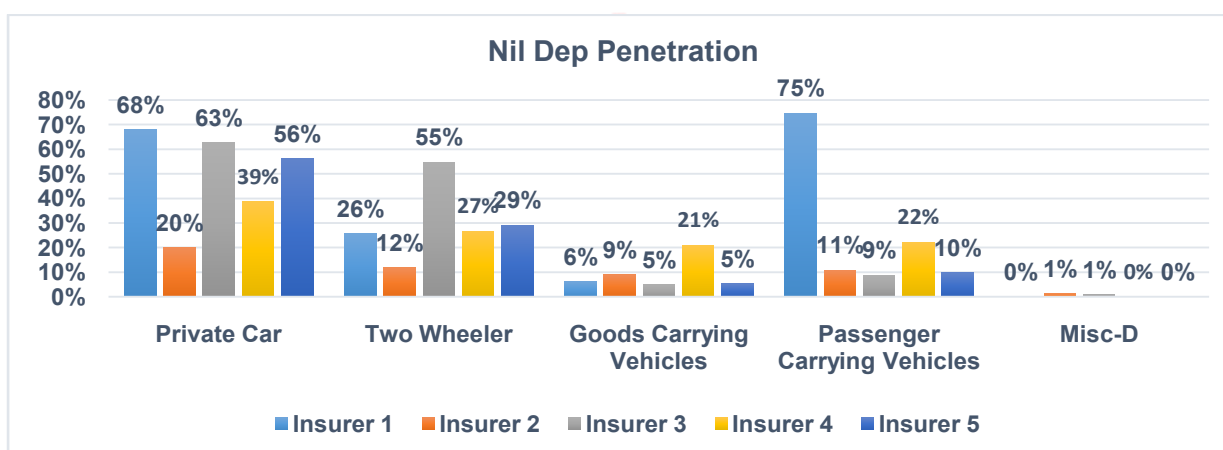
4.5 Add on covers

There are many add on covers available in the market. Broad categories & number of Add on covers in each are summarized below.



The WG also requested companies to share the penetration of existing Add on covers on their portfolio. The findings are as given below.

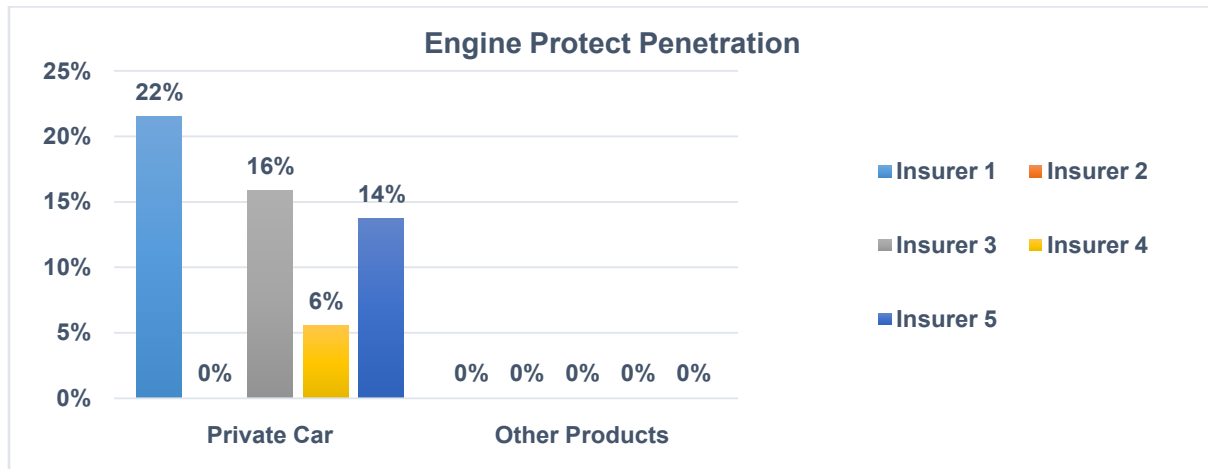
4.6.1 Nil Depreciation



Nil Dep Penetration*	Insurer 1	Insurer 2	Insurer 3	Insurer 4	Insurer 5
Private Car	67.9%	20.0%	62.6%	38.6%	56.1%
Two Wheeler	25.7%	11.8%	54.8%	26.7%	29.2%
Goods Carrying Vehicles	6.3%	9.0%	5.0%	21.0%	5.4%
Passenger Carrying Vehicles	74.7%	10.8%	8.8%	22.3%	9.7%
Misc-D	0.2%	1.4%	0.9%	NA	0.0%

*The sample penetration data is of 5 insurers, two of them are Public sector and three are Private players.

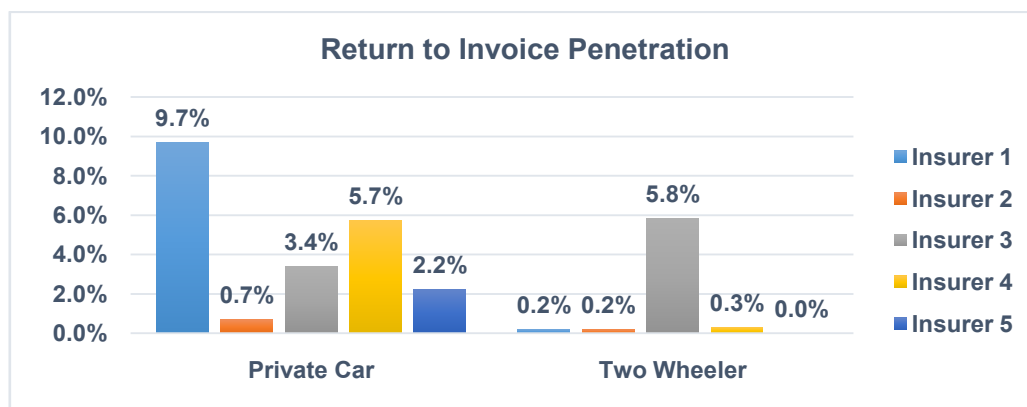
4.6.2 Engine Protect



Engine Protect Penetration	Insurer 1	Insurer 2	Insurer 3	Insurer 4	Insurer 5
Private Car	21.5%	N/A	15.8%	5.5%	13.7%
Other Products	N/A	N/A	N/A	NA	NA

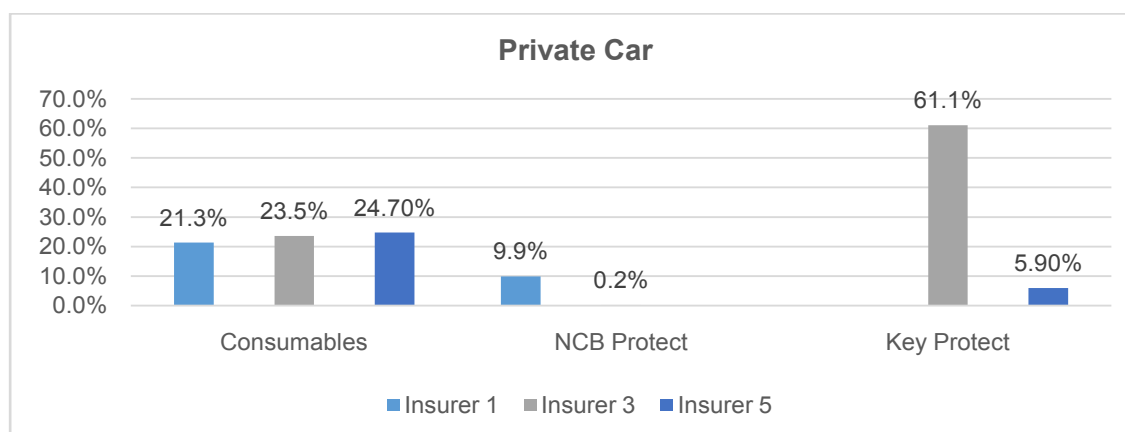
4.6.3 Return to Invoice

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Return to Invoice Penetration	Insurer 1	Insurer 2	Insurer 3	Insurer 4	Insurer 5
Private Car	9.7%	0.7%	3.4%	5.7%	2.2%
Two Wheeler	0.2%	0.2%	5.8%	0.3%	0.0%
Other Products	N/A	N/A	N/A	N/A	N/A

4.6.4 Consumables, Key and NCB protect (Only for Private Car)



Company	Consumables	NCB Protect	Key Protect
Insurer 1	21.3%	9.9%	0.0%
Insurer 3	23.5%	0.2%	61.1%
Insurer 5	24.70%	0.00%	5.90%

In the questionnaire comments were invited on what add on covers should be standardized and what could be part of the basic policy. Following are the responses received on the same.

Add on Cover	Standardize (wordings and features)	Should be part of the basic policy	No Change
Nil Dep	17	4	2
Consumables	12	5	3
Engine Protect	14	8	2
Return to Invoice	15	1	3
NCB Protect	8		3
Key Protect	6	2	3
Road Side Assistance	3	2	3

4.7 Classification of Motor Vehicles

On the vehicle classification following are the new categories proposed by stakeholders:

- 4.7.1 School Bus / Staff / Educational Institute Bus - 7 respondents
- 4.7.2 Private Car used as Pool Car - 4 respondents
- 4.7.3 Electric Vehicles - 2 respondents
- 4.7.4 Two wheeler GCV - 2 respondents

The WG recommends that these 4 new categories should be formed and suggestions be passed on to appropriate authorities to draft Third Party Premium rates for these new categories.

4.8 Discounts and Loadings

The discount provisions like Automobile Association discount, Anti-theft discount & loading provisions like bi-fuel kit, driving tuitions & so on were created at the time when own damage premium was tariffed (regulated) & these were the only available tools to discount / load the premium for low / high risks. In the current scenario, OD (Own damage) pricing is being taken care of by the insurers on their own. These discounts / loadings are not relevant anymore and most of the stakeholders have also suggested on removing these from the regulation.

4.9 No claim bonus (NCB)

No claim Bonus is passed on to the Insured in the event of insured not making any claim & NCB slabs increase for every cumulative claim free year. Lot of respondents have suggested modification in the current grid so separate NCB grid has been proposed in the GR section for both Annual and Long Term Products.

16 respondents have suggested new grid, 2 have proposed that there should not be any deductible whatsoever.

4.10 Deductibles

Compulsory Deductibles

The compulsory deductibles grid has not been revised for a long time and hence most of the respondents have suggested revision in the same. They have proposed different grids which vary on structure from % of claim amount to % of vehicle IDV, from partial to total loss claims, from 1st to subsequent claims & so on. The responses are summarized as under.

Parameter	Values		
	1	2	3
No of claims	1	2	3
Cubic Capacity	>1000	1000-1500	>1500
Gross Vehicle Weight (GCV) in Tonnes	Upto 12 T	12 to 20 T	>20 T
Licensed Carrying Capacity (PCV)	11 to 17	17 to 36	> 36
Type of Claim	Partial Loss	Total Loss	
De-tariff discount %	Up to 40%	40% to 50%	> 50%
Original Invoice Price	Upto 10 Lakhs	10 - 25 Lakhs	> 25 lakhs
Fuel type	Diesel	Petrol	Others

The respondents have suggested deductible % or deductible amount in these combinations.

4.11 Additional Points

4.11.1 Claim Intimation

There is currently no limitation on extent of delay in claim intimation which at times leads to insurer being unable to investigate / verify facts of the case. 4 respondents have suggested that claim intimation should be mentioned specifically in the policy wordings (one of the suggestion is - 24 hours for theft claims and 48 hours for all other own damage claims)

4.11.2 Exclusions

Following 3 changes were suggested as per the discussion with various stakeholders and as submitted by some of the respondents

- Exclusion section 1 (c) Influence of intoxicating, Knowledge and consent of the insured should be removed
- All MV Act violations (fitness, permit, speed, load etc) should be specifically excluded
- Negligence by insured to maintain the car (failure to take reasonable care) leading to accident should be specifically excluded

4.11.3 Accidental Medical expenses for occupants

WG proposes to have in built Accidental Medical expenses coverage (indemnity basis) for all occupants traveling in all motor vehicles as per their registered seating capacity. The coverage proposed is Rs. 25,000 per person for all classes of vehicles.

4.11.4 Named Driver Policy

Three of the respondents have suggested to have named driver policy as an option. The WG had a detailed discussion on the same & thus proposes to have this as one of the option. The insured may choose this & declared the details of all the drivers that are going to drive the insured vehicle during the policy period. The detailed note is being presented on this.



Chapter V

RECOMMENDATIONS

Terms of Reference 1

Revisit the framework for Motor Insurance enunciated in the General Regulations (GR) of the erstwhile India Motor Tariff (IMT) in the light of various developments over the last few years, including the impact of de-tariffing of the pricing component and arrive at a revised framework.

Based on feedback received from various stakeholders and extensive discussions within the WG,

- i. General Regulation (GRs) have been rationalized and renamed as Motor General Regulation (MGRs) and all pricing related GRs have been deleted.
- ii. The depreciation and sum insured calculation has been made simple. Vehicle age based depreciation has been recommended for partial losses to make it completely objective and remove all ambiguity and subjectivity in claim settlement.
- iii. Revised schedule of compulsory deductibles based on Sum Insured is recommended to relate deductible to affordability.
- iv. Standard NCB grid is introduced for long term policies.
- v. For brand new private cars, a new option has been recommended where Return to Invoice is a part of basic cover.

Motor General Regulations (MGRs)

MGR-1: Scope & Applicability

Motor Insurance business in India shall be transacted by Insurers duly licensed by the Authority and in accordance with the IRDAI regulations and guidelines applicable and as per the products terms and conditions approved by IRDAI.

Motor Insurance includes insurance of all vehicles coming under the purview of Motor Vehicles Act 1988 and Central Motor Vehicles Rules 1989 and subsequent amendments thereto and rules frame thereunder.

Liability cover shall be governed by provisions of the MV Act and guidelines/regulations issued by IRDAI. Compulsory Personal Accident cover shall be governed by extant IRDAI regulations in this respect.

The cover under Motor Policies issued shall be limited to the geographical area of India.

Insurers may extend the geographical area as per their internal guidelines.

It is not permissible to issue Agreed Value policies for motor vehicles except as provided under these Regulations.

MGR 2. Proposal Form, Cover Note, Certificate of Insurance and Policy Forms

- (i) Proposal Form duly signed by the proposer shall form the basis of the policy and shall be in the format specified in Annexure III.
- (ii) However, Statement of information of the Insurance intermediary mandated by the Proposer may be accepted in lieu of signed Proposal Form. Proposal Form/Statement of information is required for all fresh proposals.
- (iii) Cover Notes issued shall be in the form specified under the MV Act / Rules amended from time to time.
- (iv) Certificate of Insurance shall be issued in the formats specified in the MV Act / Rules amended from time to time and shall be updated to reflect any material changes and a fresh Certificate of Insurance shall be issued where required and a fee of Rs. 200/- shall be collected in all cases where physical certificate is issued.
- (v) Motor Policies issued shall be only as per the Standard Formats given in **Annexure III** of this document.
 - a) Liability Only Policy
 - b) Stand-alone CPA for owner-driver
 - c) Package Policy
 - d) Bundled Policy
 - e) OD only Policy
 - f) Motor Trade Package Policy
 - g) Motor Trade Internal Risks policy

MGR 3. Vintage and Classic Cars

The definition of Classic cars and Vintage cars shall be as per the classification of Vintage and Classic Car Club of India and Agreed Value Policies shall be issued for such cars. M.E 1

MGR 4. Sum Insured and Depreciation

1. Sum Insured

(i) For Private Cars

OPTION A:

The Sum Insured shall represent the current day manufacturer's listed price of the vehicle insured including value of all accessories fitted thereon by the manufacturer, and adjusted by age wise depreciation to arrive at the sum insured as per the scale below. The value of accessories fitted by the Insured shall be separately mentioned in the policy schedule.

If the model of the vehicle is no longer manufactured, the last available invoice price of the vehicle shall be considered & adjusted for depreciation.

In all Theft, Total Loss and Constructive Total Loss claims the Sum Insured shall be payable.

The scale of age-wise depreciation as shown below is applicable for the purpose of Total Loss/Constructive Total Loss (TL/CTL) and Theft claims only.

VEHICLE AGE BASED SUM INSURED

Age of the vehicle	Sum Insured = Percentage of Vehicle's current manufacturer listed price (Invoice value and manufacturer-fitted accessories)
Upto 6 months	95%
More than 6 months and upto 1 year	90%
More than 1 year and upto 2 years	80%
More than 2 years and upto 3 years	70%
More than 3 years and upto 4 years	60%
More than 4 years and upto 5 years	50%
More than 5 years and upto 6 years	45%
More than 6 years and upto 7 years	40%
Beyond 7 years	As mutually agreed by Insurer and Insured

Option B:

Brand new Private Cars upto 3 years: The Sum Insured shall represent the current day on-road price of the vehicle insured including Invoice value, Road Tax & Registration charges and value of all accessories fitted thereon by the manufacturer. The value of accessories fitted by the Insured shall be separately mentioned.

If the model of the vehicle is no longer manufactured, the last available invoice price of the vehicle shall be considered.

For vehicles beyond three years:

The Sum Insured shall be as per the following scale:

Vehicle Age	Depreciation
Above 3 years upto 4th year	40%
Above 4 years upto 5th year	50%
Above 5 years upto 6th year	55%
Above 6 years upto 7th year	60%

Beyond 7th year, Sum Insured shall be arrived at a mutually agreed value between the Insured and the Insurer.

(ii) For Two-Wheelers

The Sum Insured shall represent the current day manufacturer’s listed price of the vehicle insured including value of all accessories fitted thereon by the manufacturer, and adjusted by age wise depreciation to arrive at the sum insured as per the scale below. The value of accessories fitted by the Insured shall be separately mentioned in the policy schedule.

If the model of the vehicle is no longer manufactured, the last available invoice price of the vehicle shall be considered & adjusted for depreciation.

In all Theft, Total Loss and Constructive Total Loss claims the Sum Insured shall be payable.

The scale of age-wise depreciation as shown below is applicable for the purpose of Total Loss/Constructive Total Loss (TL/CTL) and Theft claims only.

VEHICLE AGE BASED SUM INSURED

Age of the vehicle	Sum Insured = Percentage of Vehicle’s current manufacturer listed price (Invoice value and manufacturer-fitted accessories)
Upto 6 months	95%
More than 6 months and upto 1 year	90%
More than 1 year and upto 2 years	80%
More than 2 years and upto 3 years	70%

More than 3 years and upto 4 years	60%
More than 4 years and upto 5 years	50%
More than 5 years and upto 6 years	45%
More than 6 years and upto 7 years	40%
Beyond 7 years	As mutually agreed by Insurer and Insured

iii) For Commercial Vehicles

The Sum Insured shall represent the current day invoice value plus cost of body building, if any and all accessories fitted thereon by the manufacturer adjusted for depreciation at the rate of 10 % per year or part thereof subject to maximum of 75%.

For Total Loss, Theft and Constructive Total Loss claims, the amount payable shall be Sum Insured.

(iv) For All classes of Vehicles (Option)

Sum Insured: Sum Insured shall represent the on-road price of the vehicle insured, at the time of purchase of the vehicle, including Invoice value, Road Tax and cost of all accessories fitted by the Insured adjusted for depreciation as provided hereunder.

The Sum Insured shall be

AGE OF THE VEHICLE	Percentage of Sum Insured
Not exceeding 6 months	95%
Exceeding 6 months but not exceeding 1 year	90%
Exceeding 1 year but not exceeding 2 years	80%
Exceeding 2 years but not exceeding 3 years	70%
Exceeding 3 years but not exceeding 4 years	65%
Exceeding 4 years but not exceeding 5 years	60%
Exceeding 5 years but not exceeding 6 years	55%
Exceeding 6 years but not exceeding 7 years	50%
Exceeding 7 years but not exceeding 10 years	45%
Exceeding 10 years but not exceeding 15 years	40%
Beyond 15 years	30%

If the model of the vehicle is no longer manufactured, the Sum Insured shall be based on last available invoice price of the model.

2. Depreciation for Partial Loss claims

- (i) **Partial Loss claims for Private Cars and Two-Wheelers** shall be payable subject to depreciation as per the scale given hereunder.

Age of the Vehicle	Depreciation % on parts replaced including painting material and glass
Upto 1 year	10%
1 year to 2 years	20%
2 years to 3 years	30%
3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	55%
6 years to 7 years	60%
Above 7 years	65%

Proportionate premium for reinstatement of Sum Insured from the date of loss till expiry shall be deducted from all partial loss claims.

- (ii) **Commercial vehicles:** Partial Loss claims shall be payable subject to depreciation as per the scale given hereunder.

Age of the Vehicle	Depreciation % on parts replaced including painting material and glass
Upto 1 year	15%
1 year to 2 years	30%
2 years to 3 years	40%
3 years to 4 years	50%
4 years to 5 years	55%
5 years to 6 years	65%
6 years to 7 years	70%
Above 7 years	75%

Proportionate premium for reinstatement of Sum Insured from the date of loss till expiry shall be deducted from all partial loss claims.

3. Total Loss / Constructive Total Loss Claims:

A vehicle will be considered to be a **CTL**, where the aggregate assessed cost of retrieval and / or repair of the vehicle before application of depreciation, salvage and deductibles exceeds 75% of the Sum Insured.

In all cases of Total Loss / CTL, the Registration Certificate of the vehicle shall be cancelled and claim shall be settled only after the Insured surrenders such cancelled RC. The policy shall be cancelled without return of premium.

In Theft of entire vehicle, Total Loss and Constructive Total Loss claims the Sum Insured shall be payable.

MGR 5. Policy Period

The normal period of the policy shall be 1 year. Policies may be issued for the period less than 12 months in special circumstances. E.g- Expiry of RC after prescribed age of the vehicle.

Short period scale for Liability only policies shall be prescribed by the Authority.

In case of long term Liability/ Bundled /Package Covers approved by the Authority, the policy period for such policies shall be as per its approval.

Own-Damage only policies may be issued for period less than 1 year to coincide with the expiry of the Liability only policy as per rates filed and noted by the Authority.

In case of Standalone Own Damage Covers, the OD cover expiry date shall not be beyond the Liability cover on the same vehicle.

MGR 6. Display of Premium

The policy shall display premium separately for Own Damage cover and Liability only cover.

The policy shall display the name and premium for each add-on separately and No Claim discount shall also be displayed separately.

MGR 7. Payment of Premium

Premium shall be paid in full before commencement of cover and through any mode approved by the Authority.

MGR 8. Minimum Premium

The minimum premium applicable for vehicles specially designed or modified for use of the blind, handicapped and mentally challenged persons will be Rs.100/-per vehicle. For all other vehicles, the applicable minimum premium per vehicle will be Rs.500/- per policy.

MGR 9. Transfers

On transfer of ownership, the **Liability Only cover**, either under a Liability Only policy or under a Bundled policy or under a Package policy, is deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of transfer.

The transferee shall apply within thirty days from the date of transfer in writing through any verifiable means of communication to the insurer who has insured the vehicle, with the details of the registration of the vehicle, the date of transfer of the vehicle, the previous owner of the vehicle and the number and date of the insurance policy so that the insurer may make the necessary changes in his record and issue fresh Certificate of Insurance.

In case of Package Policies/Bundled Policies, transfer of the "Own Damage" section of the policy in favour of the transferee, shall be made by the insurer only on receipt of a specific request from the transferee along with consent of the transferor along with copy of transferred R/c or RTO acknowledged transfer request documents. If the transferee is not entitled to the benefit of the No Claim Bonus (NCB) shown on the policy, or is entitled to a lesser percentage of NCB than that existing in the policy, recovery of the difference between the transferee's entitlement, if any, and that shown on the policy shall be made before effecting the transfer.

A fresh Proposal Form duly completed is to be obtained from the transferee in respect of Liability Only, Bundled Policies and Package Policies.

The old Certificate of Insurance for the vehicle, is required to be surrendered and a fee as decided by the Insurer is to be collected for issue of fresh Certificate in the name of the transferee. If for any reason, the old Certificate of Insurance cannot be surrendered, a proper declaration to that effect is to be taken from the transferee before a new Certificate of Insurance is issued.

In case of Death of the Insured, the policy would continue till the expiry or 120 days from the date of death of Insured whichever shall be earlier.

(Endorsement M.E 2)

MGR 10. Substitution of Vehicle

A vehicle insured under a policy can be substituted by another vehicle of the same class for the balance period of the policy subject to adjustment of premium, if any, on pro-rata basis from the date of substitution.

Where the vehicle so substituted is not a total loss, evidence in support of continuation of insurance of atleast TP coverage on the substituted vehicle is required to be submitted to the insurer before such substitution can be carried out.

(Endorsement M.E 3)

The entitlement of No Claim Bonus will be applicable for the substituted vehicle subject to the provision that the substituted vehicle on which the entitled NCB is to be applied is of the same class (as per these Regulations) as the vehicle on which the NCB has been earned and on submission of evidence for sale of such vehicle.

MGR 11. Vehicles Subject to Hire Purchase Agreement

Policies and Certificates of Insurance are to be issued in the name of Hirer only and issuance in the joint names of the Hirer and Owner is prohibited. If Owner's interest is to be protected it should be done by the use of Endorsement ME 4.

For the purpose of the Personal Accident cover for the Owner-Driver granted under the policy, the insured named in the policy will continue to be deemed as the Owner- driver subject to conditions of the policy relating to this cover.

MGR 12. Vehicles Subject to Lease Agreement

Policies and Certificates of Insurance are to be issued in the name of Lessee only and issuance in the joint names of the Lessee and Lessor is prohibited. If Lessor's interest is to be protected, it should be done by the use of Endorsement ME 5.

For the purpose of the Personal Accident cover for the Owner-Driver granted under the policy, the insured named in the policy will continue to be deemed as the Owner- driver subject to conditions of the policy relating to this cover.

MGR 13. Vehicles Subject to Hypothecation Agreement

Policies and Certificates of Insurance are to be issued in the name of Registered Owner only and issuance in the joint names of the Registered Owner and Pledgee is prohibited. If Pledgee's interest is to be protected, it should be done by the use of Endorsement ME 6.

For the purpose of the Personal Accident cover for the Owner-Driver granted under the policy, the registered owner named in the policy will continue to be deemed as the Owner- driver subject to conditions of the policy relating to this cover.

MGR 14. Cancellation of Insurance and Double Insurance

A. Cancellation of Insurance

- (a) A policy may be cancelled by the insurer by sending to the insured seven days' notice of cancellation by recorded delivery to the insured's last known address and the insurer will refund to the insured the pro-rata premium for the balance period of the policy.

- (b) A policy may be cancelled at the option of the insured with seven days' notice of cancellation and the insurer will be entitled to retain premium on short period scale of rates for the period for which the cover has been in existence prior to the cancellation of the policy. The balance premium, if any, will be refundable to the insured. Refund of premium will be subject to:
 - i) there being no claim under the policy, and
 - ii) the retention of minimum premium as specified in these Regulations.
- (c) A policy can be cancelled only after ensuring that the vehicle is insured elsewhere, at least for Liability Only cover and after surrender of the original Certificate of Insurance for cancellation.
- (d) Insurer should inform the Regional Transport Authority (RTA) concerned by recorded delivery about such cancellation of insurance.

B. Double Insurance

When two policies are in existence on the same vehicle with identical cover, one of the policies may be cancelled. Where one of the policies commences at a date later than the other policy, the policy commencing later is to be cancelled by the insurer concerned.

If a vehicle is insured at any time with two different offices of the same insurer, 100% refund of premium of one policy may be allowed by canceling the later of the two policies. However, if the two policies are issued by two different insurers, the policy commencing later is to be cancelled by the insurer concerned and pro-rata refund of premium thereon is to be allowed.

If, however, due to requirements of Banks/Financial Institutions, intimated to the insurer in writing, the earlier dated policy is required to be cancelled, then refund of premium is to be allowed after retaining premium at short period scale for the period the policy was in force prior to cancellation.

In all cases, the minimum premium as specified in these regulations is to be retained.

In either case, no refund of premium can be allowed for such cancellation if any claim has arisen on either of the policies during the period when both the policies were in operation, but prior to cancellation of one of the policies.

MGR 15. No Claim Bonus

- (a) No Claim Bonus(NCB) can be earned **only in the Own Damage section of Policies** covering all classes of vehicles including **policies which cover only Fire and / or Theft and Total Loss Risks** in conjunction with liability cover.

NCB is not allowed on Motor Trade policies. For policies covering Liability with Fire and/or Theft Risks and/or Total loss risks, the NCB will be applicable only on the Fire and / or Theft / TL components of the premium. An insured becomes entitled to NCB only at the time of renewal after the expiry of the full duration of 12 months in case of annual policy

and in case of long term policy NCB earned would be as per the grid defined below and applied on the renewal premium.

Short period policies shall not be reckoned for the purpose of earning of NCB.

(b) No Claim Bonus, wherever applicable, will be as per the following table.

All types of Vehicles	% of Discount on Own Damage premium
No claim made or pending during the preceding full year of insurance	20%
No claim made or pending during the preceding 2 consecutive years of insurance	30%
No claim made or pending during the preceding 3 consecutive years of insurance	40%
No claim made or pending during the preceding 4 or more consecutive years of insurance	50%

For Long Term Policies having tenure of 3 / 5 years

NCB at the time of Renewal		
Term of the Expiring Policy	Count of Own Damage claims during the policy period	NCB %
3 years	0	40%
	1	30%
	2	20%
	>2	0%
5 years	0	60%
	1	40%
	2	30%
	3	20%
	>3	0%

Notes: -

- The above grid shall be applicable for all the Long term policies having tenure of 3 / 5 years

- This is to bring uniformity in NCB slabs when the customer shifts from one insurer to other insurer
- (c) The percentage of applicable NCB is to be computed on the Own Damage premium required for renewal of the insurance after deducting any rebate in respect of "**Vehicle Laid Up**" under the policy. If the policy period has been extended in lieu of the rebate for the layup of the vehicle, as per 'Vehicle Laid Up' Regulation, such extended **period shall be deemed to have been part of the preceding year of insurance.**
- (d) The entitlement of NCB shall follow the fortune of the original insured and not the vehicle or the policy. In the event of transfer of interest in the policy from one insured to another, the entitlement of NCB for the new insured will be as per the transferee's eligibility following the transfer of interest.

It is however, clarified that the entitlement of No Claim Bonus will be applicable for the substituted vehicle subject to the provision that the substituted vehicle on which the entitled NCB is to be applied is of the same class (as per these Regulations) as the vehicle on which the NCB has been earned and on submission of evidence for sale of such vehicle.

Provided that where the insured is an individual, and on his/ her death the custody and use of the vehicle pass to his/her spouse and/or children and/or parents, the NCB entitlement of the original insured will pass on to such person/s to whom the custody and use of the vehicle pass.

- (e) The percentage of NCB earned on a vehicle owned by an institution during the period when it was allotted to and exclusively operated by an employee should be passed on to the employee, if the ownership of the vehicle is transferred in the name of the employee. This will, however, require submission of a suitable letter from the employer confirming that prior to transfer of ownership of the vehicle to the employee, it was allotted to and exclusively operated by the employee during the period in which the NCB was earned.
- (f) In the event of the insured, transferring his insurance from one insurer to another insurer, the transferee insurer may allow the same rate of NCB which the insured would have received from the previous insurer. Evidence of the insured's NCB entitlement either in the form of a renewal notice or a letter confirming the NCB entitlement from the previous insurer will be required for this purpose.

Where the insured is unable to produce such evidence of NCB entitlement from the previous insurer, the claimed NCB may be permitted after obtaining from the insured a declaration as per the following wording:

“I / We declare that the rate of NCB claimed by me/us is correct and that no claim as arisen in the expiring policy period (copy of the policy enclosed). I/We further undertake that if this declaration is found to be incorrect, all benefits under the policy in respect of Section I of the Policy will stand forfeited.”

Notwithstanding the above declaration, the insurer allowing the NCB will be obliged to write to the policy issuing office of the previous insurer calling for confirmation of the entitlement and rate of NCB for the particular insured and the previous insurer shall be obliged to provide the information sought within 30 days of receipt of the letter of enquiry. The Insurer allowing NCB shall also access the data of IIBI to determine the NCB applicable.

- (g) If an insured vehicle is sold and not replaced immediately, or laid up, and the policy is not renewed immediately after expiry, NCB, if any, may be granted on a subsequent insurance, provided such fresh insurance is effected within 3 (three) years from the expiry of the previous insurance. The rate of NCB applicable to the fresh policy shall be that earned at the expiry of the last 12 months' period of insurance.
- (h) On production of evidence of having earned NCB abroad, an insured may be granted NCB on a new policy taken out in India as per entitlement earned abroad, provided the policy is taken out in India within three years of expiry of the overseas insurance policy, subject to relevant provisions of NCB under these rules.
- (i) Except as provided in Rule (g), no NCB can be allowed when a policy is not renewed within 90 days of its expiry.
- (j) Except as provided in Rules (g), (h) and (i) above, NCB is to be allowed **only** when the vehicle has been insured continuously for a period of 12 months without any break and without any claim under Section I.

MGR 16. Concession for Laid-Up Vehicles

No refund or adjustment of Liability only premium as the TP risk continues because there is a possibility of either unauthorized use of the vehicle or vehicle may be stolen and involved in an accident causing injury / death of third parties, insured needs protection against it. As the registered owner, insured continues to be liable.

The OD cover may be restricted to Fire and Theft and a suitable adjustment may be made at the time of renewing the policy or cash refund may be made as per the internal guidelines of the Insurer.

(Endorsement ME 7)

MGR 17. Concessions for Specially Designed / Modified Vehicles for the Blind, Handicapped and Mentally challenged persons

In case of vehicles specially designed / modified for use of blind, handicapped and mentally challenged persons, Insurer may allow suitable discount on the OD premium as per internal guidelines in respect of both privately owned vehicles and vehicles owned and used by institutions engaged exclusively in the services of the blind, handicapped and mentally challenged persons. The discount is to be allowed only in respect of such vehicles, which have been suitably endorsed in the Registration Certificate by the RTA concerned. Endorsement ME8 is to be used.

MGR 18. Registration, use and Insurance

It is not permissible to insure any vehicle in the name of an insured not conforming to the name recorded as owner of the vehicle in the vehicle registration document, excepting

- i) In case of temporary substitution,
- ii) In respect of Motor Trade Risk, or
- iii) As provided in MGR.11,12,13

It is not permissible to insure any vehicle for use for a purpose other than that permitted by the RTA concerned.

MGR 19. Use of Vehicles within Insured's Premises / Sites

- (i) Use confined to own premises (applicable to all classes except as otherwise provided in these regulations).**

Where a vehicle is to be used in the premises to which the public have no general right of access and provided the vehicle is not licensed by the authorities concerned for general road use, a policy may be issued as per the internal guidelines of the Insurer.

No Certificate of Insurance or Cover Note which includes a Certification is permitted to be issued in such cases.

ME 9 is to be used.

- (ii) Use confined to Sites (Applicable to Goods Carrying Vehicles).**

Where a vehicle is to be used only on a site or sites to which the public has no general right of access and the vehicle is not required to be registered under the Motor Vehicles Act, a policy may be issued as per the internal guidelines of the Insurer.

No Certificate of Insurance or Cover Note which includes a Certification is permitted to be issued in such cases.

ME10 is to be used.

MGR 20. Personal Accident (PA) Cover under Motor Policy

- a) Compulsory PA cover for Owner Driver : It should be as per applicable circulars issued by IRDAI on the date of commencement of policy.
- b) Optional PA covers for persons associated with the Motor vehicles under Motor Policy : As per product approved under F & U guidelines

MGR 21. Vehicles requisitioned by Government

Vehicles requisitioned by the Government are automatically held covered during the period of requisition without any additional premium. In the event of a loss/ damage occurring during the period of such requisition, the insurer shall pay losses / liabilities if any, in excess of the amount(s) made good by the Government.

MGR 22. Third Party Property Damage (TPPD) Cover

- A.** Limits of cover for Third Party Property Damage (other than for goods carried in the insured vehicle) under Liability Only policies and under Section II – 1(ii) of various Package policies are as per the following table: - (This provision shall not apply Motor Trade - Internal Risks)

CLASS OF VEHICLES		TPPD COVER (Rs)
1.	Commercial Vehicles (Excluding Three Wheelers, Taxis and motorized two wheelers ratable under Tariff for Commercial vehicles)	7.50 lakhs
2.	Commercial Vehicles - Three Wheelers and Taxis	7.50 lakhs
3.	Private Cars	7.50 lakhs
4.	Motorized Two Wheelers – Private and Commercial	1.00 lakh

- B.** However, the insured can at the inception of the policy, opt to restrict to the TPPD cover to the statutory limit of INR 6000/- as provided in the M. V. Act. In such an event, the base TP premium applicable (before any loading/ discount) may be reduced by INR 200/-, INR 150/-, INR 100/- and INR 50/- for Class 1, 2, 3 and 4 as above respectively.

ME11 is to be used.

Mid-term change of TPPD limits is not permitted.

MGR 23. Standard Policy Deductibles

Claims under Own Damage section of policies covering all classes of vehicles are subject to a compulsory deductible as given below: -

0.5% of Sum Insured subject to a minimum of Rs. 500 /- and maximum of Rs.5000/- in case of Two Wheelers and Three wheelers.

0.5% of Sum Insured subject to a minimum of Rs.3,000/- and a maximum of Rs. 30,000 /- for all other class of vehicles.

For the second and subsequent claims, the compulsory deductibles shall be 1 % of Sum Insured subject to a minimum of Rs. 750/- and maximum of Rs. 7500/- for two wheelers and three wheelers.

1 % of Sum Insured subject to a minimum of Rs.4000 /- and a maximum of Rs. 40,000 /-for other classes of vehicles

An additional deductible may be applied by the underwriter as per the risk evaluation of the vehicle and the driver.

MGR 24. Use of CNG / LPG fuel

Additional premium for liability risks for vehicles fitted with LPG/CNG kit or running on any other non-conventional sources of power shall be as per applicable circulars issued by IRDAI on the date of commencement of policy.

MGR 25. Vehicles used for Driving Tuitions

Vehicles used by Driving Schools recognized by the RTA for giving tuition, having double clutches and double brakes with professional tutor accompanying the trainee can be covered for own damage cover by charging premium as per internal guidelines of Insurer. The premium for Third Party cover shall be as per rates prescribed by the Authority.

Note: For vehicles used for driving tuitions the words “other than for the purpose of driving tuitions” are to be added after the words “hire or reward” in the Policy Schedule/ Certificate of Insurance concerning “LIMITATIONS AS TO USE”.

MGR 26. Restricted cover for Liability Only and Fire and / or Theft Risks

The following types of policies can be issued under restricted cover.

- i) Liability and Fire
- ii) Liability, Fire and Theft
- iii) Liability and Total Loss
- iv) Liability, Fire and Total Loss

Own-Damage premium for the policies issued for the above restricted covers shall be as per the internal guidelines of the Insurer. The premium for liability cover shall be as per the premium specified by the Authority.

MGR 27. Towing charges for vehicles which have met with an accident

In the event of the vehicle being disabled by reason of loss or damage covered under this Policy the Company will bear the reasonable cost of protection and removal to the nearest repairer and redelivery to the insured but not exceeding as per the limits given below in respect of any one accident.

For Two Wheelers: INR 500/-

For Private Cars and Three Wheelers: INR 2000/-

For all other classes of vehicles: INR 4000/-

MGR 28. Submission of Statistics

The submission of statistics shall be as prescribed by IRDAI from time to time.

MGR 29. Communication by Digital Mode:

Any communication between insurer and customer in digital mode which is authenticated shall be acceptable.

MGR 30. Alteration of coverage under Standardized Add-Ons

No add-on shall be permitted which alters the coverage of add-ons mentioned in the MGR 31,32 and 33.

MGR 31. Standardized NIL depreciation add-on

The coverage and terms& conditions shall be as prescribed under Standardized NIL depreciation add-on.

Standard wordings Proposed

This add on cover is applicable only if it is mentioned in the policy schedule.

In consideration of the payment of an additional premium by the Insured, it is hereby agreed and declared that notwithstanding anything to the contrary contained in the Policy, the Company hereby undertakes to deduct no amounts for depreciation in case of parts replaced on account of damage to the vehicle insured and/or to its accessories, arising out of any peril as covered under the Policy.

Terms and Conditions

- Claims made under this add-on are subject to the terms and conditions set forth under the Motor Insurance Policy.
- In case of transfer of ownership of the Insured Vehicle, the cover under this add-on shall still continue.
- The benefits under this add-on shall be applicable only for the first two claims in an Annual policy, first three claims in three year policy and first five claims in the five year policy.
- This add-on cover is valid only if the Motor Package (Own Damage) Policy issued is valid during the accident period and the claim is admissible under the said policy terms and conditions.
- The benefits under this add-on would be available only if the Insured Vehicle is repaired at the authorized workshops by the Insurer. Failing which, an additional deductible of 10% of the claim payable shall be borne by the insured.

Exclusions

In addition to the exclusions mentioned under Motor Insurance Policy, Insurer will not be liable to indemnify for the following events:

- Where the Own Damage Claim made under the Motor Insurance Policy is not payable
- Depreciation pertaining to any part/ sub part/ accessories not approved for replacement under Motor Insurance Policy
- Depreciation on account of Loss or damage to tyres and/or battery of the Insured Vehicle
- Consequential loss of any kind arising out of claims lodged under this add-on

Where a loss is covered under Motor Insurance Policy or any other type of insurance policy with any other insurer or manufacturer's warranty or recall campaign or under any other such packages at the same time.

MGR 32. Standardized Engine Cover add-on

The coverage and terms & conditions shall be as prescribed under standardized Engine Cover add-on.

Standard wordings Proposed

This add on cover is applicable only if it is mentioned in the policy schedule.

In consideration of payment of an additional premium by the Insured, it is hereby agreed and declared that notwithstanding anything to the contrary contained in the Policy, the Company hereby undertakes to indemnify the Insured for expenses incurred in repair or replacement due

to consequential damages arising out of leakage of lubricating oil due to accidental means leading to loss or damage to:

- Engine Parts
- Differential Parts
- Gear Box Parts of the Insured's vehicle. Provided always that:

For the purpose of this add-on, 'Consequential Damage' would mean "the damage more specifically expressed hereinabove caused to an insured vehicle not arising directly from an insured peril but as a direct consequence to the same".

'Engine Parts' would mean all internal lubricated parts of the engine including pistons, pins and rigs, all pulleys camshaft, followers, cam bearings, connecting rods and bearings, crankshaft and main bearings, dipstick and tube, eccentric shaft, engine heads and engine blocks, engine mounts and cushions, engine torque strut, flywheel and flywheel ring gear, harmonic balancer, intake and exhaust manifolds, oil pan, oil pumps, push rods, valves, springs, guides, seats, and lifters, rocker arms, shafts, and bushings, timing covers, timing gears, chain, belt tensioners, retainers, vacuum pump, valve covers, and water pumps. Fuel injection pump (for diesel engines only) and fuel heater (for diesel engines only).

'Differential Parts' would mean all internally lubricated parts contained within the differential housing including axle shafts, constant velocity joints, bearings, final drive housing, four wheel drive hubs and bearings, retainers, transaxle housing and universal joints, drive shafts, hub bearings and supports.

'Gear Box Parts' would mean all internally lubricated parts contained within the transmission case including cooler, cooler lines, filter tubes and dipsticks, internal linkage, mounts, oil pans, torque convertor, transfer case, transmission and transfer case, transmission park base assembly, vacuum modulator, gear shafts, and gear box.

Terms & Conditions

- Claims made under the Engine Protect Cover are subject to the conditions set forth under the Motor Insurance Policy.
- Claims made under the Engine Protect Cover would be admissible, if there is evidence of under carriage damage to engine and/or gear box leading to oil leakage and resulting into damage to internal parts of the engine and/or gear box.
- In case of transfer of ownership of the Insured Vehicle, the cover under Engine Protect Cover shall still continue.
- The benefits under this cover can be utilized for a maximum of 1 time during the annual policy, maximum of 2 claims in 3 year & maximum of 3 claims in 5 year policy.

Exclusions

In addition to the exclusions mentioned under Motor Insurance Policy, Insurer will not be liable to indemnify for the following events:

- Any claims where the subject matter of claims is covered under any other type of insurance policy with any other insurer or manufacturer's warranty including recall campaign or under any other such packages at the same time.
- Cost of lubricants in case of loss due to leakage and flushing of consumables.
- Any claim which is intimated to the Company after 15 days of the happening of loss or damage.
- Any claim where the repair has been carried out without prior approval from the Company.
- Loss or damage including corrosion of engine due to delay in intimating or delay in retrieval of the Insured Vehicle from the place of event.

Where reasonable care has not been taken to protect the loss or damage to the Insured Vehicle.

MGR 33. Standardized Return to Invoice add-on

The coverage and terms & conditions shall be as prescribed under standardized Return to Invoice add-on.

Return to Invoice:

The Company hereby undertakes to pay the Sum Insured under this cover as the difference between the sum insured of the insured vehicle and the total actual expenses incurred towards acquisition of a new vehicle of similar make and model to the insured, as specified in the on-road price listed by the manufacturer/dealer upon the occurrence of Total Loss/ Constructive Total Loss and Theft as defined in the Policy.

Provided always that, On-road price means the actual expense incurred towards acquisition of a new vehicle and will also include any amount paid towards registration of the insured vehicle and road tax.

In case of obsolete models, the last selling price of the vehicle will be considered to pay the Sum Insured under this add-on.

Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.

Terms of Reference 2

Revisit the classification of products under Motor OD as well as the product structure and design including aspects such as duration of products, expansion of product suite to include technology enabled ones etc.

- i. It is recommended that the basis for rating shall be the torque of the vehicle rather than the cubic capacity(CC).
- ii. Educational institutions/Staff buses are in a distinct risk category and are accordingly recommended to be treated as separate category.
- iii. Electrically powered vehicles may be classified in the respective categories based on the usage as per registration certificate.
- iv. Goods carrying vehicles have only one permit and the distinction of private and public carriers may be done away with in due course.
- v. Two-Wheelers employed by e-retailers including app based food delivery companies are separate risk category but under the current MV Act there is no provision for their registration as goods carrying vehicles.
- vi. The list of Miscellaneous special type of vehicles has been updated.
- vii. Certain categories of Miscellaneous vehicles, Special types of vehicles have been moved to Good Carrying vehicles as per IRDAI circular ref. IRDAI/NL/ORD/MPL/077/03/2012.
- viii. Standalone OD policy has been recommended in respect of vehicles where a long term TP policy is mandated.
- ix. In addition to Fire and Liability, Theft and Liability, Fire and Theft and Liability, Total Loss and Liability product is recommended.
- x. It is recommended that a Named Driver Policy may be introduced for Private cars and Two-Wheelers initially. This is in line with the effort to make pricing reflect the risk. This is international practice too.
- xi. A detailed note is also given on the use of telematics in Motor underwriting and claims management. It is hoped that it could form the basis for detailed discussion and evolution of policy around Telematics based products and data sharing and analysis protocols.
- xii. Private Cars type vehicles with carrying capacity upto 8 (including driver) should be categorized as Taxies.
- xiii. It is recommended that the Authority may consider taking up with the Government of India regarding capturing of torque in registration certificates and classifying Educational Institutions and Staff Buses, registration of goods carrying Two-Wheelers as separate categories and for reclassification mentioned in point (xii) above.

1. Classification of Vehicles:

Recommendation: Revised Classification of the vehicles.

Sl. No.	Existing Classification	Recommended Classification
1	Private Cars	Private Cars
2	Two-Wheelers	Two-Wheelers
3	<p>Commercial Vehicles</p> <ul style="list-style-type: none"> i) Goods Carrying Vehicles ii) Trailers iii) Vehicles used for carrying passengers for hire or reward iv) Miscellaneous and Special type of vehicles v) Motor trade- Road transit risks only vi) Motor trade- Internal risks only 	<p>Commercial Vehicles</p> <ul style="list-style-type: none"> i) Goods Carrying Four Wheeled and Three-wheeled vehicles(including E-Carts, Dumpers Tractors, Milk Vans, Oil and Petrol Transport vehicles, Refrigeration/ Pre-cooling units, Tankers, Tippers <ul style="list-style-type: none"> a) Public Carriers b) Private Carriers ii) Trailers iii) Vehicles used for carrying passengers for hire or reward <ul style="list-style-type: none"> a) Taxies b) Maxi Cabs (Licensed carrying capacity exceeding 6 but not exceeding 13) c) E-Rickshaws and any other electric passenger carrying vehicles used for hire or reward d) Educational Institution/Staff Bus e) Buses other than (d) above with carrying capacity exceeding 13 f) Three Wheeled Autorickshaws with passenger carrying capacity not exceeding 3 g) 3 wheelers – 3 to 6 carrying capacity (New Category to fill gap in the existing categorization)

		<ul style="list-style-type: none"> h) Three Wheeled Vehicles with carrying capacity exceeding 6 but not exceeding 17 i) Three Wheeled Vehicles with carrying capacity exceeding 17 j) Motorised Two-Wheelers carrying passengers for hire or reward iv) Miscellaneous and Special types of vehicles(* List appended) v) Motor trade- Road Risks vi) Motor Trade -Road transit risks only vii) Motor trade- Internal risks only
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*Electric vehicles to be classified as per their registration and usage permit.

*** List of miscellaneous and special types of vehicles**

1. Agricultural tractor
2. Ambulances
3. Angle dozers
4. Anti malarial vans
5. Breakdown vehicles
6. Bulldozers, bullgraders
7. Cinema film recording and publicity vans
8. Clark tractor elevators
9. Compressor
10. Cranes
11. Delivery trucks pedestrian controlled
12. Dispensaries
13. Dragline excavators
14. Drilling rigs
15. Dust carts water carts road sweeper and tower wagons used for overhead mains service.
16. Electric trolleys or tractors
17. Electric driven goods vehicles
18. Excavators
19. Fire brigade and salvage corps vehicle
20. Footpath rollers
21. Fork lift trucks
22. Grabs



23. Gritting machines
24. Hearses
25. Horse boxes
26. Lawn mowers
27. Ladder carrier carts
28. Levellers
29. Letourna dozers
30. Mechanical navvies, shovels, grabs and excavators
31. Military tea vans
32. Mobile plant
33. Mobile shops and canteens
34. Mobile surgeries and dispensaries
35. Plane loaders and other vehicles
36. Prison vans
37. Rippers
38. Road rollers
39. Road scrapping, surfacing and pre-mix laying equipment
40. Road sweepers
41. Road sprinklers used also as fire fighting vehicles
42. Scrapers
43. Scientific vans
44. Sheep foot tamping roller
45. Shovels
46. Site clearing and levelling plant
47. Spraying plant
48. Tar sprayers (self propelled)
49. Tower wagons
50. Traction engines tractors
51. Trial builders, tree dozers
52. Transit mixer/ concrete mixer
53. Self-propelled combine harvester
54. Any other vehicle added by the Authority from time to time



2. Stand Alone OD (Own Damage) Cover

Recommendation-Standalone OD cover may be allowed where long term liability policy is mandated. The expiry of the OD cover should not be later than the expiry of the liability policy. All the details of the liability policy (including name, policy number and period) should be captured in the OD policy schedule. IRDAI may issue regulation on obligations to insure liability policies vehicle classwise to ensure that there is no avoidance of liability only cover.

Reason-With the new regulation on long term cover that mandates 3 year third party cover for all new Private Cars and 5 years third party cover for all new Two wheelers, maximum vehicles

are being insured for 1+3 or 1+5 option. The Own damage cover would expire after 1 year while the third party cover continues for 3 year / 5 years for Pvt Car / TW respectively. For all such policies standalone Own damage coverage shall be required.

3. Total loss cover only

Recommendation- The WG recommends to have Total loss only cover as one of the cover options for the consumers to choose from.

Reason-Based on the feedback received from stakeholders and WG discussions.

4. Named Driver policy

Recommendation-The WG has recommends Named Driver policy as an option for private car and motor cycle policies.

In the interim, names of the persons who usually drive the vehicle may be captured in the policy alongwith their driving license number.

Reason - Vehicle plying on the road is a risk but the driver who drives the vehicle is a key determinant of the risk.

The ownership and insurable interest is aligned with the owner driver or the registered owner of the vehicle or paid drivers of a fleet owner. The owner is aware of the insurance and servicing costs of the vehicle and therefore takes care, precautions and driving discipline to minimize losses. However, in case of multiple drivers in same vehicle the ownership and insurable interest of the vehicle is significantly reduced and poses a high risk in terms of both frequency and severity of the losses.

The vehicles that are used by multiple users with varying driving experience throughout the year and risk varies from user to user. It's also observed that the vehicle may be owned by an individual but the vehicle is driven by various members of the individual's family and friends thus adding to the complexity of the risk. By having the driver names endorsed in the policy insurers can build a risk factor on number of drivers driving a vehicle, age, experience, etc. and can use the same for rating thus managing the risk better.

Benefits:

- Insurer will pay the claim amount payable in full only if the named driver was at the wheel, thus the Insured will be deterred from permitting unnamed drivers especially children from using the vehicle. Since the risk factor is considerably lowered due to restrictions on who could drive the car, the Insured may get the benefit of lower rates.
- The No Claim Bonus (NCB) entitlement can be formulated based on the Driver's driving experience and claim experience. If vehicle suffers loss or damage caused by an unnamed driver, no claims bonus of the insured or drivers named on the policy will not be

affected. The claim in such an instance can be paid by applying a suitable predefined deductible in addition to compulsory deductible.

- Having information of drivers with details such as age, profession, gender, and regular or occasional driver etc. will help to assess the risk better. Over a period of time by having a track of the drivers' or their driving habit data, insurers will be able to have a sharper risk based underwriting practice.
- This will help the implementation of telematics or similar tracking devices which will monitor the driving habits such as acceleration, braking and provide feedback to the driver on his driving habits.

The RTOs have also started issuing license online & recording the name, number and type of traffic violations to assess the driver's risk. Opting driver information in policy will help us to integrate best possible information from government authorities in future and to sensitize drivers with adverse driving habits thereby contributing to the societal need of safer roads.

5. Adoption of Telematics to Motor Insurance

Telematics enables the capture of data related to individual driving habits and patterns, and draws up a risk profile of the driver. This is a critical input for designing a custom auto insurance policy with its unique premium. Auto owners only pay the premium aligned to their driving profile, and can avoid paying for coverage based on one-size-fits-all system. By monitoring the vitals of the vehicle, technology can also prompt the owner to take specific actions, such as when a vehicle is due for service, or change of tyres. Real time notifications and nudges could be provided when customer is speeding or is approaching an accident prone zone. Besides having the potential to reward good behaviour, this also enables prevention of accidents and enables collection of data to identify risk zones for traffic policy related changes (e.g. changing speed limit of certain zones). Other applications such as navigation, availing roadside assistance, calling emergency services, using infotainment systems and others are add-ons.

Data plays a key role in using telematics for risk solutions. Data availability on a real time basis to the insurer is required to ascertain the usage and driving behavior. Humongous amount of data gets generated through telematics usage of the vehicle. Some estimates peg this at 5MB of data/hour/vehicle. There are various ownership and infrastructure challenges that need to be addressed in the effective development of the telematics ecosystem.

Key Challenges linked to telematics data:

- Ownership
- Data sharing & Portability
- Privacy protection

Ownership: Data resides with multiple entities like OEMs, Telcos, Vendors of OBD devices or even Insurers depending on who provides the telematics device/ service. While it may reside with any entity, the data is owned by or should be owned by the owner of the vehicle i.e. the consumer. It is important that the consumer has a say in the use and governance of this data. Since the data usage by insurers is to finally help consumers move to risk based pricing that rewards lesser usage and safer driving, it should be made available to them. The storage of such huge data size will incur substantial cost and, therefore, the entity managing such data needs to be duly compensated.

Data sharing & Portability: Data sharing can be influenced by the perspective of monetizing the data by the entity who is managing the data. Transfer of data in the case of customer shifting to another insurance company could be an issue if there is sole ownership of data by the insurance company or the vendor providing the service.

Privacy protection: One of the key concerns consumers have regarding telematics is their privacy. A device that tracks their movement continuously on a real time basis is obviously not comforting. Thus their consent would be required before companies can collect and use personal data that could be captured via telematics and that would need adequate safeguards for the data to be used in an impersonal & confidential manner.

Recommendation:

Data sharing entails collaboration of all entities, which is facilitated by standardization of data templates and formats. A central repository of telematics data can be created where data from various sources flows to create a common pool. Customer scoring logic should be built by individual insurance companies and insurer systems should be integrated with the data to fetch the score in real time basis. Standard templates can be developed for a common understanding and transfer of data to the central repository.

IIBI which acts as data repository for insurance companies can manage the data and its protection. IIBI will have to build necessary infrastructure and tools to manage the large volumes of data and provide data privacy protection to consumers. Where it is important to use personal data, vendors / insurers should take customers' consent over data rights and usage of data where usage goes beyond providing insurance services to customers such as customized alerts for vehicle maintenance, geo fencing etc.

For portability purposes, an insurer can connect to the IIBI data base to develop their own score and have their own underwriting criteria when an insured ports from one company to another.

Given the usage of commercial vehicles and the high third party risk they carry, it would be worthwhile to examine the possibility of mandating telematics for these class of vehicles. While this not only provides better risk control, it also allows the fleet owner to manage their fleet and its performance better. They can track their drivers, the shipment and the movement effectively to improve productivity and fuel efficiency.

The insurance industry can work with the concerned ministries in the Government to ensure free data sharing with Insurers for all vehicles equipped with telematics as part of standard equipment and mandating telematics for commercial vehicles.

Pay As You Drive (PAYD) & Pay How You Drive (PHYD):

Developing a pricing model for PAYD or PHYD for the Indian market will need enormous telematics data to be generated and analysed for building the necessary algorithms. While generation of telematics data will take time, the Authority should encourage insurers to develop pricing models on some assumptions and underwriting estimates to pilot a few products. The performance of these products should be closely monitored so that potential losses could be minimized and timely corrective action can be taken.

6. Two Wheeler Goods Carrying Vehicle

Recommendation: WG suggests that as and when legislative changes take place recognizing use of two wheelers for carriage of goods by e-retailers, app based service providers and others, appropriate regulatory changes may be made.

Reason: Currently, all such Two wheelers are insured under Private usage. However, the risk /exposure is higher so it requires separate category with higher third party premium.

7. Educational Institution Buses / Staff Buses

Recommendation: WG recommends to classify school buses / educational institute buses / staff buses separately under PCV (Passenger Carrying vehicle) category.

Reason: The risk proposition for school bus / staff bus is better than a normal stage carriage/ route permit bus so appropriate reduction in third party premium is proposed.

Terms of Reference 3
Revisit the wordings of the various existing products and also develop new ones where necessary.

Based on stakeholders responses and discussions of the WG, a need was felt for standardization and revision of Proposal Forms, Policy Wordings, Policy Schedules and Terms & Conditions to reflect current technology and other trends.

1. The revised Policy Wordings, Policy Schedules, Proposal Forms are placed at Annexure III. Summary of the changes made in the standard wording is as under.

Item	Change
Proposal Form	A signed proposal form/statement of information submitted through intermediary mandated by the insured shall be the basis of the contract.
Perils Covered	Subsidence included
Depreciation Grid	Vehicle age based Depreciation introduced for partial loss claims.
Reinstatement Premium	Reinstatement of Sum Insured by charging proportionate premium from date of loss till policy expiry is introduced for partial loss claims.
Consumables	Clarificatory Note included.
Exceptions	i) Breakdown of Computerized parts excluded.
	ii) Any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured, is under the influence psychotropic or narcotic substances
Engine Damage(Hydrostatic Lock)	Clarificatory note on damage to engine parts, gear box parts and transmission arising out of ingress of water due to accidental means is included.
Sum Insured (SI)	New Options for SI determination introduced.
Deductible	New Deductible structure linked to Sum Insured is introduced
Conditions	
Claim Intimation	Intimation period specified as 24 hours
Compliance with provisions of MV Act and MV Rules	It is condition precedent to liability and new condition included in this regard.
Towing Expenses	Limits Increased
Right to Survey	Specifically mentioned under new Condition
Cancellation Clause	Modified to include cancellation provision for long term policies
Minimum Premium	Limits Enhanced
No Claim Bonus (NCB)	Revised NCB grid for annual policies and new NCB grid for long term policies introduced.

2. India Motor Tariff (IMT):

Recommendation: The existing IMTs to be renamed as 'Motor Endorsements' (MEs) and the WG recommends to revise the wordings of IMT 21, 22, 23 and 47 as under. Wordings for all Motor Endorsements (M.Es) are placed at **Annexure IV**.

i) **ME 12. (IMT 21): SPECIAL EXCLUSIONS AND COMPULSORY DEDUCTIBLE**

(Applicable to all Commercial Vehicles)

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that

(a) Special Exclusions

Except in the case of Total Loss of the vehicle insured, the Company shall not be liable under Section I of the policy for loss of or damage to tail lamps, indicator lamps, tyres, tubes, mudguards, mudflaps, mudliners and paint work.

(b) Compulsory Deductible.

In addition to any amount which the insured may be required to bear under para (a) above the insured shall also bear under section I of the policy in respect of each and every event (including event giving rise to total loss/constructive total loss) a compulsory deductible as defined for the different classes of vehicles in ME # 13 .

For the purpose of this Endorsement the expression "event" shall mean an event or series of events arising out of one cause in connection with the vehicle insured in respect of which indemnity is provided under this policy.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

ii) **ME 13. (IMT 22) STANDARD POLICY DEDUCTIBLE** **(Applicable to all Classes of Vehicles)**

Notwithstanding anything to the contrary contained in the policy, it is hereby understood and agreed that the insured shall bear under Section 1 of the policy in respect of each and every event (including event giving rise to a total loss/constructive total loss) an amount equal to

0.5% of Sum Insured subject to a minimum of Rs. 500 /- and maximum of Rs.5000/- in case of Two Wheelers and Three wheelers.

0.5% of Sum Insured subject to a minimum of Rs. 3,000/- and a maximum of Rs. 30,000 /- for all other class of vehicles.

For the second and subsequent claims, the compulsory deductibles shall be 1 % of Sum Insured subject to a minimum of Rs. 750/- and maximum of Rs. 7500/- for two wheelers and three wheelers.

1 % of Sum Insured subject to a minimum of Rs.4000 /- and a maximum of Rs. 40,000 /-for other classes of vehicles

It is further declared and agreed in respect of the vehicle insured under this policy that if any deductible in addition to the compulsory deductible provided in this endorsement, is voluntarily agreed to be borne by the insured, then the sum representing the aggregate of the compulsory and voluntary deductibles shall be the amount which the Insured shall bear in respect of each and every event (including event giving rise to total loss/ constructive total loss) under this policy and any other amount(s) which the Company may incur on behalf of the insured.

**iii) ME 14. (IMT 22 A) VOLUNTARY DEDUCTIBLE
(For all Classes of Vehicles)**

It is hereby declared and agreed that the insured having opted for a voluntary deductible of Rs., a reduction in premium of Rs. under Section 1 of the policy is hereby allowed.

In consideration of the above, it is hereby understood and agreed that the insured shall bear under Section 1 of the policy in respect of each and every event (including event giving rise to a total loss/constructive total loss) Rs..... representing the voluntary deductible, the aggregate amount of the voluntary deductible opted and the Compulsory deductible applicable to the vehicle insured by this policy, shall be borne by the Insured in respect of each and every event (including event giving rise to Total Loss / Constructive Total Loss claim) under this policy and any other amount(s) which the Company may incur on behalf of the insured.

For the purpose of this Endorsement the expression “event” shall mean an event or series of events arising out of one cause in connection with the vehicle insured in respect of which indemnity is provided under this policy.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

**iv) ME 15. (IMT 23) COVER FOR TAIL LAMPS, INDICATOR LAMPS, TYRES / TUBES, MUDGUARDS, MUDFLAPS, MUDLINERS AND PAINTWORK OF DAMAGED PORTION ONLY.
(For all Commercial Vehicles)**

In consideration of payment of an additional premium of Rs.... ..*, notwithstanding anything to the contrary contained in the policy, it is hereby understood and agreed that subject to conditions (a) (b) and (c) hereunder, loss of or damage (excluding theft under any circumstances) to tail lamps, indicator lamps, tyres, tubes, mudguards, mudflaps, mudliners and paint work of damaged portion only, is covered provided the vehicle is also damaged at the same time.

Subject to :

(a) Depreciation on parts as per the schedule provided in Section 1 of the policy.

- b) In addition to any amount which the insured may be required to bear under para (a) above, the insured shall also bear 50% of the assessed loss as excess in respect of each and every claim under this Endorsement.
- c) It is also understood that no other deductible or excess other than those mentioned in (a) and (b) above shall be applicable in respect of a claim which become payable under this Endorsement.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

Explanation: Where ME 15 is applicable, deductible as applicable under ME 13 should not be applied.

v) ME 27. (IMT 47) Applicable to Mobile Cranes/Drilling Rigs/ Mobile Plants/ Excavators/ Navvies/ Shovels/ Grabs/Rippers.

a) Liability Only Policies:

It is hereby declared and agreed notwithstanding anything to the contrary contained in this Policy that the Company shall be under no liability in respect of the vehicle insured covered under this policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988, as amended from time to time in respect of liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

b) Bundled/ Package Policies – (Insurer to select applicable wordings from (i) or (ii) or (iii) below for printing in the Policy schedule).

i) Inclusion of Overturning risk on payment of additional premium

It is hereby declared and agreed that in consequence to the payment of additional premium of Rs.... by the insured, the Company shall indemnify the insured in respect of admissible claims under Section I of this policy including claims for loss/ damage due to overturning of the vehicle or plant forming part of such vehicle or attached thereto insured under this policy whilst in use as a tool of trade.

The Company is under no liability under Section II of this policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988, in respect of liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

ii) Exclusion of loss/ damage due to overturning whilst in use as a tool of trade

It is hereby declared and agreed notwithstanding anything to the contrary contained in this Policy that the Company shall not be liable under Section I of this Policy in respect of loss or damage resulting from overturning arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached

thereto Except for loss or damage arising directly from fire, explosion , self-ignition or lightning or burglary, housebreaking or theft.

The Company is under no liability under Section II of this Policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988 as amended form time to time, in respect of the liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

iii) Exclusion of any loss / damage whilst in use as a tool of trade

It is hereby declared and agreed that in consequence to the Insured availing a reduction in premium of Rs....., under this Policy, the Company is not liable under Section I of this Policy in respect of any loss/damage arising out of the operation of the insured vehicle or plant forming part of the insured vehicle or attached thereto, as a tool of trade except for loss or damage arising directly from fire, explosion, self-ignition, lightening or burglary, housebreaking or theft.

The Company is under no liability under Section II of this Policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988 as amended form time to time, in respect of the liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

Terms of Reference 4

Take stock of various add-ons in the market, identify ones that could be standardized across the industry and identify those categories that could be left for insurers to innovate.

Based on feedback received from various stakeholders, the wording and nomenclature for addons such as Nil Depreciation, Engine protect Cover has been standardized.

1. Nil Depreciation Cover

Recommendation: WG suggests to have standard wordings for Nil depreciation cover.

Reason- Current Nil depreciation add on cover of different insurers offer different features and conditions making comparison difficult for customers & creates confusion when policy is shifted from one insurer to other insurer.

Standard wordings for 'Nil Depreciation Cover' given under MGR 31

2. Engine Cover

Recommendation: WG suggests to have standard wordings for Engine Add on cover.

Reason- Current Engine add on cover of different insurers offer different features and conditions making comparison difficult for customers & creates confusion when policy is shifted from one insurer to other insurer.

Standard wordings for 'Engine Cover' is given under MGR 32.

3. Return to Invoice

Recommendation: There are 2 options suggested for ascertaining the Sum Insured and depending upon the option chosen, Return to Invoice cover shall be triggered accordingly.

If Option A is chosen, the Return to Invoice cover would be additional /optional Add on. The proposed standard features and wordings are as per MGR 33.

4. Consumables

Recommendation: WG is of the opinion that consumables requiring replacement as part of accidental repairs are covered in the basic policy.

Cost of consumables replaced as a part of repair arising out of an accident to the insured vehicle, for which claim is admissible under the policy, is payable as a part of the basic own damage cover.

Consumables shall mean oils, lubricants, oil/fuel filters, non-metal washers, gaskets, sealants, screws, nuts, bolts, clamps.

Reason- Currently Consumables is offered as an add on cover by different insurers -however this is part of accidental repairs.

5. Emergency Medical Expenses cover due to Accident for occupants traveling in/on the Vehicle

Recommendation: All the occupants traveling in Motor vehicles shall have Rs. 25,000/- medical expenses coverage related to the accident in the basic policy & appropriate premium for this shall be charged by the insurers.

Reason- The availability of such a cover will help accident victims get immediate treatment.

Standard Wording:

Emergency Medical Expenses cover due to Accident:

Subject otherwise to the terms, exceptions, conditions and limitations of this Policy, in consideration of the payment of an additional premium by the Insured, it is hereby agreed and understood that notwithstanding any other terms contrary under the Policy, the Company will reimburse the actual amount upto the limit of Rs. 25,000 per person per policy period for the person(s) travelling in the insured vehicle including the owner driver as per the registered

seating capacity towards emergency medical expenses incurred for the treatment of bodily injury sustained in an accident involving the insured vehicle & giving rise to an admissible claim under the policy.

Important conditions:

- The claim under this section would be payable only if claim under Section I is valid and admissible.
- The benefit under this section is **NOT** payable in case the number of persons/ passengers traveling in the insured vehicle is more than the number specified in the registration certificate valid at the time of occurrence of such incident.
- Minimum 24 hour hospitalization a Hospital as defined below, is mandatory.
- Submission of original Bills / Reports / Prescriptions and Hospital discharge summary shall be required for reimbursement of all such claims.

Definition for the purpose of this add-on:

Hospital	means any institution established for in-patient care and day care treatment of illness and / or injuries and which has been registered as a hospital with the local authorities under the Clinical Establishments (Registration and Regulations) Act 2010 or under enactments specified under the Schedule of Section 56(1) of the said Act.
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Applicable Exclusions:

- Any expenses related to a sickness, pre-existing disease, disease or medical disorder not directly consequential to accident.
- Any expenses towards psychosomatic disorders of any kind, whether caused or accentuated by accident or otherwise.
- Any physiotherapy treatment.
- Any expense not supported by an original and valid bill / receipt and related prescription of the attending Medical Practitioner / Hospital / Nursing Home.
- Any Expenses, if the treatment is started after 24 hours from the date of Accident
- Any expense arising or resulting from or traceable to intentional self-injury, suicide or attempted suicide physical defect or infirmity.
- Any expense arising or resulting from or traceable to an accident whilst the insured or any person driving the vehicle with the knowledge and consent of the insured, is under the influence of intoxicating liquor or psychotropic or narcotic substances.

Terms of Reference 5

Any other matter relevant to Motor Insurance OD products and the Personal Accident component of Motor Insurance.

1. Towing Charges

Recommendation – New Grid Proposed as below.

Class of Vehicle	Towing Charges as part of basic policy
Two Wheeler	Rs. 500/-
Private Cars and Three Wheelers	Rs. 2,000/-
All other classes	Rs. 4,000/-

Reason-Towing charges were fixed in 2002 and have not undergone any revision since then. Based on the feedback received from stakeholders and WG discussions.

2. Geographical Extension:

Recommendation: The working group perceived Geographical Extension cover as a pricing issue which would be better decided by Insurers as per their internal guidelines.

3. Clarification on losses arising out of damage due to Rodents / Insects

Recommendation- WG is of the opinion that cover for damage by Rodents, insects is part of the basic policy under accidental and external means.

Reason- Due to incorrect interpretation by some of the insurers.

4. Clarification on Losses arising out due to water ingress in Engine

Recommendation: WG is of the opinion that losses arising out of damage to the engine parts due to water ingress are part of the basic policy.

Reason: When water enters in any of the cylinders when the engine is in running condition, the connecting rods, pistons and other parts gets damaged as the piston of cylinder where water has entered cannot execute the compression stroke. Thus, the damage is not related to cranking the engine. It is, therefore, part of the basic policy cover as the damage is caused by the external accidental means.

Only the loss or damage due to hydrostatic lock shall be part of the basic cover. Engine damages due to certain other specified reasons may be covered under a separate Add on which is standardized under **MGR 32**.

5. Depreciation on Parts

Recommendation: WG recommends to have age wise depreciation instead of current combination of age and part wise depreciation. Proposed grid is as below.

For Private Cars and Two Wheelers:

Age of the Vehicle	Depreciation on all parts (including glass) %
Upto 1 year	10%
1 year to 2 years	20%
2 years to 3 years	30%
3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	55%
6 years to 7 years	60%
Above 7 years	65%

For Commercial Vehicles:

Age of the Vehicle	Depreciation on all parts (including glass) %
Upto 1 year	10%
1 year to 2 years	20%
2 years to 3 years	30%
3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	60%
6 years to 7 years	70%
Above 7 years	75%

Reason: This is to simplify the depreciation grid on parts for partial loss claims. As composite parts depreciation creates lot of customer dissonance due to varying interpretations.

6. Exclusions under Section I

Recommendation: Changes as proposed by various stakeholders are taken into consideration and summarized below.

- (i) It is a condition precedent to liability that all applicable provisions of MV Act as amendment from time to time and extant MV Rules including but not limited to fitness, permit, speed and load are complied with.

- (ii) Any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured, is under the influence of intoxicating liquor or psychotropic or narcotic substances.

Reason: To emphasize upon the Motor Vehicles regulations.

7. Claim Intimation

Recommendation: Notice shall be given to the Company within 24 hours upon the occurrence of any accidental loss or damage giving rise to a claim or within such extended period of time as the Insurance Company may allow.

Reason: To remove ambiguity and to allow for intimation through call center, mobile app. etc. It is expected to bring clarity and make claim processing faster for customers.

8. Survey:

Recommendation: Conditions relating to Survey to be carried out before insured undertakes repairs and survey at the spot of accident have been incorporated in the Revised Policy wordings.

Reason: To specially provide for survey at the spot and make the insured aware that the survey before repair is a must.

9. Miscellaneous Class D Vehicles including ambulances: Use for Hire or Reward

Recommendation: In all cases the Standard Policy shall allow use of the Vehicles for hire or reward, if the vehicle is so registered.

Reason: As most of these vehicles are registered for Hire or Reward.



Ref: IRDAI/NL/ORD/MISC/190/11/2018

Dated: 16th November, 2018**ORDER****Re: Working Group (WG) to revisit the product structure of Motor Own Damage**

While pricing of the Motor Own Damage segment was de-tariffed in 2007, the basic product structure including the terms and conditions, continues to be governed by the General Regulations (GRs) and various other provisions of the erstwhile India Motor Tariff (IMT). It may be noted that para 7.2 IV (h) and (i) of Guidelines on Product Filing Procedures for General Insurance Products, while dealing with compliance requirements, stipulate that the scope of standard covers available under the erstwhile tariff shall not be abridged and that the wordings of the products given in the erstwhile tariff shall not be changed nor can there be any changes to the General Regulations (GR).

2. Insurers are, however, allowed to file add-ons to the package policy subject to the product filing guidelines. The number of such add-ons in the market has become humongous, given the evolving nature of the business and demand for various types of covers.

3. Today, there is a need to revisit the current product structure keeping in view developments in technology relating to motor vehicles as well as the fast changing eco-systems.

4. Keeping the above in view, the Authority constitutes the following Working Group:

1. Mr.P. Venkatramaiah, General Manager & Director (Retd), National Insurance Company Limited, Chair
2. Mr.Balwant Singh, General Manager & Director, Oriental Insurance Company Limited, Member
3. Ms.Gauri Venkatesan, Deputy General Manager, United India Insurance Company Limited, Member
4. Mr..Amitabh Jain, Head, Motor Underwriting and Claims, ICICI Lombard General Insurance Company Limited, Member
5. Mr.Jatinder Singh, Assistant Vice President, Motor Underwriting, Kotak Mahindra General Insurance Company Limited, Member
6. Mr.V.Devanathan, Head, Technical and Projects, General Insurance Council, Member
7. Mr.H.Ananthkrishnan, Chief General Manager (Legal), IRDAI, Member
8. Ms.Anita J, General Manager, Non-Life Department, IRDAI, Member
9. Mr. C. Srinivasa Kumar, Deputy General Manager, Actuarial Department, IRDAI, Member
10. Mr. K.Mahipal Reddy, Deputy General Manager, Non-Life Department, IRDAI, Convenor

5. The Terms of Reference of the WG would be as follows:

(i). Revisit the framework for Motor Insurance enunciated in the General Regulations (GR) of the erstwhile India Motor Tariff (IMT) in the light of various developments over the last few years, including the impact of de-tariffing of the pricing component and arrive at a revised framework.

(ii). Revisit the classification of products under Motor OD as well as the product structure and design including aspects such as duration of products, expansion of product suite to include technology enabled ones etc.

(iii). Revisit the wordings of the various existing products and also develop new ones where necessary.

(iv). Take stock of various add-ons in the market, identify ones that could be standardised across the industry and identify those categories that could be left for insurers to innovate.

(v). Any other matter relevant to Motor Insurance OD products and the Personal Accident component of Motor Insurance.

6. The Working Group shall ensure that the inputs of all relevant stakeholders are sought and examined before arriving at its recommendations. The WG may meet as often as required and make its recommendations within 16 weeks of the date of this Order.


(Yegnapriya Bharath)
Chief General Manager (NL)

Annexure II

LIST OF STAKEHOLDERS

Sr. No	Category	Questionnaire Sent (Number)	Meeting Attended	Questionnaire or response submitted
1	General Insurers Carrying on Motor Insurance Business	25	25	23
2	Foreign Reinsurers Branches in India	9	2	3
3	Consumer Groups	15	1	2
4	Insurance Intermediaries	i) Insurance Brokers/ Corporate Agents/Insurance Marketing Firms/ Insurance Surveyors- (*written through insurers/ associations)-4	6	10
		ii) Web Aggregators- 29	0	1
5	Individual Agents	Through 25 Insurers	2	5
6	Common Service Center (CSC)	1	0	0
7	Bima Lokpal	17	0	0
8	Motor Transporter's Associations	15	1	5
9	Academic Institutions	3	1	2
10	Industry Bodies	3	0	0
11	Professional Organization	1	1	0
12	IIB	1	1	1
13	Industry Experts	6	6	5
		(*Those who have voluntarily shared their contributions including articles published in journals/presentations made in the institutions)		
14	Automobile Associations	5	2	0

Annexure III

STANDARD POLICY WORDING AND FORMS

Part I – Standard Policy Wordings

A) Revised standard form for Private Car Package policy

Whereas the insured directly **or through an intermediary specifically mandated by the Insured** has submitted a signed proposal form or Statement of information in case of insurance intermediary and declaration dated as stated in the Schedule which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the insurance hereinafter contained and has paid the premium mentioned in the schedule as consideration for such insurance in respect of accidental loss or damage occurring during the period of insurance.

NOW THIS POLICY WITNESSETH:

That subject to the Terms Exceptions and Conditions contained herein or endorsed or expressed hereon;

SECTION I. LOSS OF OR DAMAGE TO THE VEHICLE INSURED

The Company will indemnify the insured against loss or damage to the vehicle insured hereunder and its accessories as specified in this schedule whilst thereon caused

- i. By fire, explosion, self -ignition or lightning ;
- ii. By burglary, housebreaking or theft ;
- iii. By riot and strike;
- iv. By earthquake (fire and shock damage);
- v. By flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost;
- vi. By accidental external means
- vii. By malicious act;
- viii. By terrorist activity;
- ix. Whilst in transit by road, rail, inland waterway, lift , elevator or air;
- x. By landslide, rockslide, subsidence.

Subject to a deduction for age-based depreciation at the rates mentioned below in respect of partial loss claims for parts replaced :

Age of the Vehicle	Depreciation % on all parts including glass and paint materials cost
Upto 1 year	10%
1 year to 2 years	20%

2 years to 3 years	30%
3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	55%
6 years to 7 years	60%
Above 7 years	65%

Proportionate premium for reinstatement of the Sum Insured from the date of loss till this policy expiry shall be deducted from all partial loss claims.

Note 1: Cost of consumables replaced as a part of repair arising out of an accident to the insured vehicle, for which claim is admissible under the policy, is payable as a part of the basic own damage cover.

Consumables shall mean oils, lubricants, oil/fuel filters , non-metal washers, gaskets, sealants, screws, nuts, bolts, clamps

Exceptions to Section 1

The Company shall not be liable to make any payment in respect of :-

- (a) Consequential loss, depreciation, wear and tear, mechanical, electrical or **computerized** parts breakdown, failures or breakages;

Note 2 : It is clarified that loss or damage to the

- a) **Internal parts of the engine**
- b) **Gear box parts**
- c) **Transmission or Differential Assembly parts**

Arising out of ingress of water into the Engine, Gear box, Transmission or Differential Assembly due to accidental causes, does not constitute Consequential Loss and it is within the scope of Section 1 Own Damage Cover.

- b) Damage to tyres and tubes unless the vehicle is damaged at the same time in which case the liability of the company shall be limited to 50% of the cost of replacement.
and
- (c) Any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured, is under the influence of intoxicating liquor **or psychotropic or narcotic substances.**

SUM INSURED

(Insurer to insert the Sum Insured option as per M.G.R 4 selected by the Insured in the Policy wordings)

STANDARD POLICY DEDUCTIBLE(S)

The Company shall not be liable for each and every claim under Section - I (loss of or damage to the vehicle insured) of this Policy in respect of the deductible(s) stated in the schedule.

CONDITIONS

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear.

1. **Notice shall be given to the Company within 24 hours upon the occurrence of any accidental loss or damage giving rise to a claim or within such extended period of time as the Insurance Company may allow** and thereafter the insured shall give all such information and assistance as the Company shall require. Every letter, claim, writ, summons and/or process or copy thereof shall be forwarded to the Company immediately on receipt by the insured. Notice shall also be given in writing to the Company immediately after the insured shall have knowledge of any impending prosecution, inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or criminal act which may be the subject of a claim under this Policy the insured shall give immediate notice to the police and co-operate with the Company in securing the conviction of the offender.
2. **It is a condition precedent to liability that all applicable provisions of MV Act as amended from time to time and extant MV Rules including but not limited to fitness, permit, speed and load are complied with.**
3. The due observance and fulfilment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the insured and the truth of the statements and answers in the said proposal and declaration shall be conditions precedent to any liability of the Company to make any payment under this Policy.

In case of breach of any warranty or policy condition or failure to exercise due diligence by the insured, the company, without prejudice to its rights under the policy, may consider payment of any claim either partly or fully as per its internal policy in this respect.

4. No admission offer promise payment or indemnity shall be made or given by or on behalf of the insured without the written consent of the Company which shall be entitled if

it so desires to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.

5. In the event of the vehicle being disabled by reason of loss or damage covered under this Policy the Company will bear the reasonable cost of protection and removal to the nearest repairer and redelivery to the insured **not exceeding Rs. 2000/- in respect of any one accident. This limit of Rs 2000/- can be increased on payment of appropriate additional premium.**
6. The Company may at its own option repair reinstate or replace the vehicle or part thereof and/or its accessories or may pay in cash the amount of the loss or damage and the liability of the Company shall not exceed:
 - (a) For total loss / constructive total loss of the vehicle - the Sum Insured of the vehicle (including accessories thereon) as specified in the Schedule less the value of the wreck.
 - (b) For partial losses, i.e. losses other than Total Loss/Constructive Total Loss of the vehicle - actual and reasonable costs of repair and/or replacement of parts lost/damaged subject to depreciation as per limits specified.
7. i) **The vehicle shall not be repaired until and unless it is inspected by a surveyor appointed by the Company. Non-compliance with this provision may prejudice the claim.**

The Company, however, may authorize the insured to carry out repairs without inspection as stipulated above in cases where the estimated loss is within the limits given hereunder:

For Private Cars Rs. _____

- ii) **If the estimated costs of repair including replacements exceed the limits specified below or damage is suspected to major assemblies, the Company shall have the right to have the vehicle inspected at the spot of accident and the Insured shall not remove the vehicle nor carry out any repairs or replacements until such inspection has been completed and specific approval obtained from the Company. Removal of vehicle from the accident spot on the instructions of Governmental Authorities shall not be deemed to be a violation of this condition.**

Limits for Spot Survey

For Private Cars :Rs...

8. The insured shall take all reasonable steps to safeguard the vehicle from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the vehicle or any part thereof or any driver or employee of the insured. In the event of any accident or breakdown, the vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the vehicle shall be entirely at the insured's own risk.
9. The Company may cancel the policy on the grounds of misrepresentation, fraud, non-disclosure of material facts or non-cooperation of the insured, by sending seven days notice by recorded delivery to the insured at insured's last known address and in such event will return to the insured the premium paid less the pro rata portion thereof for the period the Policy has been in force or the policy may be cancelled at any time by the insured on seven days' notice by recorded delivery and provided no claim has arisen during the currency of the policy, the insured shall be entitled to a return of premium less premium at the Company's Short Period rates for the period the Policy has been in force. Return of the premium by the company will be subject to retention of the minimum premium of **Rs.500/- (or Rs.100/-** in respect of vehicles specifically designed/modified for use by blind/handicapped/mentally challenged persons). Where the ownership of the vehicle is transferred, the policy cannot be cancelled unless evidence that the vehicle is insured elsewhere is produced.

Cancellation Clause - Long Term Policies :

The Insured shall be entitled for refund of premium on pro-rata basis for remaining full policy year(s) and for the running policy year as applicable in terms of provisions of MGR 15 of Motor Regulations read-with IRDAI (Protection of Policyholders') Interests Regulations, 2017 and circulars issued from time to time.

Cancellation happening in the running year	Remaining full policy year(s)
Refund of premium as per MGR 15 Rules of ME & PPI Regulations 2017	Prorata refund of premium

10. If at the time of occurrence of an event that gives rise to any claim under this policy there is in existence any other insurance covering the same liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any compensation, cost or expense.

11. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted), such difference shall independent of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to the dispute or if they cannot agree upon a single arbitrator within 30 days of any party invoking Arbitration, the same shall be referred to a panel of three arbitrators comprising two arbitrators one to be appointed by each of the parties to the dispute / difference, and a third arbitrator to be appointed by such two arbitrators who shall act as the presiding arbitrator and Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to Arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

It is also hereby further expressly agreed and declared that if the Company shall disclaim liability to the insured for any claim hereunder and such claim shall not, within twelve calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

12. In the event of the death of the sole insured, this policy will not immediately lapse but will remain valid for a period of three months from the date of the death of insured or until the expiry of this policy (whichever is earlier). During the said period, legal heir(s) of the insured to whom the custody and use of the Motor Vehicle passes may apply to have this Policy transferred to the name(s) of the heir(s) or obtain a new insurance policy for the Motor Vehicle.

Where such legal heir(s) desire(s) to apply for transfer of this policy or obtain a new policy for the vehicle such heir(s) should make an application to the Company accordingly within the aforesaid period. All such applications should be accompanied by:-

- a) Death Certificate in respect of the insured
- b) Proof of title to the vehicle
- c) Original Policy.

Standard Policy Schedule is attached under Annexure III

B) Revised standard form for Two Wheeler Package policy

Whereas the insured directly **or through an intermediary specifically mandated by the Insured** has submitted a signed proposal form OR Statement of information in case of insurance intermediary and declaration dated as stated in the Schedule which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the insurance hereinafter contained and has paid the premium mentioned in the schedule as consideration for such insurance in respect of accidental loss or damage occurring during the period of insurance.(The term two wheeler referred to in this Regulation will include motor cycle/scooter / auto cycle or any other motorised two wheeled vehicle including electric or battery operated two wheeled vehicles mentioned in the Schedule.)

NOW THIS POLICY WITNESSETH:

That subject to the Terms Exceptions and Conditions contained herein or endorsed or expressed hereon;

SECTION I. LOSS OF OR DAMAGE TO THE VEHICLE INSURED

The Company will indemnify the insured against loss or damage to the vehicle insured hereunder and its accessories as specified in the Schedule whilst thereon caused

- i. By fire, explosion, self ignition or lightning ;
- ii. By burglary, housebreaking or theft ;
- iii. By riot and strike;
- iv. By earthquake (fire and shock damage);
- v. By flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost;
- vi. By accidental external means;
- vii. By malicious act;
- viii. By terrorist activity;
- ix. Whilst in transit by road, rail, inland waterway, lift , elevator or air;
- x. By landslide, rockslide, subsidence.

Subject to a deduction for age-based depreciation of parts at the rates mentioned below in respect of partial loss claims for parts replaced :

Age of the Vehicle	Depreciation % on all parts including glass and paint material cost
Upto 1 year	10%
1 year to 2 years	20%

2 years to 3 years	30%
3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	55%
6 years to 7 years	60%
Above 7 years	65%

Proportionate premium for reinstatement of the Sum Insured from the date of loss till this policy expiry shall be deducted from all partial loss claims.

Note 1:

Cost of consumables replaced as a part of repair arising out of an accident to the insured vehicle, for which claim is admissible under the policy, is payable as a part of the basic own damage cover.

Consumables shall mean oils, lubricants, oil/fuel filters , non-metal washers, gaskets, sealants, screws, nuts, bolts, clamps.

Exceptions to Section 1

The Company shall not be liable to make any payment in respect of :-

- (a) Consequential loss, depreciation, wear and tear, mechanical, electrical or **computerized** parts breakdown, failures or breakages;

Note 2 : It is clarified that loss or damage to the

a) Internal parts of the engine

b) Gear box parts

c) Transmission or Differential Assembly parts

arising out of ingress of water into the Engine, Gear box, Transmission or Differential Assembly due to accidental causes, does not constitute Consequential Loss and it is within the scope of Section 1 Own Damage Cover.

- b) Damage to tyres and tubes unless the vehicle is damaged at the same time in which case the liability of the company shall be limited to 50% of the cost of replacement.
- (c) Any accidental loss or damage suffered whilst the insured or any person driving the vehicle with the knowledge and consent of the insured, is under the influence of intoxicating liquor or **psychotropic or narcotic substances**.

SUM INSURED

(*Insurer to insert the Sum Insured option as per M.G.R 4 selected by the Insured in the Policy wordings)

STANDARD POLICY DEDUCTIBLE

The Company shall not be liable for each and every claim under Section - I (loss of or damage to the vehicle insured) of this Policy in respect of the deductible(s) stated in the schedule.

CONDITIONS

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear.

1. Notice shall be given to the Company within 24 hours upon the occurrence of any accidental loss or damage giving rise to a claim or within such extended period of time as the Insurance Company may allow and thereafter the insured shall give all such information and assistance as the Company shall require. Every letter, claim, writ, summons and/or process or copy thereof shall be forwarded to the Company immediately on receipt by the insured. Notice shall also be given in writing to the Company immediately after the insured shall have knowledge of any impending prosecution, inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or criminal act which may be the subject of a claim under this Policy the insured shall give immediate notice to the police and cooperate with the Company in securing the conviction of the offender.
2. It is a condition precedent to liability that all applicable provisions of MV Act as amended from time to time and extant MV Rules including but not limited to fitness, permit, speed and load are complied with.
3. The due observance and fulfillment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the insured and the truth of the statements and answers in the said proposal and declaration shall be conditions precedent to any liability of the Company to make any payment under this Policy.

In case of breach of any warranty or policy condition or failure to exercise due diligence by the insured, the company, without prejudice to its rights under the policy, may consider payment of any claim either partly or fully as per its internal policy in this respect.

4. No admission offer promise payment or indemnity shall be made or given by or on behalf of the insured without the written consent of the Company which shall be entitled if it so desires to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.
5. In the event of the vehicle being disabled by reason of loss or damage covered under this Policy the Company will bear the reasonable cost of protection and removal to the nearest repairer and redelivery to the insured not exceeding Rs. 500/- in respect of any one accident. This limit of Rs 500 can be increased on payment of appropriate additional premium.
6. The Company may at its own option repair reinstate or replace the vehicle or part thereof and/or its accessories or may pay in cash the amount of the loss or damage and the liability of the Company shall not exceed:
 - (a) For total loss / constructive total loss of the vehicle - the Sum Insured of the vehicle (including accessories thereon) as specified in the Schedule less the value of the wreck.
 - (b) For partial losses, i.e. losses other than Total Loss/Constructive Total Loss of the vehicle - actual and reasonable costs of repair and/or replacement of parts lost/damaged subject to depreciation as per limits specified.
7. i) The vehicle shall not be repaired until and unless it is inspected by a surveyor appointed by the Company. Non-compliance with this provision may prejudice the claim.

The Company, however, may authorize the insured to carry out repairs without inspection as stipulated above in cases where the estimated loss is within the limits given hereunder:

For Two Wheelers Rs. _____

- ii) If the estimated costs of repair including replacements exceed the limits specified below or damage is suspected to major assemblies, the Company shall have the right to have the vehicle inspected at the spot of accident and the Insured shall not remove the vehicle nor carry out any repairs or replacements until such inspection has been completed and specific approval obtained from the Company. Removal of vehicle from the accident spot on the instructions of Governmental Authorities shall not be deemed to be a violation of this condition.

Limits for Spot Survey

For Two wheelers: Rs.

8. The insured shall take all reasonable steps to safeguard the vehicle from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the vehicle or any part thereof or any driver or employee of the insured. In the event of any accident or breakdown, the vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the vehicle shall be entirely at the insured's own risk.
9. The Company may cancel the policy on the grounds of misrepresentation, fraud, non-disclosure of material facts or non-cooperation of the insured, by sending seven days notice by recorded delivery to the insured at insured's last known address and in such event will return to the insured the premium paid less the pro rata portion thereof for the period the Policy has been in force or the policy may be cancelled at any time by the insured on seven days' notice by recorded delivery and provided no claim has arisen during the currency of the policy, the insured shall be entitled to a return of premium less premium at the Company's Short Period rates for the period the Policy has been in force. Return of the premium by the company will be subject to retention of the minimum premium of Rs.500/- (or Rs.100/- in respect of vehicles specifically designed/modified for use by blind/handicapped/mentally challenged persons). Where the ownership of the vehicle is transferred, the policy cannot be cancelled unless evidence that the vehicle is insured elsewhere is produced.

Cancellation Clause - Long Term Policies and Annual Policies :

The Insured shall be entitled for refund of premium on pro-rata basis for remaining full policy year(s) and for the running policy year as applicable in terms of provisions of MGR 15 of Motor Regulations read-with IRDAI (Protection of Policyholders') Interests Regulations, 2017 and circulars issued from time to time.

Cancellation happening in the running year	Remaining full policy year(s)
Refund of premium as per MGR 15 Rules of ME & PPI Regulations 2017	Prorata refund of premium

10. If at the time of occurrence of an event that gives rise to any claim under this policy there is in existence any other insurance covering the same liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any compensation, cost or expense.
11. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted), such difference shall independent of all other

questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to the dispute or if they cannot agree upon a single arbitrator within 30 days of any party invoking Arbitration, the same shall be referred to a panel of three arbitrators comprising two arbitrators one to be appointed by each of the parties to the dispute / difference, and a third arbitrator to be appointed by such two arbitrators who shall act as the presiding arbitrator and Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to Arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

It is hereby expressly stipulated and declared that it shall be condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

It is also hereby further expressly agreed and declared that if the Company shall disclaim liability to the insured for any claim hereunder and such claim shall not, within twelve calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

12. In the event of the death of the sole insured, this policy will not immediately lapse but will remain valid for a period of three months from the date of the death of insured or until the expiry of this policy (whichever is earlier). During the said period, legal heir(s) of the insured to whom the custody and use of the Motor Vehicle passes may apply to have this Policy transferred to the name(s) of the heir(s) or obtain a new insurance policy for the Motor Vehicle.

Where such legal heir(s) desire(s) to apply for transfer of this policy or obtain a new policy for the vehicle such heir(s) should make an application to the Company accordingly within the aforesaid period. All such applications should be accompanied by:-

- a) Death Certificate in respect of the insured
- b) Proof of title to the vehicle
- c) Original Policy.

Standard Policy format is attached under Annexure -III.

C) Revised standard form for Commercial Vehicles Package policy

Whereas the insured directly or through an intermediary specifically mandated by the Insured has submitted a signed proposal form/Statement of information in case of insurance intermediary and declaration dated as stated in the Schedule which shall be the basis of this contract and is deemed to be incorporated herein has applied to the Company for the insurance hereinafter contained and has paid the premium mentioned in the schedule as consideration for such insurance in respect of accidental loss or damage occurring during the period of insurance.

NOW THIS POLICY WITNESSETH :

That subject to the Terms Exceptions and Conditions contained herein or endorsed or expressed hereon;

SECTION I - LOSS OF OR DAMAGE TO THE VEHICLE INSURED

1. The Company will indemnify the insured against loss or damage to the vehicle insured hereunder and its accessories as specified in this Schedule whilst thereon: caused

- i. By fire, explosion, self-ignition or lightning ;
- ii. By burglary, housebreaking or theft ;
- iii. By riot and strike;
- iv. By earthquake (fire and shock damage)
- v. By flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost;
- vi. By accidental external means
- vii. By malicious act;
- viii. By terrorist activity;
- ix. Whilst in transit by road, rail, inland-waterway, lift , elevator or air;
- x. By landslide, rockslide, subsidence.

Subject to a deduction for age-based depreciation at the rates mentioned below in respect of partial loss claims for parts replaced :

Age of the Vehicle	Depreciation % on all parts including glass and paint materials cost
Upto 1 year	10%
1 year to 2 years	20%
2 years to 3 years	30%

3 years to 4 years	40%
4 years to 5 years	50%
5 years to 6 years	60%
6 years to 7 years	70%
Above 7 years	75%

Proportionate premium for reinstatement of the Sum Insured from the date of loss till this policy expiry shall be deducted from all partial loss claims.

Note 1: Cost of consumables replaced as a part of repair arising out of an accident to the insured vehicle, for which claim is admissible under the policy, is payable as a part of the basic own damage cover.

Consumables shall mean oils, lubricants, oil/fuel filters , non-metal washers, gaskets, sealants, screws, nuts, bolts, clamps.

2. The Company shall not be liable to make any payment in respect of

- (a) Consequential loss, depreciation, wear and tear, mechanical or electrical or computerized parts breakdown, failures or breakages nor for damage caused by overloading or strain of the insured vehicle.

Note 2 : It is clarified that loss or damage to the

- a) Internal parts of the engine
- b) Gear box parts
- c) Transmission or differential assembly parts arising out of ingress of water into the Engine, Gear box, Transmission or differential assembly due to accidental causes, does not constitute Consequential Loss and it is within the scope of Section 1 Own Damage Cover.
- (b) Damage to Tyres and Tubes unless the vehicle insured is damaged at the same time in which case the liability of the company shall be limited to 50% of the cost of replacement.
- (c) Any accidental loss or damage suffered whilst the insured or any person driving with the knowledge and consent of the insured, is under the influence of intoxicating liquor or psychotropic or narcotic substances.

SUM INSURED

(*Insurer to insert the Sum Insured option as per MGR 4. selected by the Insured in the Policy wordings)

STANDARD POLICY DEDUCTIBLE

The Company shall not be liable for each and every claim under Section - I (loss of or damage to the vehicle insured) of this Policy in respect of the deductible(s) stated in the schedule .

SECTION III - TOWING DISABLED VEHICLES

The policy shall be operative whilst the insured vehicle is being used for the purpose of towing any one disabled mechanically propelled vehicle and the indemnity provided by Section II of this policy shall subject to its terms and limitations be extended to apply in respect of liability in connection with such towed vehicle;

Provided always that

- (a) Such towed vehicle is not towed for reward
- (b) The Company shall not be liable by reason of this section of this policy in respect of damage to such towed vehicle or property being conveyed thereby.

CONDITIONS

This Policy and the Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear. **मा बी वि वि प्रा**

1. Notice shall be given to the Company within 24 hours upon the occurrence of any accidental loss or damage giving rise to a claim or within such extended period of time as the Insurance Company may allow and thereafter the insured shall give all such information and assistance as the Company shall require. Every letter, claim, writ, summons and/or process or copy thereof shall be forwarded to the Company immediately on receipt by the insured. Notice shall also be given in writing to the Company immediately after the insured shall have knowledge of any impending prosecution, inquest or fatal inquiry in respect of any occurrence which may give rise to a claim under this Policy. In case of theft or criminal act which may be the subject of a claim under this Policy the insured shall give immediate notice to the police and co-operate with the Company in securing the conviction of the offender.
2. It is a condition precedent to liability that all applicable provisions of MV Act as amended from time to time and extant MV Rules including but not limited to fitness, permit, speed and load are complied with.
3. The due observance and fulfillment of the terms, conditions and endorsements of this Policy in so far as they relate to anything to be done or complied with by the insured and the truth of the statements and answers in the said proposal and declaration shall be

conditions precedent to any liability of the Company to make any payment under this Policy.

In case of breach of any warranty or policy condition or failure to exercise due diligence by the insured, the company, without prejudice to its rights under the policy, may consider payment of any claim either partly or fully as per its internal policy in this respect.

4. No admission offer promise payment or indemnity shall be made or given by or on behalf of the insured without the written consent of the Company which shall be entitled if it so desires to take over and conduct in the name of the insured the defence or settlement of any claim or to prosecute in the name of the insured for its own benefit any claim for indemnity or otherwise and shall have full discretion in the conduct of any proceedings or in the settlement of any claim and the insured shall give all such information and assistance as the Company may require.
5. In the event of the vehicle being disabled by reason of loss or damage covered under this Policy the Company will bear the reasonable cost of protection and removal to the nearest repairer and re-delivery to the insured but not exceeding Rs. 1000/- for three wheeled vehicles, Rs. 2000/- for taxis and Rs.4000/- for other commercial vehicles in respect of any one accident. The above vehicle type wise limits of towing charges can be increased on payment of appropriate additional premium.
6. The Company may at its own option repair reinstate or replace the vehicle or part thereof and/or its accessories or may pay in cash the amount of the loss or damage and the liability of the Company shall not exceed:
 - (a) For total loss / constructive total loss of the vehicle - the Sum Insured of the vehicle (including accessories thereon) as specified in the Schedule less the value of the wreck.
 - (b) For partial losses, i.e. losses other than Total Loss/Constructive Total Loss of the vehicle - actual and reasonable costs of repair and/or replacement of parts lost/damaged subject to depreciation as per limits specified.
7. i) The vehicle shall not be repaired until and unless it is inspected by a surveyor appointed by the Company. Non-compliance with this provision may prejudice the claim.
 - ii) If the estimated costs of repair including replacements exceed the limits specified below or damage is suspected to major assemblies, the Company shall have the right to have the vehicle inspected at the spot of accident and the Insured shall not remove the vehicle nor carry out any repairs or replacements until such inspection has been completed and specific approval obtained from the Company.. Removal of vehicle from the accident spot on the instructions of Governmental Authorities shall not be deemed to be a violation of this condition.

Limits for Spot Survey

Rs.

8. The insured shall take all reasonable steps to safeguard the vehicle from loss or damage and to maintain it in efficient condition and the Company shall have at all times free and full access to examine the vehicle or any part thereof or any driver or employee of the insured. In the event of any accident or breakdown, the vehicle shall not be left unattended without proper precautions being taken to prevent further damage or loss and if the vehicle be driven before the necessary repairs are effected any extension of the damage or any further damage to the vehicle shall be entirely at the insured's own risk.
9. The Company may cancel the policy on the grounds of misrepresentation, fraud, non-disclosure of material facts or non-cooperation of the insured, by sending seven days notice by recorded delivery to the insured at insured's last known address and in such event will return to the insured the premium paid less the pro rata portion thereof for the period the Policy has been in force or the policy may be cancelled at any time by the insured on seven days' notice by recorded delivery and provided no claim has arisen during the currency of the policy, the insured shall be entitled to a return of premium less premium at the Company's Short Period rates for the period the Policy has been in force. Return of the premium by the company will be subject to retention of the minimum premium of Rs.500/- (or Rs.100/- in respect of vehicles specifically designed/modified for use by blind/handicapped/mentally challenged persons). Where the ownership of the vehicle is transferred, the policy cannot be cancelled unless evidence that the vehicle is insured elsewhere is produced.
10. If at the time of occurrence of an event that gives rise to any claim under this policy there is in existence any other insurance covering the same liability, the Company shall not be liable to pay or contribute more than its rateable proportion of any compensation, cost or expense.
11. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted), such difference shall independent of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to the dispute or if they cannot agree upon a single arbitrator within 30 days of any party invoking Arbitration, the same shall be referred to a panel of three arbitrators comprising two arbitrators one to be appointed by each of the parties to the dispute / difference, and a third arbitrator to be appointed by such two arbitrators who shall act as the presiding arbitrator and Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to Arbitration as hereinbefore provided, if the Company has disputed or not accepted liability under or in respect of this policy.

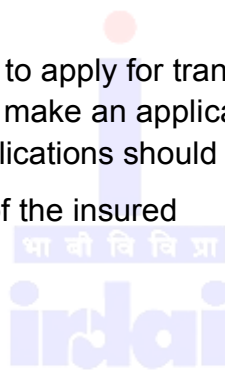
It is hereby expressly stipulated and declared that it shall be condition precedent to any right of action or suit upon this policy that the award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

It is also hereby further expressly agreed and declared that if the Company shall disclaim liability to the insured for any claim hereunder and such claim shall not, within twelve calendar months from the date of such disclaimer have been made the subject matter of a suit in a court of law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

12. In the event of the death of the sole insured, this policy will not immediately lapse but will remain valid for a period of three months from the date of the death of insured or until the expiry of this policy (whichever is earlier). During the said period, legal heir(s) of the insured to whom the custody and use of the Motor Vehicle passes may apply to have this Policy transferred to the name(s) of the heir(s) or obtain a new insurance policy for the Motor Vehicle.

Where such legal heir(s) desire(s) to apply for transfer of this policy or obtain a new policy for the vehicle such heir(s) should make an application to the Company accordingly within the aforesaid period. All such applications should be accompanied by:-

- a) Death Certificate in respect of the insured
- b) Proof of title to the vehicle
- c) Original Policy.



Part -II Proposal Forms

A) Proposal Form for Two-Wheelers and Private Cars

Title and Name of the Insured (Proposer):

Address (Address where vehicle is normally kept and used):

Tel. No:

Mobile No:

E-Mail Address:

(OTP/policy alerts including premium receipts/renewals /endorsements / claim / policy updates will be sent to this number so please ensure correct number is provided.)

Occupation / Business:

Aadhaar No. (Optional):

PAN number:

Electronic Insurance Account

Do you have an EIA Account:	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please quote EIA Number:	
Please mention name of Insurance Repository:	
If No, do you want Us to create an EIA account for you:	<input type="checkbox"/> Yes <input type="checkbox"/> No (If Yes, please fill up Insurance Repository Application form)
Email id (Registered with Insurance Repository):	
Your address details as mentioned in the EIA account shall override the address provided in this application for Insurance.	

Type of Cover required: Liability Only Policy / Package Policy / Bundled Policy / Others (specify)

Period of Insurance

Own Damage Cover : From----- To-----

Third Party Cover : From----- To-----

CPA Cover : From----- To-----

1. Registration No. and Date of First Registration of the Vehicle:

2. Registering Authority & Location:

3. Year of Manufacture:

4. Engine No:

5. Chassis No.:

6. Vehicle Make:

7. Vehicle Model/Variant:

8. Type of body:

9. Cubic Capacity / BHP/ Watts (in case of Electric vehicles):

10. Fuel Type: Petrol / Diesel / CNG / LPG / Electric / Bi-fuel / Others

11. Seating capacity including Driver:

12. Whether the vehicle is used for driving tuitions. Yes/No

13. Whether extension of geographical area to the following countries required ? Yes/No

Bangladesh, Bhutan, Maldives, Nepal. Pakistan and Sri Lanka.

If Yes state the name of the countries. _____

14. Whether use of vehicle is limited to own premises? Yes/No
 15. Whether vehicle is used for Commercial purposes ? Yes/No
 16. Whether vehicle belongs to foreign embassy / consulate ?
 17. Whether vehicle is designed for use of Blind/ Handicapped/ mentally challenged persons and duly endorsed as such by RTA ? Yes/No
 18. Do you wish to opt for additional voluntary deductible over and above the compulsory deductible - Yes/No
 If yes, please specify the amount: Rs.

19. Are you entitled to No Claim Bonus ? Yes/No If yes, please submit proof thereof.

20. The policy provides Third Party Property Damage (TPPD) of Rs.1 lakh-(Two wheelers) and Rs.7.5 lakhs (Private Cars). Do you wish to restrict the above limits to the statutory TPPD Liability limit of Rs.6000/- only? Yes/No

21. Do you wish to cover Legal Liability to ?

- A) Driver (No. of persons _____) Yes/No
 B) Other employees (No. of persons _____) Yes/No
 C) Unnamed Passengers (No. of Persons _____) Yes/No

22. Do you wish to include Personal Accident (P.A.) Cover for Named persons ? Yes/No

If yes, give name and Capital Sum Insured (CSI) opted for. The maximum CSI available per person is Rs. 2 lakhs in the case of Private cars and Rs. 1 Lakh in the case of Motorised two wheelers.

Name	CSI opted (Rs.)	Nominee Name and Relationship
------	-----------------	-------------------------------

1.
2.
3.

23. Do you wish to include P.A. Cover for unnamed persons /hirer/pillion passengers(two wheelers) ? Yes/No
 If yes, give the number of persons and Capital Sum Insured (CSI) opted. The maximum CSI available per person is Rs. 2 lakhs in the case of Private cars and Rs. 1 lakh in the case of Motorised two wheelers.

Number of persons	CSI opted (Rs.)	Nominee Name and Relationship
-------------------	-----------------	-------------------------------

24. Add on covers opted for

S. No	Add on cover	Tick (Yes / No)
1	Nil Depreciation	
2	Engine Cover	
3	Return to Invoice	
4.		

25. Sum Insured (Please fill up the following table:)

*Sum Insured of the Vehicle (in INR)	*Non - Electrical ^s Accessories fitted to the Vehicle (in INR) by Proposer/OEM	*Electrical & Electronic ^s Accessories fitted to the Vehicle (in INR) by Proposer/OEM	*Trailer (in INR)	*CNG / LPG Kit ^s (in INR)	*Total Value (in INR)

	(Note: Value of accessories fitted by OEM forms part of sum insured of the vehicle)	(Note: Value of accessories fitted by OEM forms part of sum insured of the vehicle)			
--	---	---	--	--	--

Note:

***Insurer to insert MGR 4 here**

26. Previous History

a. Date of Purchase of the vehicle by the proposer _____

b. Whether the vehicle was New or Second Hand at the time of Purchase

c. Will the vehicle be used exclusively for

A. private, social, domestic, pleasure & professional purposes (Yes/No)

B. carriage of goods other than samples or personal luggage (Yes/No)

d. Is the vehicle in good condition ? (Yes/No)

If "No" please give full details _____

e. Name and address of the previous insurer _____

f. Previous Policy Number _____

Period of Insurance from ____/____/____ to ____/____/____

g. Type of cover: Liability Only Cover / Package Cover / Bundled Cover / Others(specify)

h. Claims lodged during the preceding 3 years (including claims against you by third parties)

Year	Number	Amount (Rs.)	Type of Claim (OD/TP/CPA)
------	--------	--------------	---------------------------

i. Has any insurance company ever :

a) declined the proposal (Yes/No)

b) cancelled & refused to renew (Yes/No)

(if yes, reasons there for).....

c) imposed special condition or excess (Yes/No)

(if yes, reasons and details thereof)

27. Details of Hire Purchase / Hypothecation / Lease

a) Is the vehicle proposed for insurance :-

Under Hire Purchase (Yes/No)

Under Lease Agreement (Yes/No)

Under Hypothecation Agreement (Yes/No)

b) If yes, give name and address of concerned parties _____

28. Details of persons who normally drive the vehicle

(a)

Name	Category	Age	Driving License No	License Expiry Date
	Owner Driver			
	Others			
	Others			

(b) Does any of the driver(s) suffer from defective vision or hearing or any physical infirmity. (Yes/No)

If "Yes" please give details.

(c) Has any of the driver(s) ever been involved/convicted for causing any accident or loss? If yes, please give details as under including the pending prosecution, if any :-

Driver's Name	Date of Accident	Circumstances of Accident/ Claim	Loss/Cost Rs.
---------------	------------------	----------------------------------	---------------

Please provide any other information which may be relevant in effecting the proposed insurance cover (If you require additional space to answer any question on this Proposal Form, please attach additional sheets of paper and indicate on the additional sheet the question number to which the information being provided pertains)

Consent for Data sharing

Your Policy details will be added to IIBI (Insurance Information Bureau of India) database as mandated by IRDAI. The policy and personal data may be shared subject to provisions of applicable laws.

Please provide your consent for sharing the data with the following entities, if necessary for verification of details in case of an accident or for portability or for any other eventuality

a) Other Indian Insurers : Yes/ No

b) Persons pursuing a claim in respect of a motor accident involving your vehicle : Yes/ No

Declaration by Insured

I / We hereby declare that the statements made by me / us in this Proposal Form are true to the best of my / our knowledge and belief and I / We hereby agree that this declaration shall form the basis of the contract between me / us and the "----- Co. Ltd."

I/We also declare that any additions or alterations are carried out after the submission of this proposal form then the same would be conveyed to the insurers immediately.

Place

Date

Signature of Proposer

INSURANCE ACT 1938, SECTION 41 - PROHIBITION OF REBATES

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind or risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.

2. Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to Ten Lakhs rupees.

Extract for Go Green/ PUC/ CPA

Valid PUC - I/We hereby declare and confirm that the Vehicle to be insured has a valid Pollution Under Control (PUC) Certificate.

CPA

Compulsory Personal Accident (PA) Cover for owner-driver (PA Cover for Owner –Driver is compulsory for individual vehicle owners)

I hereby declare that the Owner Driver does not require Compulsory Personal Accident Cover as

- 1) Owner Driver has a separate existing Personal Accident cover against Death and Permanent Disability (Total and Partial) for Sum Insured of at least 15 lacs.

Tenure ____ years _____ to _____

Policy Number:

- 2) The Vehicle to be insured is not owned by an individual.
- 3) The Owner Driver does not have an effective driving license.

(Note: Where the owner driver owns more than one vehicle, compulsory PA cover can be granted for any one vehicle as opted by him/her.) Personal Accident cover for owner driver is compulsory for Sum Insured of 15 lakhs for Two-wheeler, Private Car and Commercial Vehicles. Compulsory PA Cover for Owner Drivers cannot be granted where the Vehicle is owned by a company, a partnership firm or a similar body corporate.

VERNACULAR DECLARATION

I hereby declare that, I have fully explained the contents of the proposal form and terms and conditions of the Policy to the Proposer in the language understood to him/her and that the Proposer has affixed the thumb impression / signature after fully understanding the contents thereof.

Signature/Thumb impression of Proposer

I hereby declare that, I have fully explained the features and terms & condition of the policy in detail to the Proposer and the Proposer has affixed the thumb impression / signature after fully understanding the features thereof.

Signature of Intermediary

B) Proposal Form for Commercial Vehicles

Title and Name of the Insured (Proposer)

Address (Address where vehicle is normally kept and used):

Tel. No:

Mobile No:

E-Mail Address:

(OTP/policy alerts including premium receipts/renewals /endorsements / claim / policy updates will be sent to this number so please ensure correct number is provided.)

Occupation / Business:

Aadhaar No. (Optional):

PAN Number:

Electronic Insurance Account

Do you have an EIA Account:	<input type="checkbox"/> Yes <input type="checkbox"/> No
If Yes, please quote EIA Number:	
Please mention name of Insurance Repository:	
If No, do you want Us to create an EIA account for you:	<input type="checkbox"/> Yes <input type="checkbox"/> No (If Yes, please fill up Insurance Repository Application form)
Email id (Registered with Insurance Repository):	
Your address details as mentioned in the EIA account shall override the address provided in this application for Insurance.	

Type of Cover required: Liability Only Policy / Package Policy / Bundled Policy / Others (specify)

Period of Insurance

Own Damage Cover : From----- To-----

Third Party Cover : From----- To-----

CPA Cover : From----- To-----

1. Registration No. and Date of First Registration of the Vehicle:

2. Registering Authority & Location:

3. Year of Manufacture:

4. Engine No:

5. Chassis No.:

6. Vehicle Make:

7. Vehicle Model/Variant:

8. Type of body:

9. Gross vehicle weight (GVW) / Cubic Capacity (CC)/ HP:

10. Max licensed carrying capacity (in case of Passenger carrying vehicles):
11. Fuel Type: Petrol / Diesel / CNG / LPG / Electric / Bi-fuel /Battery/Others
12. No of Wheels:
13. Whether the vehicle is used for driving tuitions. Yes/No
14. Whether extension of geographical area to the following countries required ? Yes/No
Bangladesh, Bhutan, Maldives, Nepal. Pakistan and Sri Lanka.
If Yes state the name of the countries. _____
15. Whether use of vehicle is limited to own premises? Yes/No
16. Whether the commercial vehicle is also used for private purposes ? Yes/No
(excluding use for hire or reward)
17. Whether vehicle belongs to foreign embassy / consulate ?
18. Whether vehicle is designed for use of Blind/ Handicapped/ mentally challenged persons and duly endorsed as such by RTA ? Yes/No
19. Do you wish to opt for additional voluntary deductible over and above the compulsory deductible - Yes/No
If yes, please specify the amount :Rs.
20. Are you entitled to No Claim Bonus ? Yes/No If yes, please submit proof thereof.

21. The policy provides Third Party Property Damage (TPPD)of Rs.1 lakh-(Two wheelers) and Rs.7.5 lakhs (Private Cars). Do you wish to restrict the above limits to the statutory TPPD Liability limit of Rs.6000/- only? Yes/No

22. Do you wish to cover wider legal liability to employees who are 'workmen'? Yes/No
23. Do you wish to cover wider legal liability to employees who are NOT 'Employees'? Yes/No
24. Do you wish to cover tail lamps, indicator lamps, tyres, tubes, mudguards, mudflaps, mudlinersand paint work of damaged portion only? Yes/No
25. Do you wish to cover against overturning (Applicable for mobile cranes, drill rigs, mobile plants, excavators, navies, shovels, grabs, rippers)? Yes/No

26. Do you wish to cover Legal Liability to ?

- A) Driver (No. of persons _____) Yes/No
- B) Other employees (No. of persons _____) Yes/No
- C) Unnamed Passengers (No. of Persons _____) Yes/No

27. Do you wish to include Personal Accident (P.A.) Cover for Named persons ? Yes/No

If yes, give name and Capital Sum Insured (CSI) opted for. The maximum CSI available per person is Rs. 1 Lakh in the case of Motorised two wheelers and Rs. 2 lakhs for other classes of vehicles.

Name	CSI opted (Rs.)	Nominee Name & Relationship
1.		
2.		
3.		

28. Do you wish to include P.A. Cover for unnamed persons /hirer/pillion passengers(two wheelers) ? Yes/No

If yes, give the number of persons and Capital Sum Insured (CSI) opted. The maximum CSI available per person is Rs. 1 Lakh in the case of Motorised two wheelers and Rs. 2 lakhs for other classes of vehicles.

Number of persons	CSI opted (Rs.)	Nominee Name & Relationship
-------------------	-----------------	-----------------------------

29. Add on covers opted for

S. No	Add on cover	Tick (Yes / No)
1	Nil Depreciation	
2	Engine Cover	
3		

30. Sum Insured (Please fill up the following table)

*Sum Insured of the Vehicle (in INR)	*Non - Electrical ^{\$} Accessories fitted to the Vehicle (in INR) by OEM/Proposer	*Electrical & Electronic ^{\$} Accessories fitted to the Vehicle (in INR) by OEM/Proposer	*Trailer (in INR)	*CNG / LPG Kit ^{\$} (in INR)	*Total Value (in INR)
	(Note: Value of accessories fitted by OEM forms part of sum insured of the vehicle)	(Note: Value of accessories fitted by OEM forms part of sum insured of the vehicle)			

Note:

Insurer to insert MGR 4 here.

31. Previous History

a. Date of Purchase of the vehicle by the proposer _____

b. Whether the vehicle was New or Second Hand at the time of Purchase

c. Usage of the vehicle :

A.

d. Is the vehicle in good condition ? (Yes/No)

If "No" please give full details _____

e. Name and address of the previous insurer _____

f. Previous Policy Number _____

Period of Insurance from ____ / ____ / ____ to ____ / ____ / ____

g. Type of cover: Liability Only Cover / Package Cover / Bundle Cover / Others(specify)

h. Claims lodged during the preceding 3 years (including claims against you by third parties)

Year	Number	Amount (Rs.)	Type of Claim(OD/TP/CPA)
------	--------	--------------	--------------------------

Declaration by Insured

I / We hereby declare that the statements made by me / us in this Proposal Form are true to the best of my / our knowledge and belief and I / We hereby agree that this declaration shall form the basis of the contract between me / us and the "----- Co. Ltd."

I/We also declare that any additions or alterations are carried out after the submission of this proposal form then the same would be conveyed to the insurers immediately.

Place

Date

Signature of Proposer

INSURANCE ACT 1938, SECTION 41 - PROHIBITION OF REBATES

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind or risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate except such rebate as may be allowed in accordance with the prospectus or tables of the Insurer.

2. Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to INR Ten Lakhs .

Extract for Go Green/ PUC/ CPA

Valid PUC - I/We hereby declare and confirm that the Vehicle to be insured has a valid Pollution Under Control (PUC) Certificate.

CPA

Compulsory Personal Accident (PA) Cover for owner-driver (PA Cover for Owner –Driver is compulsory for individual vehicle owners)

I hereby declare that the Owner Driver does not require Compulsory Personal Accident Cover as

- 1) Owner Driver has a separate existing Personal Accident cover against Death and Permanent Disability (Total and Partial) for Sum Insured of at least 15 lacs.

Tenure ___ years _____ to _____

Policy Number:

- 2) The Vehicle to be insured is not owned by an individual.
- 3) The Owner Driver does not have an effective driving license.

(Note: Where the owner driver owns more than one vehicle, compulsory PA cover can be granted for any one vehicle as opted by him/her.) Personal Accident cover for owner driver is compulsory for Sum Insured of 15 lakhs for Two-wheeler, Private Car and Commercial Vehicles. Compulsory PA Cover for Owner Drivers cannot be granted where the Vehicle is owned by a company, a partnership firm or a similar body corporate.

VERNACULAR DECLARATION

I hereby declare that, I have fully explained the contents of the proposal form and terms and conditions of the Policy to the Proposer in the language understood to him/her and that the Proposer has affixed the thumb impression / signature after fully understanding the contents thereof.

Signature/Thumb impression of Proposer

I hereby declare that, I have fully explained the features and terms & condition of the policy in detail to the Proposer and the Proposer has affixed the thumb impression / signature after fully understanding the features thereof.

Signature of Intermediary



Part III – Standard Policy Schedules

1. Two Wheeler Package Policy

SCHEDULE

Policy No. : _____ **Previous Policy No:** _____ **Intermediary Name :** _____
THE COMPANY : _____ **Intermediary Code :** _____
THE INSURED : Name : _____ **Intermediary Contact :** _____
 Address : _____
 Business or Profession : _____
 Mobile No: _____
 E- mail : _____

Period of Insurance: From o' clock on..... to midnight on

Geographical Area: INDIA

The vehicle: Any of the following

(Two wheeler shall be deemed to include a side-car attached to it)

Registration Mark & Place of Registration	Engine No. & Chassis No.	Make	Type of body	Cubic capacity	Year of manufacture	Seating capacity of side car (if any)	Sum Insured	
							For Vehicle	For Accessories not included in Manufacturer's listed selling price
							Rs.	Rs.

Policy No.	SUM INSURED					
	For the Vehicle	For side-car	Non electrical	Electrical/ Electronic	Value of CNG/	Total Value
	Rs	Rs	Rs	Rs	Rs	Rs

LIMITATIONS AS TO USE :

The Policy covers use of the vehicle for any purpose other than:

- Hire or Reward
- Carriage of goods (other than samples or personal luggage)
- Organized racing
- Pace making
- Speed testing
- Reliability Trials
- Any purpose in connection with Motor Trade

DRIVER :

Any person including insured:

Provided that a person driving holds an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license .

Provided also that the person holding an effective Learner's License may also drive the vehicle and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicles Rules, 1989.

Limits of Liability

Under Section II-1 (i) of the policy - Death of or bodily injury - Such amount as is necessary to meet the requirements of the Motor Vehicles Act , 1988.

Under Section II - 1(ii) of the policy -Damage to Third Party Property - Rs/*

*Insert Rs.6000/-Rs.1 lakh as the case may be.

P.A. Cover for Owner – Driver under section III (CSI) - Rs.....

Deductible under section 1 :Rs.....

No Claim Bonus :As per MGR 15

PREMIUM COMPUTATION TABLE

A. Own Damage Cover	Premium (Rs.)	B. Liability Only cover	Premium (Rs.)
Basic OD cover for Vehicle and accessories fitted by manufacturer and side car		Basic TP premium for the vehicle	
OD cover for accessories fitted by Insured		CPA cover	
Add on cover 1		Legal Liability cover 1	
Add on cover 2		Legal Liability cover 2	
Add on cover 3		Legal Liability cover 3	
...		...	

Details of persons who normally drive the vehicle

Name	Category	Age	Driving License No	License Expiry Date
	Owner Driver			
	Others			
	Others			

Subject to Motor. Endt. Nos. (MEs)& Memorandum printed/herein/attached hereto

Under Hire Purchase Agreement with

Hypothecated with

Lease agreement with

Date and signature of **proposal**

in Witness whereof this Policy has been signed at thisday of

Date

Receipt No.Date

Address of issuing Office:

(Duly Constituted Attorney (s))

IMPORTANT NOTICE

The Insured is not indemnified if the vehicle is used or driven otherwise than in accordance with this Schedule. Any payment made by the Company by reason of wider terms appearing in the Certificate in order to comply with the Motor Vehicle Act, 1988 is recoverable from the Insured. See the clause headed "AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY".

For Legal interpretation, English version will hold good.

2) Private Car Package Policy

SCHEDULE

Policy No. : Previous Policy No: Intermediary Name :
THE COMPANY : Intermediary Code :
THE INSURED : Name : Intermediary Contact :
Address :
Business or Profession :
Mobile No:
E- mail :

Period of Insurance: From o' clock on to midnight on

Geographical Area: INDIA

THE VEHICLE:

Registration Mark & Place of Registration	Engine No. & Chassis No.	Make/M odel or Variant	Type of bod	Cubic capacity	Year of manufacture	Seating capacity including driver	Sum Insured

Policy No.	Sum Insured					
	For the Vehicle	For trailers	Non electrical accessories	Electrical/ Electronic	Value of CNG/LPG	Total Value
	Rs	Rs	Rs	Rs	Rs	Rs

Limitations as to use:-

The Policy covers use of the vehicle for any purpose other than:

- Hire or Reward
- Carriage of goods (other than samples or personal luggage)

- c) Organized racing
- d) Pace making
- e) Speed testing
- f) Reliability Trials
- g) Any purpose in connection with Motor Trade

Driver:

Any person including the insured

Provided that a person driving holds an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license;

Provided also that the person holding an effective learner’s license may also drive the vehicle and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicles Rules, 1989.

Limits of Liability

Under Section II-1 (i) of the policy - Death of or bodily injury - Such amount as is necessary to meet there requirements of the Motor Vehicles Act, 1988.

Under Section II - 1(ii) of the policy -Damage to Third Party Property - Rs..... /*

*Insert Rs.6000/-Rs.7.5 lakhs as the case may be.

P.A. Cover under Section III for Owner – Driver (CSI) : Rs.

Deductible under section –I : : Rs.....

No Claim Bonus : as per MGR 15

PREMIUM COMPUTATION TABLE

A. Own Damage Cover	Premium (Rs.)	B. Liability Only cover	Premium (Rs.)
Basic OD cover for Vehicle and accessories fitted by manufacturer		Basic TP premium for the vehicle	
OD cover for accessories fitted by Insured		CPA cover	
Add on cover 1		Legal Liability cover 1	
Add on cover 2		Legal Liability cover 2	
Add on cover 3		Legal Liability cover 3	
...		...	

Details of persons who normally drive the vehicle

Name	Category	Age	Driving License No	License Expiry Date
	Owner Driver			
	Others			
	Others			

Subject to I.M.T.Endt. Nos. & Memorandum printed/herein/attached hereto

Under Hire Purchase Agreement with

Hypothecated with

Lease agreement with

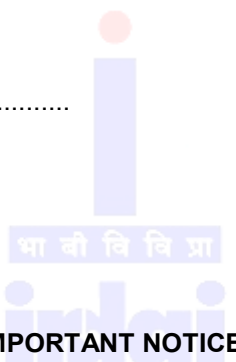
Date and signature of **proposal**

in Witness whereof this Policy has been signed at thisday of

Date

Receipt No.Date

Address of issuing Office:



(Duly Constituted Attorney (s))

IMPORTANT NOTICE

The Insured is not indemnified if the vehicle is used or driven otherwise than in accordance with this Schedule. Any payment made by the Company by reason of wider terms appearing in the Certificate in order to comply with the Motor Vehicle Act, 1988 is recoverable from the Insured. See the clause headed "AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY".

For Legal interpretation, English version will hold good.

3)For Commercial Vehicles Package Policy

SCHEDULE

Policy No. : Previous Policy No: Intermediary Name :
 THE COMPANY : Intermediary Code :
 THE INSURED : Name : Intermediary Contact :
 Address :
 Business or Profession :
 Mobile No:
 E- mail :

Carrying on or engaged in the business or occupation of and no other for the purposes of this Insurance

Period of insurance: From ----'o' clock on ----- to midnight on -----

Geographical Area: INDIA

THE VEHICLE:

Registration No. & Place of Registration	Engine No. & Chassis No.	Make/ Variant	Type of body	Cubic Capacity	Year of manufacture	GVW (Goods carrying vehicle)	Licensed Carrying capacity including Driver (Passenger Carrying vehicle)	Sum Insured	
								For Vehicle Rs.	For Accessories not included in Manufacturer's listed selling price Rs.

Policy No.	SUM INSURED					
	For the Vehicle	For trailers/ Other attachments in case of	Non electrical accessories	Electrical/ Electronic accessories	Value of CNG/ LPG kit	Total Value
	Rs	Rs	Rs	Rs	Rs	Rs

Limitations as to use: As per Motor Vehicles Rules 1989.

Driver

i) Persons or classes of persons entitled to drive

Stage Carriage / Contract carriage /Private Service Vehicle	<p>Any person including insured :</p> <p>Provided that a person driving holds an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license.</p> <p>Provided also that the person holding an effective learner's license may also drive the vehicle when not used for the transport of passengers at the time of accident and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicles Rules, 1989.</p>
Goods Carriage	<p>Any person including insured:</p> <p>Provided that a person driving hold an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license. Provided also that the person holding an effective learner's license may also drive the vehicle when not used for the transport of goods at the time of the accident and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicles Rules, 1989.</p>
Non – Transport vehicles	<p>Any person including insured:</p> <p>Provided that a person driving holds an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license. Provided also that the person holding an effective learner's license may also drive the vehicle when not used for the transport of goods at the time of the accident and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicles Rules, 1989</p>

Limits of Liability

Under Section II-1 (i) of the policy - Death of or bodily injury - Such amount as is necessary to meet the requirements of the Motor Vehicles Act , 1988.

Under Section II - 1(ii) of the policy -Damage to Third Party Property - Rs..... /*

*Insert Rs.6000/-Rs.7.5 lakhs as the case may be.

P.A. Cover for Owner – Driver under section IV (CSI) - Rs.....

Deductible under section 1 :Rs.....

No Claim Bonus : as per MGR 15

GOODS CARRYING / PASSENGER CARRYING / MISC GROUP D VEHICLES

PREMIUM COMPUTATION TABLE

A. Own Damage Cover	Premium (Rs.)	B. Liability Only cover	Premium (Rs.)
Basic OD cover for Vehicle and accessories fitted by manufacturer		Basic TP premium for the vehicle	
OD cover for accessories fitted by Insured		CPA COVER	
Add on cover 1		Passenger Legal Liability cover	
Add on cover 2		Other Legal Liability covers	
Add on cover 3		Legal Liability cover 1	
...		Legal Liability cover 2	
		Legal Liability cover 3	

Details of persons who normally drive the vehicle

Name	Category	Age	Driving License No	License Expiry Date
	Owner Driver			
	Others			
	Others			

Subject to I.M.T.Endt. Nos.& Memorandum printed/herein/attached hereto.

Note : In case of all Misc Group D vehicles, the Standard Policy covers use of the vehicles for Hire or reward

Under Hire Purchase Agreement with

Hypothecated with

Lease agreement with

Date and signature of **proposal**

in Witness whereof this Policy has been signed at thisday of in lieu of cover Note No. Date

Receipt No.Date

(Duly Constituted Attorney (s))

Address of the Issuing Office

IMPORTANT NOTICE

The Insured is not indemnified if the vehicle is used or driven otherwise than in accordance with this Schedule. Any payment made by the Company by reason of wider terms appearing in the Certificate in order to comply with the Motor Vehicle Act, 1988 is recoverable from the Insured. See the clause headed "AVOIDANCE OF CERTAIN TERMS AND RIGHT OF RECOVERY".

For Legal interpretation, English version will hold good.



M.E 1 AGREED VALUE CLAUSE**(APPLICABLE ONLY TO VINTAGE CARS AND CLASSIC CARS)**

It is hereby declared and agreed that in case of TOTAL LOSS/CONSTRUCTIVE TOTAL LOSS of the Vintage Car insured hereunder due to a peril insured against, the amount payable will be the Sum Insured of the vehicle as mentioned in the Policy **without deduction of any depreciation.**

It is further declared and agreed that in case of partial loss to the vehicle, depreciation on parts replaced will be as stated in Section I of the Policy.

Subject otherwise to the terms exceptions conditions and limitations of this Policy.

M.E 2 TRANSFER OF INTEREST

It is hereby understood and agreed that as from .../.../..... the interest in the policy is transferred to and vested in of carrying on or engaged in the business or profession of who shall be deemed to be the insured and whose proposal and declaration dated .. /.../.... shall be deemed to be incorporated in and to be the basis of this contract.

Provided always that for the purpose of the No Claim Bonus, no period during which the interest in this policy has been vested in any previous Insured shall accrue to the benefit of

Subject otherwise to the terms exceptions conditions and limitations of this policy.

M.E 3 SUBSTITUTION OF VEHICLE

It is hereby understood and agreed that as from .../.../ the vehicle bearing Registration Number is deemed to be deleted from the Schedule of the Policy and the vehicle with details specified hereunder is deemed to be included therein-

Regd. No.	Engine/ Chassis No.	Make	Type of Body	C.C.	Year of Manufacture	Seating Capacity including Driver	Sum Insured

In consequence of this change, an extra / refund premium of Rs..... is charged/ allowed to the insured.

Subject otherwise to the terms exceptions conditions and limitations of this Policy.

M.E 4 HIRE PURCHASE AGREEMENT

It is hereby understood and agreed that (hereinafter referred to as the Owners) are the Owners of the vehicle insured and that the vehicle insured is subject of an Hire Purchase Agreement made between the Owners on the one part and the insured on the other part and it is further understood and agreed that the Owners are interested in any monies which but for this Endorsement would be payable to the insured under this policy in respect of such loss or damage to the vehicle insured **as cannot be made good by repair and / or replacement of parts** and such monies shall be paid to the Owners as long as they are the Owners of the vehicle insured and their receipt shall be a full and final discharge to the insurer in respect of such loss or damage.

It is further declared and agreed that for the purpose of the Compulsory Personal Accident Cover for the owner-driver granted under this policy, the insured named in the policy will continue to be deemed as the owner-driver subject to compliance of provisions of the policy relating to this cover.

Save as by this Endorsement expressly agreed nothing herein shall modify or affect the rights and liabilities of the insured or the insurer respectively under or in connection with this Policy.

Subject otherwise to the terms exceptions conditions and limitations of this policy.

M.E 5 LEASE AGREEMENT

It is hereby understood and agreed that (hereinafter referred to as the Lessors) are the Owners of the vehicle insured and that the vehicle insured is the subject of a Lease Agreement made between the Lessor on the one part and the insured on the other part and it is further understood and agreed that the Lessors are interested in any monies which but for this Endorsement would be payable to the insured under this policy in respect of such loss or damage to the vehicle insured **as cannot be made good by repair and / or replacement of parts** and such monies shall be paid to the Lessors as long as they are the Owners of the vehicle insured and their receipt shall be a full and final discharge to the insurer in respect of such loss or damage. It is also understood and agreed that notwithstanding any provision in the Leasing Agreement to the contrary, this policy is issued to the insured namely as the principal party and not as agent or trustee and nothing herein contained shall be construed as constituting the insured an agent or trustee for the Lessors or as an assignment (whether legal or equitable) by the insured to the Lessors, of his rights benefits and claims under this policy and further nothing herein shall be construed as creating or vesting any right in the Owner/Lessor to sue the insurer in any capacity whatsoever for any alleged breach of its obligations hereunder.

It is further declared and agreed that for the purpose of the Personal Accident Cover for the owner-driver granted under this policy, the insured named in the policy will continue to be deemed as the owner-driver subject to compliance of provisions of the policy relating to this cover.

Save as by this Endorsement expressly agreed nothing herein shall modify or affect the rights and liabilities of the insured or the insurer respectively under or in connection with this Policy.

Subject otherwise to the terms exceptions conditions and limitations of this policy.

M.E 6 Vehicles subject to Hypothecation Agreement

It is hereby declared and agreed that the vehicle insured is pledged to / hypothecated with (hereinafter referred to as the "Pledgee") and it is further understood and agreed that the Pledgee is interested in any monies which but for this Endorsement would be payable to the insured under this policy in respect of such loss or damage to the vehicle insured **as cannot be made good by repair and / or replacement of parts** and such monies shall be paid to the Pledgee as long as they are the Pledgee of the vehicle insured and their receipt shall be a full and final discharge to the insurer in respect of such loss or damage.

It is further declared and agreed that for the purpose of the Personal Accident Cover for the owner-driver granted under this policy, the insured named in the policy will continue to be deemed as the owner-driver subject to compliance of provisions of the policy relating to this cover.

Save as by this Endorsement expressly agreed that nothing herein shall modify or affect the rights or liabilities of the Insured or the Insurer respectively under or in connection with this Policy or any term, provision or condition thereof.

Subject otherwise to the terms exceptions conditions and limitations of this policy.

M.E 7.A VEHICLES LAID UP (Layup period declared)

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that from .../ .../..... to.../ .../..... the vehicle insured is laid up in garage and not in use and during this period, own damage cover will be suspended **SAVE ONLY IN RESPECT OF LOSS OR DAMAGE TO THE SAID VEHICLE CAUSED BY FIRE EXPLOSION SELF-IGNITION OR LIGHTNING OR BURGLARY, HOUSEBREAKING, THEFT OR RIOT STRIKE MALICIOUS DAMAGE TERRORISM OR STORM TEMPEST FLOOD INUNDATION OR EARTHQUAKE PERILS**, in consideration whereof

- a) # the insurer will deduct from the next renewal premium the sum of Rs.....* and the No Claim Bonus (if any) shall be calculated on the next renewal premium after deduction of such sum.
- b) # the period of insurance by this policy is extended to/...../..... in view of the payment of an additional premium of Rs**

Subject otherwise to the terms exceptions conditions and limitations of this policy.

NB.1. # To delete (a) or (b) as per option exercised by the insured.

NB.2. * The proportionate full OD portion of the premium for the period of lay up less the proportionate premium for the Fire and /or Theft risks for the lay up periods is to be inserted.

NB.3 ** The proportionate premium required for Fire and / or Theft cover for the vehicle for the laid – up period is to be inserted .

NB.4. In case of policies covering Liability Only and

- (a) Fire risks, the words “ BURGLARY HOUSEBREAKING OR THEFT” are to be deleted;
- (b) Theft risks, the words’ “FIRE EXPLOSION SELF IGNITION OR LIGHTNING ” are to be deleted.
- (c) Fire **and** Theft risks no part of the words in capitals are to be deleted.
- (d) Total Loss Only

M.E 7.B VEHICLES LAID UP (Lay up period not declared)

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that as from / /..... the vehicle no. insured hereunder is laid up in garage and not in use and own damage cover will be suspended SAVE ONLY IN RESPECT OF LOSS OR DAMAGE TO THE SAID VEHICLE CAUSED BY FIRE EXPLOSION SELF-IGNITION OR LIGHTNING OR BURGLARY, HOUSEBREAKING, THEFT OR RIOT STRIKE MALICIOUS DAMAGE TERRORISM OR STORM TEMPEST FLOOD INUNDATION OR EARTHQUAKE PERILS.

Subject otherwise to the terms exceptions conditions and limitations of this Policy .

NB.1. In case of **Liability** Only Policies the words in CAPITALS should be deleted.

NB.2. In case of policies covering Liability Only and

- (a) Fire risks, the words “BURGLARY HOUSEBREAKING OR THEFT” are to be deleted;
- (b) Theft risks, the words’ “FIRE EXPLOSION SELF IGNITION OR LIGHTNING ” are to be deleted.
- (c) Fire **and** Theft risks no part of the words in capitals are to be deleted.
- (d) Total Loss Only

M.E 7.C TERMINATION OF THE UNDECLARED PERIOD OF VEHICLE LAID UP.

It is hereby understood and agreed that the insurance by this Policy in respect of vehicle no. insured hereunder is reinstated in full from/...../..... and the Endorsement M.E7(B) attaching to this policy shall be deemed to be cancelled. It is further agreed that in consideration of the period during which the vehicle no. has been out of use

- a) # The insurer will deduct from the next renewal premium the sum of Rs.....* and the No Claim Bonus (if any) shall be calculated on the next renewal premium after deduction of such sum.
- b) # the period of insurance by this policy is extended to/...../..... in view of the payment of an additional premium of Rs**

Subject otherwise to the terms exceptions conditions and limitations of this policy.

NB.1. # To delete (a) or (b) as per option exercised by the insured.

NB.2. * The proportionate full OD premium for the period of lay up less the proportionate premium for the Fire and /or Theft risks for the lay up periods is to be inserted.

NB.3 ** The proportionate premium required for Fire and / or Theft cover for the vehicle for the laid – up period is to be inserted .

M.E 8 DISCOUNT FOR SPECIALLY DESIGNED/MODIFIED VEHICLES FOR THE BLIND, HANDICAPPED AND MENTALLY CHALLENGED PERSONS.

Notwithstanding anything to the contrary contained in the policy it is hereby understood and agreed that the vehicle insured being specially designed /modified for use of blind, handicapped and mentally challenged persons and suitable endorsement to this effect having

been incorporated in the Registration Book by the Registering Authority, a discount of 50% on the Own Damage premium for the vehicle insured is hereby allowed to the insured.

Subject otherwise to the terms exceptions conditions and limitations of the policy.

M.E 9 USE OF VEHICLE WITHIN INSURED'S OWN PREMISES

It is hereby understood and agreed that the insurer shall not be liable for loss/damage in respect of the vehicle insured while the vehicle is being used elsewhere than in the insured's premises except where the vehicle is specifically required for a mission to fight a fire.

For the purposes of this endorsement 'Use confined to own premises' shall mean use only on insured's premises to which public have no general right of access.

M.E 10 USE OF VEHICLE CONFINED TO SITES

(Applicable to Goods Carrying Vehicles and Miscellaneous Group D vehicles)

It is hereby understood and agreed that the insurer shall not be liable in respect of the vehicle insured while it is being used elsewhere than on site to which the public have no general right of access and the vehicle is not required to be registered under the Motor Vehicles Act, 1988.

M.E 11 REDUCTION IN THE LIMIT OF LIABILITY FOR PROPERTY DAMAGE

It is hereby understood and agreed that notwithstanding anything to the contrary contained in the policy the insurers liability is limited to Rs. 6000/- (Rupees six thousand only) for damage to property other than the property belonging to the insured or held in trust or in custody or control of the insured

In consideration of this reduction in the limit of liability a reduction in premium of Rs.....* is hereby made to the insured .

Subject otherwise to the terms conditions limitations and exceptions of the policy.

*To insert Rs.50 for Two wheelers, Rs.100 for private cars Rs.150 for Commercial Vehicles – three wheelers and taxis or Rs.200 for Commercial Vehicles (excluding three wheelers and taxis).

M.E. 12 SPECIAL EXCLUSIONS AND COMPULSORY DEDUCTIBLE

(Applicable to all Commercial Vehicles)

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that

(a) Special Exclusions

except in the case of Total Loss of the vehicle insured, the Company shall not be liable under Section I of the policy for loss of or damage to tail lamps, indicator lamps, tyres, tubes, mudguards, mudflaps, mudliners and paint work.

(b) Compulsory Deductible.

in addition to any amount which the insured may be required to bear under para (a) above the insured shall also bear under section I of the policy in respect of each and every event (including event giving rise to total loss/constructive total loss) a compulsory deductible as defined for the different classes of vehicles in M.E 13.

For the purpose of this Endorsement the expression "event" shall mean an event or series of events arising out of one cause in connection with the vehicle insured in respect of which indemnity is provided under this policy.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

M.E 13 COMPULSORY DEDUCTIBLE (Applicable to all Classes of Vehicles)

Notwithstanding anything to the contrary contained in the policy it is hereby understood and agreed that the insured shall bear under Section 1 of the policy in respect of each and every event (including event giving rise to a total loss/constructive total loss) an amount equal to

1 % of Sum Insured subject to a minimum of Rs. 500 /- in case of Two Wheelers and Three wheelers.

1% of Sum Insured subject to a minimum of Rs. 2500/- and a maximum of Rs. 35000/- for all other classes of vehicles.

For the second and subsequent claims, the compulsory deductibles shall be

- i) 1.5 % of Sum Insured subject to a minimum of Rs. 750/- for two wheelers and three wheelers.
- ii) 1.5% of Sum Insured subject to a minimum of Rs.3750 /- and a maximum of Rs. 50,000/-for other classes of vehicles

It is further declared and agreed in respect of the vehicle insured under this policy that if any deductible in addition to the compulsory deductible provided in this endorsement, is voluntarily agreed to be borne by the insured, then the sum representing the aggregate of the compulsory and voluntary deductibles shall be the amount which the Insured shall bear in respect of each and every event (including event giving rise to total loss/ constructive total loss) under this policy and any other amount(s) which the Company may incur on behalf of the insured.

M.E 14 VOLUNTARY DEDUCTIBLE

(For all Classes of Vehicles)

It is by declared and agreed that the insured having opted for a voluntary deductible of Rs., a reduction in premium of Rs. under Section 1 of the policy is hereby allowed.

In consideration of the above, it is hereby understood and agreed that the insured shall bear under Section 1 of the policy in respect of each and every event (including event giving rise to a total loss/constructive total loss)Rs..... representing the voluntary deductible, The aggregate amount of the voluntary deductible opted and the Compulsory deductible applicable to the vehicle insured by this policy, shall be borne by the Insured in respect of each and every event (including event giving rise to Total Loss / Constructive Total Loss claim) under this policy and any other amount(s) which the Company may incur on behalf of the insured.

For the purpose of this Endorsement the expression “event” shall mean an event or series of events arising out of one cause in connection with the vehicle insured in respect of which indemnity is provided under this policy.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

M.E.15 COVER FOR TAIL LAMPS, INDICATOR LAMPS, TYRES / TUBES, MUDGUARDS, MUDFLAPS, MUDLINERS AND PAINTWORK OF DAMAGED PORTION ONLY.

(For all Commercial Vehicles)

In consideration of payment of an additional premium of Rs.....*, notwithstanding anything to the contrary contained in the policy it is hereby understood and agreed that subject to conditions (a) (b) and (c) hereunder, loss of or damage (excluding theft under any circumstances) to tail lamps, indicator lamps, tyres, tubes, mudguards, mudflaps, mudliners and paint work of damaged portion only, is covered provided the vehicle is also damaged at the same time.

Subject to:

- (a) Depreciation on parts as per the schedule provided in Section 1 of the policy.
- (b) In addition to any amount which the insured may be required to bear under para (a) above, the insured shall also bear 50% of the assessed loss as excess in respect of each and every claim under this Endorsement.
- (c) It is also understood that no other deductible or excess other than those mentioned in (a) and (b) above shall be applicable in respect of a claim which become payable under this Endorsement.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

Explanation: Where ME 15 is applicable, deductible as applicable under ME 13 should not be applied.

M.E 16 FIRE AND/OR THEFT RISKS ONLY/TOTAL LOSS ONLY

(Not applicable for Miscellaneous and Special Types of vehicles rateable under Class -D and Motor Trade Policies under Classes- E, F and G of the Commercial Vehicles Tariff)

Notwithstanding anything to the contrary contained in the policy, it is hereby understood and agreed that Section II of the Policy is deemed to be cancelled and under Section I thereof the insurer shall only be liable to indemnify the insured against loss or damage by fire, explosion, self- ignition, lightning and/or burglary, housebreaking, theft and riot, strike, malicious damage, terrorism, storm, tempest, flood, inundation and earthquake perils whilst the vehicle is laid up in garage and not in use.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

NB.(i) In case of **Fire Risk** only, the words “burglary , housebreaking , theft” are to be deleted.

NB.(ii) In case of **Theft Risk** only, the words “fire , explosion, self-ignition , lightning, riot, strike, malicious damage, terrorism, storm, tempest, flood, inundation and earthquake perils” are to be deleted.

M.E 17 LIABILITY AND FIRE AND/OR THEFT AND/OR TOTAL LOSS ONLY

(Not applicable for Miscellaneous and Special Types of vehicles rateable under Class –D of the Tariff for Commercial Vehicles)

Notwithstanding anything to the contrary contained in the policy, it is hereby understood and agreed that Section I of the Policy the insurer shall not be liable there under except in respect of loss or damage by fire, explosion, self –ignition, lightning and/or burglary, housebreaking, theft and riot, strike, malicious damage, terrorism, storm, tempest, flood, inundation and earthquake perils.

Subject otherwise to the terms conditions limitations and exceptions of the Policy.

NB.(i) In case of **Liability and Fire Risks only**, the words “burglary, housebreaking, theft” are to be deleted.

NB.(ii) In case of **Liability and Theft Risks only**, the words “fire, explosion, self ignition, lightning, riot, strike, malicious damage, terrorism, storm, tempest, flood, inundation and earthquake perils” are to be deleted.

M.E 18 TRAILERS.
(Applicable to Private Cars Only)

In consideration of the payment of an additional premium it is hereby understood and agreed that the indemnity granted by this policy shall extend to apply to the Trailer (Registration No.....)”

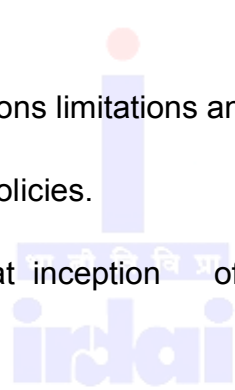
Provided always that -

- * (a) The Sum Insured of such Trailer shall be deemed not to exceed* *
- (b) The term "Trailer" shall not include its contents or anything contained thereon.
- (c) Such indemnity shall not apply in respect of death or bodily injury to any person being conveyed by the said Trailer otherwise than by reason of or in pursuance of a contract of employment.

Subject otherwise to the terms, conditions limitations and exceptions of this Policy.

* Delete in the case of Liability only policies.

** Insert value of trailer as declared at inception of insurance or any renewal thereof.



M.E 19 RELIABILITY TRIALS AND RALLIES
(Private Cars and Motorised Two Wheelers)

In consideration of the payment of an additional premium it is hereby understood and agreed that the indemnity granted by this Policy is extended to apply whilst the vehicle insured is engaged in* to be held at**... on or about the date of .../.../ ... under the auspices of#

Provided that :

- (a) No indemnity shall be granted by this Endorsement to #
- (b) This Policy does not cover use for organised racing, pace making or speed testing.
- (c) During the course of the* the Insurer shall not be liable in respect of death of or bodily injury to any person being carried in or upon or entering or getting on to or alighting from the vehicle insured at the time of the occurrence of the event out of which any claim arises.

It is further understood and agreed that while the vehicle insured is engaged in* the insured shall bear the first Rs.....@ (or any less amount for which the claim may be assessed) of each and every claim under Section I of this Policy.

Provided that if the insurer shall make any payment in exercise of its discretion under Condition No. 3 of the policy in settlement of any claim and such payment includes the amount for which the insured is responsible by reason of this Endorsement the insured shall repay to the insurer forthwith the amount for which the insured is so responsible.

For the purpose of this Endorsement the expression "claim" shall mean a claim or series of claims arising out of one event.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

* To insert the name of the event .

@ To insert applicable deductible for Private cars or applicable deductible for motorised two wheelers. For the duration of the event the deductible under Section 1 of the policy for the purpose of M.E 13 will be the amount stated in M.E 13 or the amount stated herein, whichever is higher.

** To insert the venue of the event.

To insert the name of the promoters of the event.

To delete this entire paragraph in case of Liability Only policies.

M.E 20 HIRED VEHICLES – DRIVEN BY HIRER*

(Applicable to four wheeled vehicles with carrying capacity not exceeding 9 passengers and Motorised Two wheelers)

It is hereby understood and agreed that notwithstanding anything to the contrary contained in this Policy unless the vehicle insured is being driven by or is for the purpose of being driven by the insured in the charge of the within named insured or a driver in the insured's employment, the policy shall only be operative whilst the vehicle insured is let on hire by the insured to any person (hereinafter called the Hirer) who: -

- (i) Shall have entered into a hire contract with the insured and who prior to such hiring shall have satisfactorily completed and signed a supplementary proposal form**.
- (ii) Shall have satisfied the insured -

- a) That the vehicle insured will only be driven by a duly licensed driver whose license has not been endorsed;
- b) That such driver has not been refused Motor Insurance nor had his/her insurance policy been cancelled nor had special conditions imposed nor had increased premium demanded from him/her by reason of claims experience.

It is also understood and agreed that whilst the vehicle insured is let on hire to the Hirer the insurer shall not be liable –

- (1) For any loss, damage or liability due to or arising from theft or conversion by the Hirer unless covered by payment of additional premium @ 1.50% on IDV. (Endt. M.E 21 is to be used.)
- (2) To pay the first Rs..... of each and every claim in respect of which indemnity would but for this endorsement have been provided by Section I of this Policy.

If the expenditure incurred by the Insurer shall include the amount for which the Insured is responsible hereunder, such amount shall be repaid by the insured to the Insurer forthwith.

For the purpose of this endorsement the expression "Claim" shall mean a claim or series of claims arising out of one cause in respect of the vehicle.

- (3) If the vehicle is used by the Hirer for carriage of passengers for hire or reward.

*** For the purposes of this endorsement the insurer will in terms of and subject to the provisions contained in item I of Section II of this Policy, treat the Hirer as a person who is driving the Two wheeler.**

Further it is agreed that the insured shall forward to the insurer the supplementary proposal referred to above, completed by the Hirer immediately after receipt thereof which proposal as well as that referred to in this policy shall be the basis of the contract expressed in this endorsement so far as it relates to the indemnity which is operative whilst the vehicle is let on hire to such Hirer.

Subject otherwise to the terms, exceptions, conditions and limitations of this Policy.

NOTE :

For Liability only policies delete the whole of items (1) and (2) and the paragraph in bold marked with *.

** Insurer to devise a suitable supplementary proposal form.

M.E 21 Theft and conversion Risk

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed in this Policy in consideration of the payment of additional premium @ 1.50% of IDV, Clause ii (b) (1) of Endorsement M.E 20 is hereby deemed to be deleted.

It is further understood and agreed that the indemnity in respect of Theft and/or Conversion by the hirer is applicable only in case of Theft and/or Conversion of the entire vehicle.

It is further understood and agreed that No Claim Bonus will not be applicable to the additional premium charged hereunder.

M.E 22 Indemnity to Hirer - Package Policy - Negligence of the insured or Hirer.

It is hereby declared and agreed that the company will indemnify any hirer of the vehicle insured against loss, damage and liability as defined in this Policy arising in connection with the vehicle insured by reason of the negligence of the within named insured or of any employee of such insured while the vehicle insured is let on hire.

Provided that any such hirer shall as though he/she were the insured observe fulfill and be subject to the terms, exceptions, conditions and limitations of this policy in so far as they apply.

M.E 23 Motor Trade Policy - Class `F' - Road Risk only

It is hereby declared and agreed that notwithstanding anything contained herein to the contrary that in respect of any new vehicle and/or chassis bearing a Trade Certificate Number specified in the Schedule of the policy, the Geographical Area for the purpose of this Policy shall be as defined hereunder and not as stated in the Schedule hereto.

Geographical Area

Under Section II - (i) ---- INDIA

Under all other Sections - Within a radius of* kilometers from the insured's address as stated in the Schedule hereto.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

* to insert '80' or '120' as opted for by insured and premium paid accordingly.

M.E 24 Applicable to Goods carrying Private Carriers only

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that the insurer shall not be liable for any loss or damage to the vehicle insured and/or for any third party liability in respect thereof if at the time of accident the vehicle insured under this policy is carrying goods not belonging to the insured.

Subject otherwise to the terms conditions limitations and exceptions of this policy.

M.E 25 Indemnity to Hirer - Package Policy - Negligence of the Owner or Hirer.

It is hereby declared and agreed that in consideration of payment of an additional premium of Rs..... the Insurer will indemnify any hirer of the Vehicle insured against loss, damage and liability as defined in this Policy arising in connection with the Vehicle insured while let on hire.

Provided that any such hirer shall as though he/she were the insured observe fulfill and be subject to the terms, exceptions, conditions and limitations of this policy in so far as they apply.

M.E 26 Indemnity to Hirer - Liability only Policy -- Negligence of the Owner or Hirer.

Negligence of the Hirer

It is hereby declared and agreed that **in consideration of payment of an additional premium of Rs.....**the Insurer will indemnify any hirer of the Motor Vehicle against liability as defined in this Policy arising in connection with the Motor Vehicle while let on hire.

Provided that any such hirer shall as though he were the Insured observe fulfill and be subject to the terms, exceptions, conditions and limitations of this Policy in so far as they apply.

M.E. 27 Applicable to Mobile Cranes/Drilling Rigs/ Mobile Plants/Excavators/ Navvies/ Shovels/ Grabs/Rippers.

a) Liability Only Policies :

It is hereby declared and agreed notwithstanding anything to the contrary contained in this Policy that the Company shall be under no liability in respect of the vehicle insured covered under this policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988, as amended from time to time in respect of liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

b) Bundled/ Package Policies – (Insurer to select applicable wordings from (i) or (ii) or (iii) below for printing in the Policy schedule).

i) Inclusion of Overturning risk on payment of additional premium:

It is hereby declared and agreed that in consequence to the payment of additional premium of Rs.... by the insured, the Company shall indemnify the insured in respect of admissible claims under Section I of this policy including claims for loss/ damage due to overturning of the vehicle or plant forming part of such vehicle or attached thereto insured under this policy whilst in use as a tool of trade.

The Company is under no liability under Section II of this policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988, in respect of liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

ii) Exclusion of loss/ damage due to overturning whilst in use as a tool of trade:

It is hereby declared and agreed notwithstanding anything to the contrary contained in this Policy that the Company shall not be liable under Section I of this Policy in respect of loss or damage resulting from overturning arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto Except for loss or damage arising directly from fire, explosion , self ignition or lightning or burglary, housebreaking or theft.

The Company is under no liability under Section II of this Policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988 as amended form time to time, in respect of the liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

iii) Exclusion of any loss / damage whilst in use as a tool of trade:

It is hereby declared and agreed that in consequence to the Insured availing a reduction in premium of Rs....,under this Policy, the Company is not liable under Section I of this Policy in respect of any loss/damage arising out of the operation of the insured vehicle or plant forming part of the insured vehicle or attached thereto, as a tool of trade except for loss or damage arising directly from fire, explosion, self-ignition, lightening or burglary, housebreaking or theft.

The Company is under no liability under Section II of this Policy except so far as is necessary to meet the requirements of the Motor Vehicles Act, 1988 as amended form time to time ,in respect of the liability incurred by the insured arising out of the operation as a tool of trade of such vehicle or of plant forming part of such vehicle or attached thereto.

- (b) death of or bodily injury to or illness of any person caused by or through or in connection with or arising from
 - (i) poisoning of any kind or foreign or deleterious matter in food or drink
 - (ii) anything harmful in the condition of any goods supplied at or from the motor vehicle or the defective condition of the container of such goods
 - (iii) anything harmful in the condition of any goods supplied at or from the motor vehicle or defective in any treatment given at or from the motor vehicle

Notes:-

- * For Liability only Policies omit proviso (a)
- ** 1) In the case of "Mobile Shops and Canteens" insert the words "Utensils or stock-in-trade" and omit (iii)
- 2) In the case of "Mobile Surgeries/Dispensaries insert the words "Surgical instruments medical appliances or supplies".

M.E 31 Specified Attachments (Special Type Vehicles)

It is hereby declared and agreed that while any attachment in the under noted "Schedule of attachments" is attached to the Motor Vehicle or is detached and out of use the indemnity provided by this Policy shall apply in respect of any such attachment as though it were the Motor Vehicle and had set against it in the Schedule the value set against it in the under noted "Schedule of Attachments"

Schedule of Attachments

* Description	Sum Insured

* Insert make, number or some other means of identification.

NOTE :

In the case of pedestrian controlled tractors insert in "Description" in the Schedule of Attachments "any standard attachment of the ... Tractor supplied by the makers."

M.E 32 Trailers (Road Transit Only)

In consideration of the payment of an additional premium it is hereby understood and agreed that insurance by Section I and II of this Policy shall extend to the Motor Vehicle (mechanically propelled or otherwise) attached to the Motor Vehicle for the purpose of being towed

Provided always that

a) the insurer shall not be liable under this Policy in respect of damage to property conveyed by the towed vehicle.

b) the insurer shall not be liable under this Policy in respect of accident loss damage and/or liability caused sustained or incurred whilst the vehicle insured is towing a greater number of vehicles than is permitted by law.

M.E 33 Motorised Two Wheelers (Motor Trade Only)

It is hereby declared and agreed that Item 5 in the Schedule to this Policy is deemed to have been deleted and the following substituted there for :-

The Motor Vehicle: Any Motorised Two Wheeler (including sidecar attached thereto) the property of the insured or insured's custody or control whilst bearing Trade Certificate No.....

It is further declared and agreed that the words "Motor Vehicle" wherever they appear are deemed to have been deleted and substituted by the words "Motorised Two Wheeler"..

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

M.E 34 Loan or Hire of Motor Cars, Motorised Two wheelers, Motor vehicles to Customers by Motor Dealers (Motor Trade Only)

Notwithstanding anything to the contrary contained herein it is hereby understood and agreed that the Motor Car(s), Motorised Two wheelers, Motor Vehicle(s) described in the Schedule hereto may be let out on loan or hire to insured's customers when their vehicle(s) is/are under repair with the insured.

Provided that the insured agrees to record in a register for the purposes of this policy the date of loan or hire of such vehicle(s), its Make and Registered Number (or Chassis Number if the loaned/hired vehicle itself is not registered) and the duration of the loan or hire and to submit to the insurer within one month of the expiry of each period of insurance a statement of the total number of days each loaned/hired vehicle was in use.

Provided also that the premium for this Policy shall be subject to adjustment on expiry of each period of insurance.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

**M.E 35 Private use of vehicle by Member/Director/Employee of the insured
(Motor Trade only)**

In consideration of the payment of an additional premium of Rs..... and notwithstanding anything contained herein to the contrary it is hereby understood and agreed that this Policy shall be operative whilst the vehicle insured is being used by the insured or with the permission of the insured by a Member Director or employee of the insured for social, domestic or pleasure purposes.

Whilst the vehicle insured is being so used the insurer will in terms of and subject to the limitations of and for the purpose of Section II of this policy treat as though he were the insured person using the vehicle insured provided that such person:

1. Is not entitled to indemnity under any other policy;
2. Shall as though he/she were the insured observe fulfill and be subject to the terms provisions conditions and endorsements of this policy in so far as they apply;
3. Has not been refused any Motor Vehicle Insurance or continuance thereof by any insurer.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

**M.E 36 Demonstration - Driving Extension
(Applicable to Motor Trade Policies Only)**

In consideration of the payment of an additional premium of Rs..... and notwithstanding anything to the contrary contained herein it is hereby understood and agreed that the policy shall be operative whilst the vehicles are being driven for the purpose of demonstration by person(s) not in the employment of the insured provided he/she/they is/are driving with the insured's permission and is/are accompanied by the insured or by any person(s) in the insured's employment.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

**M.E 37 Tuition - Driving Extension
(Applicable only to Motor Trade Policies issued on named driver basis.)**

In consideration of the payment of an additional premium of Rs..... and notwithstanding anything to the contrary it is hereby understood and agreed that the policy shall be operative whilst the vehicles insured are being used for purpose of demonstration or tuition by any other person, provided he/she is driving with the insured's permission and is accompanied by a named driver mentioned in the policy Schedule.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

**M.E 38 Deletion of 50% Limitation clause in respect of damage to tyres
(Applicable to Motor Trade Road Transit Risks Policies only)**

In consideration of the payment of an additional premium of Rs..... it is hereby understood and agreed that the words “....when the liability of the Insurer is limited to 50% of the cost of the replacement” are hereby deleted from proviso (b) of Section I(1) of the policy.

Subject otherwise to the terms conditions limitations and exceptions of the policy.

M.E 39 Restriction of Cover to Liability Risks only (Motor Trade Internal Risks Policy)

It is hereby understood and agreed that

- (a) Section I and II (2)(i) and the word "other" in Section II (2)(ii) of this Policy in the Schedule to this Policy are deemed to be cancelled and
- (b) The Insurer shall not be liable in respect of damage to the Motor Vehicle or its accessories.

**M.E 40 Open-Air Car Parks
(Motor Trade Internal Risks Only)**

In consideration of the payment of an additional premium, it is hereby understood and agreed that for the purpose of this Policy the Premises shall be deemed to include the car park at* superficial area not exceeding**

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

* To insert location

** To insert appropriate area

**M.E 41 Work Away From Premises
(Motor Trade Internal Risks Only)**

In consideration of the payment of an additional premium it is hereby understood and agreed that the premises are deemed to include any place at which the insured is performing work not being premises under the control of the insured provided that the insurer shall not be liable in respect of injury or damage resulting from the driving of the vehicle insured in a public place in INDIA within the meaning of the Motor Vehicles Act, 1988.

Subject otherwise to the terms conditions limitations and exceptions of this Policy.

Annexure V

QUESTIONNAIRE

(Questionnaire designed to collect suggestions from various stakeholders)

NAME :

ADDRESS :

1. Motor OD Coverage

- a. **Cover options:** Vehicle Own Damage Cover is presently part of Package/Bundled policy. Restricted coverage for Fire and/ or Theft risks is allowed on standalone basis or with Liability Only cover.

Please suggest any other coverage options for Vehicle Own Damage based on Types of Motor policies required in the Market.

- b. **Scope of Vehicle Own Damage Cover (other than Restricted Fire and /or Theft covers):** Perils covered for loss / damage to the vehicle and /or its accessories, is given in the table below.

Please suggest any changes required in Perils to be included or excluded, vehicle class wise, with reasons.

S.No.	Name of Peril	Private Cars	Two Wheelers	Commercial Vehicles	Miscellaneous Group D vehicles
1.	Fire, explosion, self-ignition, lightning				
2.	Burglary, housebreaking, Theft				
3.	Riot and strike				
4.	Earthquake (fire and shock)				
5.	Flood, typhoon, hurricane, storm, tempest, inundation, cyclone, hailstorm, frost				
6.	Accidental external means				
7.	Malicious act				
8.	Terrorist activity				

9.	Whilst in transit by road, rail, inland waterway, lift elevator or air				
10.	Landslide or rockslide				
11.	Any Other (Please Specify) i. ii.				

c. Extensions to Vehicle Own Damage cover as per IMT 2002 is listed below. Please suggest if any changes are required in the extensions of Motor OD cover with reasons. Any of the extensions to be included in the OD cover? If so, reasons.

S.No	Name of the cover	Changes required	Reasons
1.	Extension of Geographical area (GR 4) – For Package Policy		
2.	Cover for electrical/ electronic fittings		
3.	Fibre Glass fuel tanks		
4.	Bi-fuel systems (CNG/LPG/ any other)		
5.	Compulsory PA cover		
6.	Private Cars and Two wheelers: a) Use of Insured vehicle in Rallies; racing; speed tests; dexterity trials; hill climbs b) Reliability trials conducted by Manufacturers		
7.	Two wheelers : Theft of accessories		
8.	Hirers risks		
9.	Passenger carrying vehicles: -Indemnity to Hirer -Theft/ conversion risks by Hirer		

10.	Driving Tuition		
11.	Overturning risks (Misc Group D – particular named vehicle types)		
12	Any other (Please specify)		

d. Period of Vehicle Own Damage cover options:

Presently, short period, annual and long term options are available for Vehicle OD cover jointly with Liability cover in Package policies / Bundled Policies.

Do you suggest any other option for the period of cover? (such as On Demand Insurance Cover etc.)

2. Add on covers

- a) At present, various additional covers are available under a motor policy which may differ from Company to Company.

PLEASE LIST OUT THE ADD-ONS WHICH CAN BE STANDARDIZED:

For Standard Add-ons (Scope and wordings to be standard across the industry):

S. No	Name of the Add-on	Private Cars	Two Wheelers	Commercial Vehicle- PCV	Commercial Vehicle- GCV	Commercial Vehicle- Others	Miscellaneous Group D vehicles

- b) *Do you suggest any additional cover/add-ons to be made part of basic OD Cover in Package Policy? please specify.*

S.No	Name of the additional covers/add-ons	Private Cars	Two Wheelers	Commercial Vehicle- PCV	Commercial Vehicle- GCV	Commercial Vehicle- Others	Miscellaneous Group D vehicles

- 3. Classification of Motor Vehicles:** IMT 2002 classifies Vehicles as Private Cars, Two wheelers, Commercial vehicles further sub classified into Goods carrying, Passenger carrying vehicles, Trailers and Miscellaneous Group D vehicles. They are again segmented based on carrying capacity/ seating capacity, horsepower etc.

What are your suggestions regarding

- a) Categorization of the vehicles – re-classification/new classification with reasons.
 - b) Any new vehicle segments to be included? e.g., Electric vehicles, Quadricycle, Two wheelers goods carrying vehicles etc ?
 - c) Any vehicle segments to be re-classified or excluded from present classified vehicle segments in IMT 2002 e.g, in Miscellaneous Group D? If so, please specify with reasons.
4. **Discounts and Loadings**: Types of discounts, loadings and percentage specified in IMT 2002.

E.g., Discounts such as

1. Discount for Vintage cars
2. Automobile Association membership
3. Anti-theft devices
4. Concession for specially designed/ modified vehicles for Blind, Handicapped, mentally challenged persons
5. No Claim Bonus
6. Discount for Voluntary excess (Private Cars/ Two wheelers)
7. Use of vehicle within Insured's own premises/ site
8. Concession for Vehicles laid up

E.g of Loadings - for Vehicles imported without customs duty, loading for bi-fuel kits, fiberglass tanks, driving tuition etc

Please suggest what changes or modifications are required in discounts and loadings or any new discounts and loadings required with details and reasons.

5. **Deductibles**

Presently, there are 2 types of deductibles specified in IMT 2002 GR 40, applicable on OD claims.

- a) Compulsory excess- Applicable for all classes of vehicles and Trade risks as per amounts specified in IMT 2002
- b) Voluntary excess – for Private Cars and Two wheelers (other than hire or reward) –discount applicable

What are your suggestions on Deductibles or any other risk sharing process?

6. ***Please suggest incentives/deterrence factors such as NCB.***

7. General Regulations

What are your suggestions regarding changes required in the General Regulations: Whether any General Regulation is now obsolete or not relevant?

No of GR	Change Suggested	Reasons

8. Policy wordings, formats

S.No.	Provision of the policy requiring change with reasons	Private Cars	Two Wheelers	Commercial Vehicle- PCV	Commercial Vehicle- GCV	Commercial Vehicle- Others	Miscellaneous Group D vehicles

Any additional provisions to be made in the policy, please specify the nature of addition and suggest where it is to be included.

9. **Motor Trade risks policies, viz., Road Risk, Road Transit Risks and Internal risks:** Please provide your views on any revisions required in the scope of cover, extensions, add-ons and policy terms and conditions.

10. Any other suggestions which are not covered by the above questionnaire? (Please be specific)

Sr. No	Suggestions	Reasons

Signature _____

Date: _____

Annexure VI

BIBLIOGRAPHY

UK Policies coverage

- AA Insurance Services
- Audi Insurance
- Autodirect Car Insurance
- Brightside Insurance Services
- Endsleigh Insurance Services Ltd
- Kwikfit Insurance Services
- Swinton Insurance
- Allianz Insurance plc
- AXA Insurance UK plc
- Aviva Insurance

Caribbean Policies coverage

- United Insurance Co.Ltd, Barbados, West Indies
- The New India Assurance Co.Ltd, Trinidad and Tobago Branch


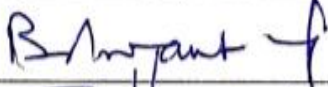
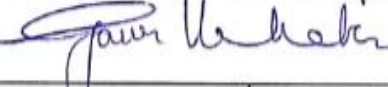

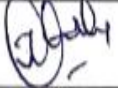
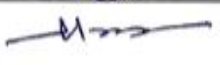


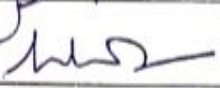

Kuwait

- The New India Assurance Co.Ltd, Kuwait

Japan

- “Automobile Insurance in Japan” – General Insurance Rating Organization of Japan

Working Group

S.No	Name	Signature
1	Mr.P. Venkatramaiah	
2	Mr. Balwant Singh	
3	Ms. Gauri Venkatesan	
4	Mr. Amitabh Jain	
5	Mr. Jatinder Singh	
6	Mr. V. Devanathan	
7	Mr. H. Ananthakrishnan	
8.	Ms. Anita J	
9.	Mr. C. Srinivasa Kumar	
10.	Mr. K. Mahipal Reddy	

Notes :

A series of horizontal dotted lines for writing notes.