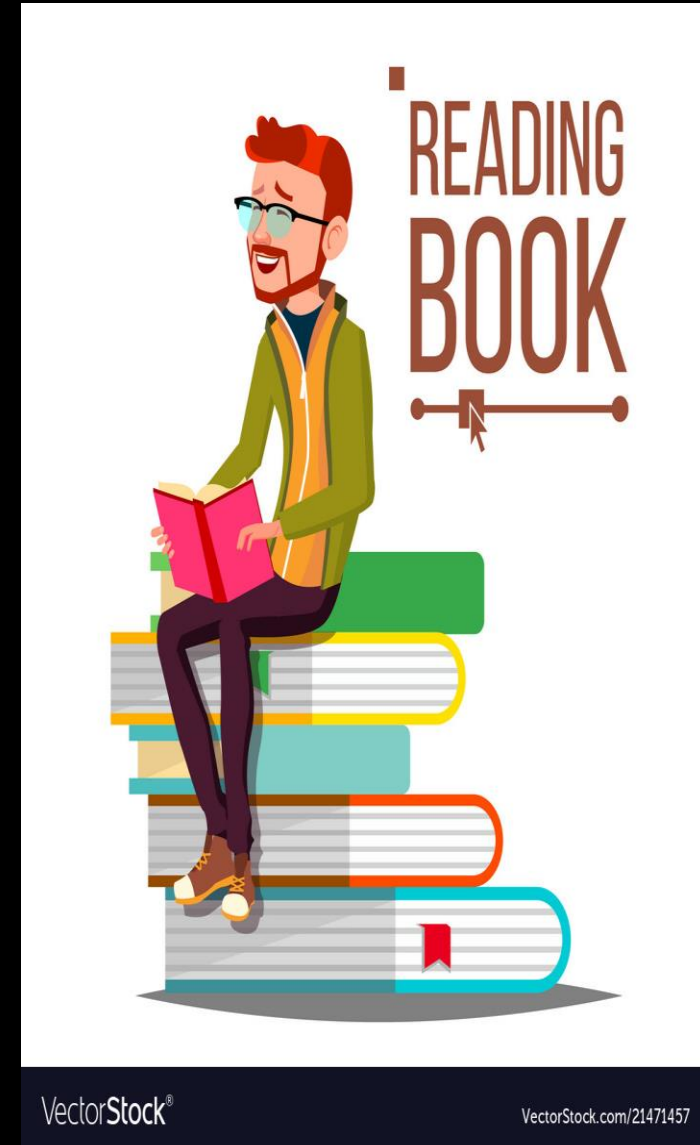




*Welcome  
Fall*

# Materials for Motor Paper

1. Indian Motor Vehicle Act, 1988 with amendments till date
2. Motor Tariff with IMT
3. Regulations / Guidelines of IRDA
4. Company guidelines / circulars
5. Case studies
6. Policy copies and proposal
7. Associate Book, if required



# Motor insurance



## AN OUTLOOK

# INGREDIENTS OF CONTRACT

- 1. Parties to contract**
- 2. Subject matter of contract**
- 3. Offer and acceptance**
- 4. Consideration**
- 5. Legality of contract**
- 6. Terms & Conditions**

# MOTOR INSURNACE

## Basic Principles of Motor Insurance

1. Utmost Good faith
2. Insurable Interest
3. Indemnity
4. Subrogation
5. Contribution
6. Proximate cause

# MOTOR INSURANCE

❖ Statute

❖ Indian Motor Tariff

❖ IRDAI Regulations

❖ HC / SC decisions

# No. of Section in Motor Policy

I. Own Damage Section

II. Third Party liability Section

III. Towing

IV. Personal Accident

# Excess

**a. Compulsory**

**b. Voluntary Excess**

**c. Imposed Excess**

**Compulsory Excess**

**Two Wheeler**

**Private Car**

**Taxi**

**Auto**



## *Long Term Policy*

**a. Two wheeler – 5 years**

**b. Private Car – 3 years**

## *Bundled Policies*

**Two Wheeler – 1 year OD + TP 5 years**

**Private Car – 1 year OD + TP 3 years**

## *Commission*

**Bundled : Private Car 15% : 2 wheeler**

**17.5% Commission on OD ; TP NIL**

# **Motor Insurance Service Provider**

- 1. Effective from 1.11.2017**
- 2. Appointment by : Insurer / Intermediary. If insurer only one insurer ; if broker – no. of insurers**
- 3. Distribution fees to MISP : 2 wheeler 22.5% on OD / other than 2 wheeler 19.5%**
- 4. Max. Remuneration & Reward to Intermediary : 2 wheeler 22.5% on OD / other than 2 wheeler 19.5%**
- 5. Product : Only motor insurance**

# Who can sell the motor policies

1. Agent
2. Broker / Intermediary
3. MISP
4. Web aggregator
5. POS
6. CSC
7. Marketing Firm

# TP PREMIUM

- Who is the Authority
- What is the basis
- What is the minimum premium for two wheeler
- What is the minimum premium for private car
- What is the minimum premium for commercial vehicle
- Whether difference rate for Petrol / CNG / LPG / Electrical vehicles?

# **Limitation to use**

**The policy covers use only under a permit within the meaning of Motor Vehicle Act, 1988**

## **General Exception**

**(a) Being used otherwise than in accordance with the limitation to as to use**

# INDIAN MOTOR VEHICLE ACT, 1988 WITH AMENDMENTS

# Definitions

**“articulated vehicle” means a motor vehicle to which a semi-trailer is attached;**

**“contract carriage”** which carries Passenger/s for hire or reward on a fixed or an agreed rate –  
(a) on a time basis, (b) from one point to another, and in either case, without stopping to pick up or set down passenger and includes – maxi cab; and motor cab

# MV Act 1988 - Definitions

**“dealer”** includes a person who is engaged (a)  
manufacturer of motor vehicles

(b) in building bodies for attachment to chassis;

(c) or in the repair of motor vehicles; or

(d) in the business of hypothecation, leasing or hire-purchase of motor vehicle;

**“driving license”** means the license issued by a competent authority under Chapter II authorising the person specified therein to drive, otherwise than as a learner, a motor vehicle or a motor vehicle of any specified class or description;



# MV Act 1988 - Definitions

**“goods”** includes livestock, and anything ( other than equipment ordinarily used with the vehicle ) carried by a vehicle **except living persons**, but does not include luggage or personal effects carried in a motor car or in a trailer attached to a motor car or the personal luggage of passengers travelling in the vehicle;

**“goods carriage”** means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods;

# MV Act 1988 - Definitions

**“maxicab”** means any motor vehicle constructed or adapted to carry more than 6 passengers, but not more than 12 passengers, excluding the driver, for hire or reward

**“motorcab”** means any motor vehicle constructed or adapted to carry not more than six passengers excluding the driver for hire or reward ;

**“motor car”** means any motor vehicle other than a transport vehicle, omnibus, road-roller, tractor, motor cycle or invalid carriage ;

**motor cycle”** means a two-wheeled motor vehicle, inclusive of any detachable side-car having an extra wheel, attached to MV

# MV Act 1988 - Definitions

**“omnibus”** means any motor vehicle constructed or adapted to carry more than six persons excluding the driver ;

**“private service vehicle”** means a motor vehicle constructed or adapted to carry more than six persons excluding the driver and ordinarily used by or on behalf of the owner of such vehicle for the purpose of carrying persons for, or in connection with, his trade or business otherwise than for hire or reward but does not include a motor vehicle used for public purposes ;

**“public place”** means a road, street, way or other place, whether a thoroughfare or not, to which the public have a right of access, and includes any place or stand at which passengers are picked up or set down by a stage carriage ;

# MV Act 1988 - Definitions

**“route”** means a line of travel which specifies the highway which may be traversed by a motor vehicle between one terminus and another ;

**“semi-trailer”** means a vehicle not mechanically propelled ( other than a trailer ), which is intended to be connected to a motor vehicle and which is so constructed that a portion of it is super-imposed on, and a part of whose weight is borne by, that motor vehicle ;]

**“stage carriage”** means a motor vehicle constructed or adapted to carry more than six passengers excluding the driver for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey ;

# INDIA MOTOR VEHICLE ACT, 1988

## Important sections

Sec-3 : Necessity for driving license

Sec-4: Age limit in connection with driving of MV

Sec-5: Responsibility of owners of motor vehicles for contravention of Sections 3 & 4

# MOTOR VEHICLE ACT, 1988

Sec: 15 – Renewal of driving licence

Sec: 39 – Necessity for Registration

Sec:50 – transfer of ownership

Sec:56 – Certificate of Fitness

Sec:59 – Power to fix the age limit of MV

Sec:66 – Necessity for permits

# INDIA MOTOR VEHICLE ACT, 1988

Sec: 81 – Duration and Renewal of Permits

Sec: 87 – Temporary permit

Sec:113 – limits of weight & limitation to  
use

Sec: 146 – Necessity for insurance against  
third party risk

# INDIA MOTOR VEHICLE ACT, 1988

Sec: 156 – Certificate of Insurance

Sec: 157 – Transfer of certificate  
of insurance



# MOTOR VEHICLE ACT AMENDMENT 2019

# Motor Vehicle Act, 2019 (Amend)

## Definition

**Section 1 (1) – Adopted vehicle** : Specially designed / constructed for persons with physical defect.

**Section 1 (1A ) – Aggregator:** A digital intermediary or market place for passenger to connect with a driver for the purpose of transportation

# Motor Vehicle Act, 2019 (Amend)

## Definition

**Section 2 (4a) – Community service** : unpaid work which a person is required to perform as a punishment.

**Section 2 (12A) – Golden Hour** : Time period lasting one hour following a traumatic injury during which there is highest likelihood of preventing death by providing prompt medical care

Status of Driver / Cleaner coverage & claim –

**Driver and other co workers of transport vehicles now included in the mandated third party insurance. (WC?)**

# Motor Vehicle Act, 2019 (Amend)

## Section 14- Currency of Licences

### A. Transport Vehicle

- a. Transport Vehicle – 5 years.
- b. Hazardous Goods – 3 years with condition

### Other license

- a. Non attained 30 yrs – **till 45 years**
- b. Attained 30 yrs but not attained 55 years -  
***effective for 10 years from the date of such  
issue or renewal***

# Motor Vehicle Act, 2019 (Amend)

## Section 15 - Renewal of Driving Licence

- a. Renewal of Driving licence within one year – from the date of expiry. Fees?
- b. If renewed one year after the date of its expiry, will be renewed with effect from the date of its renewal. Fees?**
- c. If made after 3 years of expiry, may refuse to renew subject to passing test.

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 19 – Power of licensing authority to disqualify from holder of DL to revoke such licence**

- a. First offence : 3 months**
- b. Second & Subsequent : Revocation of DL**
- c. Placing name in Public Domain**
- d. Holder go refresher training**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 110 A – Recall of defective vehicle by Government**

- a. Fine**
- b. New Vehicle**
- c. Reimbursement to Buyer**

**If Recall by manufacturer – No fine**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 134A - Good Samaritan**

**A person, who, in good faith, voluntary and without expectation of any reward or compensation renders emergency medical or non-medical care or assistant at the scene of an accident to the victim or transporting such victim**



# **Motor Vehicle Act, 2019 (Amend)**

## **Section 147 – TP Coverage - Requirement of Policies and Limits of liability**

- a. Any person including owner of the goods as authorize representative, damage to property of third party
- b. Passengers of transport vehicle – except gratuitous passenger
- c. Accident arised in public place
- d. **When cover note is issued, the policy should be converted within specified time, otherwise it should be reported to RTO within 7 days**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 147 (2) Requirement of Policies and Limits of liability**

**Third party insurance related to either death of a person or grievous hurt, the Central Government shall prescribe a base premium and the liability of an insurer in relation to such premium.**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 149 - Settlement by Insurance Company and the Procedure there of**

**On receiving information about the accident the insurer has to appoint an officer to settle the claims relating to such accident. Insurer has to offer this to the client before the Tribunal. If the claimant accept it, the decree shall be recorded to that effect.**

# **Motor Vehicle Act, 2019 (Amend)**

## **NEW DEFENCES TO INSURER**

**Section 150 (2) - Inclusion of New Defence -  
Non receipt of premium Non compliance of  
64VB, insurer could seek exoneration**

**Drunker Driving - Giving statutory defence to  
insurance companies**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 159 - Information to be given regarding accident**

**The Investigating Officer (Police) should submit the Investigation report about the accident to the Claims Tribunal within 3 months and such other agency .**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 159 - Information to be given regarding accident**

**The Investigating Officer (Police) should submit the Investigation report about the accident to the Claims Tribunal within 3 months and such other agency .**

# **Motor Vehicle Act, 2019 (Amend)**

**Section 161 - Special provision as to compensation in case of Hit and Run**

**Death**

**Rs.2,00,000/- or such higher amount**

**Grievous**

**Rs.50,000/- or such higher amount**

# **Motor Vehicle Act, 2019 (Amend)**

## **Section 162 - Scheme for Golden Hour**

**With the provision of this Act and the schemes made under this Act for treatment of road accident victims, including during the golden hour.**

**Govt. shall make a scheme for CASHLESS Treatment. First Aid will be ensured.**



# Motor Vehicle Act, 2019 (Amend)

Section 163A – replaced with 164. In case, the claimants do not want to plead negligence of offending driver

Death :Rs.5,00,000/-

Grievous hurt: Rs.2,50,000/-

Section 164 B – Creation of Motor vehicle Fund – by special tax or Cess

# **Motor Vehicle Act, 2019 (Amend)**

**Section 165 (1) – If compensation accepted u/s 164, lapse of claim petition under any other section.**

## **Section 166 (5) Abatement of claim due to death of claimant**

**The person has right to claim compensation for injury in accident, upon death of the person injured survive to his legal representatives**

## **Section 166 (3) - Time limitation on Filing Cases**

**Claim petition should be filled within 6 months from the date of accident**

# Motor Vehicle Act, 2019 (Amend)

Section 182 (A) – Contravention to MV Act  
Chapter VII – liability to Manufacturer, dealer,  
seller **1 year or and 1,00,000 or both. It  
contravention disclosed no fine**

(b) If the Manufacturer contravention to Chapter  
VII - **1 year or and 100 crs or both**

© - Sale of component : **1 year + 1,00,000 / Both**

(d) Owner : **6 months + 5000**

# **Motor Vehicle Act, 2019 (Amend)**

**Section 199A – Liability of Guardians / owner of the vehicle, in case of accidents by Juveniles**

**Section 200 - Driver Refresher Training Course – For reviving license after suspension / revocation under section 19 & also for compounding traffic offences**

**Appeal Limits : Rs.1,00,000/-**

**Section – 66A : National Transportation Policy**

# Motor Vehicle Act, 2019 (Amend)

Description	Section	Old Penalty	New Penalty
General	177	100	500
Violation of rules	177A		500
Travelling without ticket	178	200	500
Disobedience	179	500	2000
Use of vehicle without licence	180	1000	5000
Driving without licence	181	500	5000
Driving w/o qualification	182	500	10000

# Motor Vehicle Act, 2019 (Amend)

Description	Section	Old Penalty	New Penalty
Oversize vehicle	182 B		5000
Over speeding	183	400	1000 L 2000 MP
Dangerous driving	184	1000	Upto5000
Drunken driving	185	2000	10000
Speed / Racing	189	500	5000
Without permit	192A	U5000	U10000
Without registration	192		10000
Pollution	190		10000
Hazardous	190		10000 20000

# Motor Vehicle Act, 2019 (Amend)

Description	Section	Old Penalty	New Penalty
Violation of Licensing conditions	193		25000 - 10000
Overloading Goods	194	2000 1000	20000 2000
Overloading passenger	194A		2500
Seat Belt, Child restraint	194B		1000
2 wheeler more than two	194 B		1000
Overloading – 2 Wheeler	194 C	100	2000 & *
Not providing way to emergency vehicle	194 E		10000

# Motor Vehicle Act, 2019 (Amend)

Description	Section	Old Penalty	New Penalty
Driving w/o Insurance	196	1000	2000 4000
Offences by Juveniles	199		25000/ 3
Offence committed by enforcing authority			Double I



# INDIAN MOTOR TARIFF

No. of Sections - 8

General Regulations – 48

IMT – Endorsements - 65

# INDIAN MOTOR TARIFF

Sec – I : General Regulations

Sec – II : Tariff for Private Cars

Sec – III : Tariff for Motorized Two-wheelers

Sec – IV : Tariff for Commercial Vehicles

A : Goods carrying vehicle

B : Trailers

C : Passengers vehicle for hire or reward

D : Misc. and Special type of vehicles

E : Motor Trade - Road Transit Risk

F : Motor Trade – Road Risks

G : Motor Trade – Internal Risk

# INDIAN MOTOR TARIFF

Sec – V : Proposal Forms

Sec – VI : Standard Wordings – policy, cover note,  
Certificate of Insurance etc

Sec – VII : IMT Endorsements

Sec – VIII : Statistical Codes

# Important GRs

GR-1 : Insurance not provided for :

**Vehicles Running on Rails**

GR-2 : Proposal Forms

**Whether additional questionnaire is required?**

GR-3 : Policy Forms

1. **Whether can we restrict the scope of the cover under package policy, if so what extend and conditions**
2. **Rating & Loading : What extend?**

# Important GRs

GR-4 : Extension of Geographical Area:

- a. Areas : BBNPSM
- b. Additional Premium :
- c. Period of coverage :
- d. Rate of Premium (1) Package and (2) Other than package
- e. Whether the premium is for depends on class of vehicles

Exclusions : damage to the vehicle / injury to its occupant / TP liability. When?

# Important GRs

GR-5 : Vintage Cars

GR -6 : Classic Cars

## Difference & Special Ratings

GR- 7 Valued policies

## Applicability & Conditions

# Important GRs

## GR-8 : Insured Declared Value

1. Basis of fixing IDV at inception and on renewals and for accessories which is fixed separately
2. How to fix the IDV beyond GR period
3. Purpose of IDV
4. TL Vs CTL
5. When the vehicle will be treated as CTL
6. Special note on IDV at the time of claim settlement

# Important GRs

GR-9 : Depreciation for parts on partial loss claims

- a. Batteries and airbags
- b. On nil depreciation policies – private car and commercial vehicles
- c. Metal parts less than 6 months and more than 10 years



# Important GRs

## GR-10 : Geographical zones

- a. How the geographical zones are decided
- b. Different geographical zones for different class of vehicles
- c. C1 & C4?
- d. Premium difference among geographical zones?
- e. Can we change the geographical zone after issuing policy / on renewals ?

# **Important GRs**

## **GR-11 : Period of Insurance**

Can we issue / renew a policy longer than 12 months? If so, conditions

## **GR-12 : Short period and Rate**

- a. Not exceeding 1 month / exceeding 8 month?
- b. Short period cover / renewals of TP policy?
- c. Rate for extension of short period cover / renewals?

# **Important GRs**

**GR-13 : Display of premium**

**GR-14 : Computation of premium**

**GR-15 : Payment of premium**

**GR-16 : Minimum premium**

**Minimum premium?**

# **Important GRs**

## **GR-17 : Transfers**

- 1. Can we effect transfer based on sale letter**
- 2. How the transfer affect OD claims**

## **GR-18 : Change of vehicle**

**Scope, Conditions, evidence and Premium**

# **Important GRs**

**GR-19 : Vehicles subject to HP**

**GR-20 : Vehicle subject to Lease**

- a. Policy should be issued to hirer/lessee**
- b. No joint names owner and hirer/lessee**
- c. PA-Owner Driver – Hirer / Lessee**

**GR-21 : Vehicle subject to Hypothecation**

- a. Policy should be issued to Regd. Owner only**

# **Important GRs**

**GR-22 : Cover note**

**CMVR 142, Sub Rule (1) : Form 52**

**GR-23 : Certificate of Insurance**

**CMVR 141, Sub Rule (1) : Form 51**

# **Important GRs**

## **GR-24 Cancellation and Double insurance**

### **Conditions for cancellation**

- a. Insurer 7 days notice – pro rata refund**
- b. Insured 7 days notice – short period ; conditions for refund**
- c. Minimum insurance requirement**
- d. Surrender of original Certificate of insurance**
- e. Inform RTO**

# **Important GRs**

## **GR-24 Cancellation and Double insurance**

### **Conditions for Double Insurance**

- a. Same vehicle with identical cover
- b. Later date policy to be cancelled
- c. In case of two different offices of same insurer – refund?
- d. In case of two different insurers – Refund?
- e. Involvement of Banks / Fis – Refund
- f. Retention of minimum premium
- g. In case of claim reported

**GR-25 Certificate of cover note / certificate of insurance destroyed, soiled, defaced or mutilated**



# **Important GRs**

**GR-26 : Cancellation and issuance of fresh  
certificate of insurance**

## **Circumstances**

- a. Affecting the information shown on the  
certificate**
- b. Types of information**
- c. Role of RTO**
- d. Fees**

# Important GRs

## GR-27 : No Claim Bonus

- a. Applicability
- b. Whether NCB is applicable for Fire and/or Theft Risks or Liability with Fire and/or Theft risks ? and Motor Trade policies?
- c. Conditions to avail NCB
- d. % of NCB 20%, 25%, 35%, 45% & 50%
- e. Sun set clause
- f. Deduction for laid up period

# Important GRs

## GR-27 : No Claim Bonus

- a. Follow the fortune of Original insured and not the vehicle or policy
- b. NCB applicable for substituted vehicle
- c. NCB in case of individual owner death
- d. NCB earned by Institution
- e. Confirmation of NCB by insurer & what is the action if not confirmed by the insurer
- f. The vehicle sold but not replaced immediately,
- g. NCB earned abroad
- h. Expiry of NCB

# **Important GRs**

## **GR-28 : Automobile Association**

- 1. Discount**
- 2. Class of vehicle eligible**
- 3. In case of more than one membership**
- 4. Applicability of discount on renewal**
- 5. Entry and exit – refund and premium**
- 6. Individuals / joint owners / company**
- 7. Vehicle purchased under hire/lease purchase**
- 8. Fire and/or Theft risks only not eligible**

## **GR-29 : Discount for Vintage cars**

## **GR-30 : Anti theft device**

# **Important GRs**

## **GR-31 : Concession or Laid up vehicles**

### **A. Liability only**

### **B. Package**

**Cover restricted for loss / damage by Fire and/or Theft.**

**Return of premium : net premium on the date of issue of policy / renewal**

**2. No cash refund even renewed with other co.**

**Adjustment in premium on renewal or extension of policy is the discretion of insured.**

**Administrative expenses**

# **Important GRs**

## **GR-31 : Concession or Laid up vehicles**

### **Specific Conditions**

- 1. Laid up in garage and not in use for a period of not less than two consecutive months**
- 2. Vehicle is not undergoing repairs due to claim under the policy**
- 3. No return of premium / extension of policy is allowed for trailers**
- 4. Notice in writing**
- 5. Certificate of Insurance to be returned**
- 6. Lay-up / suspension of the policy shall not exceed 12 months from the date of issue of the policy**

## **Important GRs**

**GR-32 : Prohibition of mid term inclusion /  
cancellation of extra benefits**

*Only once allowed*

**GR-33 : Concession for specially designed  
vehicles**

**GR-34 : Registration, use and Insurance**

**Name of insured : as per RC – except in**

**a. Temporary substitution**

**b. Motor Trade Risk**

**c. GR 19, 20 & 21**

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

# **Important GRs**

## **GR-35 : Use of vehicle within insured premises / sites**

**(i) Used in insureds' own premises (applicable to all classes except GCV)**

**a. Used in own premises**

**b. No public access**

**c. Not licensed by the authority**

**d. Discount**

**e. No certificate of insurance and cover note**

**(ii) Use confined to sites (Commercial vehicles)**



# **Important GRs**

## **GR-36 : PA cover**

### **A. Compulsory PA cover – owner cum driver**

- a. Not applicable to motor trade policies**
- b. Available under liability and package**
- c. Owner should have effective driving licence**
- d. Coverage while driving including mounting/dismounting or as co-driver**
- e. Available only to registered owners**
- f. No available to companies, partnership firm.**
- g. Applicable to one vehicle only**

# Important GRs

**GR-36 : PA cover**

**B. Optional PA cover – other than owner driver**

**Available to following persons :- Maximum SI 2 lakhs**

- 1. Private car including 3 wheelers rated as private car and 2 wheelers – (with w/o side car) not used for hire or reward – (A) Insured or any named person other than paid driver /cleaner (B) unnamed passengers**
- 2. All other vehicles – paid drivers / cleaners and conductors**
- 3. 2 wheeler with or w/o side car used for hire or reward – unnamed hirer / driver**
- 4. Premium for every Rs.10,000/- = Rs.5 PC / Rs.7 TW and Rs.6 CV**

# **Important GRs**

**GR-37 : Imported vehicle without customs duty  
(*where the import duty is not included  
IDV*)**

**GR-38 : Vehicle requisitioned by Government**

**GR-39 : TPPD**

- 1. Not applicable for Class G – internal risk**
- 2. Limit**
- 3. refund of premium (before loading /  
discount**
- 4. Mid term change of TP limits not allowed**

# Important GRs

## GR-40 : Compulsory deductibles –

1. Class D vehicle ? % and Min.
2. Applicable to restricted cover also?
3. Reinstatement of exclusions under IMT 21 – 15% of total OD premium before application of any discount

## GR-41 : Electrical / electronic fittings

## GR-42 : Use of CNG / LPG Fuel

*Whether any additional premium to be collected for TP liability ?*

## GR – 43 : Fibre Glass Fuel Tanks :

Additional Premium Rs.50 / Rs.100

# GENERAL REGULATIONS

GR - 44 : Vehicles used for driving tuition

Vehicle	OD Premium	Liability Premium
PC	Applicable OD + 60%	as per PC tariff
CV-GC	Applicable OD + 60%	as per CV tariff
CV-PC	Applicable OD + 60%	as per CV tariff

*3 wheeler and 2 wheeler used for tuition purpose - the applicable premium on OD and TP portion + 60% loading on both premium*

# GENERAL REGULATIONS

GR – 45 A : Restricted cover for Fire and / or Theft risks (when vehicle in garage and not in use)

- a. Specific declaration
- b. Not available for D,E,F & G
- c. Premium : Fire only 0.50% of IDV, Theft only 0.50% of IDV and both 0.75% of IDV
- d. Compulsory deductible applicable
- e. All add on cover premium applicable including PA - owner cum driver
- f. Discount for voluntary deductible – vehicle ratable under Tariff of private car and two wheelers

# GENERAL REGULATIONS

GR – 45 B : Restricted cover for Liability only and Fire and / or Theft risks (when vehicle in garage and not in use)

- a. Specific declaration
- b. Not available for D
- c. Compulsory deductible applicable
- d. All add on cover premium applicable including PA - owner cum driver
- e. Discount for voluntary deductible – vehicle ratable under Tariff of private car and two wheelers
- f. NCB on fire and theft portion
- g. Discount on AASI membership

# GENERAL REGULATIONS

GR – 46 : Vehicles driven by non-conventional source of power

GR- 47 : Submission of Statistics

GR-48 : Interpretation of IMT



# Tariff for Private Cars

## Scope

- a. Private car used for social, domestic and pleasure purposes **including professional purposes of the insured /insured employees**
- b. Motorized three wheeled vehicles **(including motorized rickshaws / cabin body scooters )** used for private purpose
  - i. Motorized 3 wheeled vehicles with cc exceeding 750 but not exceeding 1000 cc. Motorized 3 wheeled vehicle less than 750 cc – 50% discount but liability and extra cover in full
  - ii. Vehicle used for driving tuition

# Tariff for Private Cars

## Rating Factors

- IDV, CC, Geographical zones and Age of vehicle

**Zone :** A – 8 – B/D/K/C + A/P/H/B  
B - Rest of India

## Limitation to use : Policy does not cover

Hire or reward, carriage of goods (except samples), organized racing, pace making, speed testing, reliability trials and use in connection with Motor Trade

**Driver :** should have effective and valid driving licence – including learning licence

# Tariff for Private Cars

## Minimum value of the Vehicle

Not exceeding 1000 cc                      Rs.15000

Exceeding 1000cc but not exceeding 1500cc – Rs.20000

Exceeding 1500 cc    Rs.30000

## Voluntary deductible & Discount

Rs.2500 – 20% of OD premium – Max Rs.750

Rs.5000 – 25% of OD premium – Max Rs.1500

Rs.7500 – 30% of OD premium - Max Rs.2000

Rs.15000 – 35% of OD premium – Max Rs.2500

# Tariff for Private Cars

## Extra Benefits

1. Legal liability to paid driver / cleaner - WC
2. Legal liability to employees of the insured travelling in and/or driving the employers vehicle –WC
3. Trailers
4. Rallies held in India
5. Speed test / reliability test etc
6. Accident to soldiers / sailors / Airmen employed as Drivers by Defence Officials in their private capacity

## Private Car – Tariff for Rallies

For package policies – Rs.60 for the 1<sup>st</sup> day and Rs.30 for each succeeding day of the rally

For liability only policies – Rs.25/- for the 1<sup>st</sup> day & Rs.15 for each succeeding day of the rally

Deductible : Rs.5000/- per claim + No Driver & passengers are covered

## Private Car – Tariff for Motor Racing / speed test / dexterity trials / hill climbs / motor racing

Rate : 300% loading on both Own Damage and Liability only premium at short period rates for the duration of the rally

Exclusions : owner driver, driver, passengers carried in the vehicle and promoters

# Tariff for Motorized Two wheelers

## Scope

- a. Motorized two wheeler (with or w/o side car) used for social, domestic and pleasure purposes including profession /insured's employees
- b. Motorized two wheeler (with or w/o side car) used for carrying passengers for hire / reward are rateable under Class C4 of CV
- c. Motorized two wheeler (with or w/o side car) used for Motor Trade purposes (Road Risks only) are rateable under Class F of CV
- d. Vehicles used for driving tuition

# Tariff for Motorized two wheeler

## Rating Factors

- IDV, CC, Geographical zones and Age of vehicle

**Zone :** A – 8 – B/D/K/C + A/P/H/B

B - Rest of India

## Limitation to use : Policy does not cover

Hire or reward, carriage of goods (except samples), organized racing, pace making, speed testing, reliability trials and use in connection with Motor Trade

**Driver :** should have effective and valid driving licence – including learning licence

**Joint Owners :** Policy can be issued in the name of joint owners / Company

# Tariff for Two wheelers

## Minimum value of the Vehicle

Not exceeding 75 cc                      Rs.5000

Exceeding 75 cc    - 150 cc              Rs.5000

Exceeding 150cc but not exceeding 350cc – Rs.6000

Exceeding 350 cc    Rs.7000

**Note** : Side car 25% discount – after additional premium for EECL

**Note** : 3 wheeler designed for PH – be rated as 2W with side car

## Voluntary deductible & Discount

Rs.500 – 5% of OD premium – Max Rs.50

Rs.750 – 10% of OD premium – Max Rs.75

Rs.1000 – 15% of OD premium - Max Rs.125

Rs.1500 – 20% of OD premium – Max Rs.200

Rs.3000 – 25% of OD premium – Max Rs.250



# Tariff for 2 wheelers

## Extra Benefits

1. **Loss of Accessories - Premium Min 50? – Max 3%?**
2. **Legal liability to Paid Driver / Cleaner**
3. **Legal liability to employees other than paid driver / cleaner – drive or ride the vehicle**
4. **Rallies held in India**
5. **Speed test / reliability test etc**

## Two wheeler – Tariff for Rallies held in India

For package policies – Rs.35 for the 1<sup>st</sup> day and Rs.25 for each succeeding day of the rally

For liability only policies – Rs.15/- for the 1<sup>st</sup> day & Rs.10 for each succeeding day of the rally

Deductible : Rs.2500/- per claim + No Driver & passengers , promoters are covered

## Two wheeler – Tariff for Motor Racing / speed test / dexterity trials / hill climbs / motor racing

Rate :300% loading on both Own Damage and Liability only premium at short period rates for the duration of the rally

Exclusions : owner driver, driver, passengers carried in the vehicle and promoters

# Tariff for commercial vehicles – Classification

## A. Tariff for Goods carrying vehicles

A1 - Public

A2 – *Private other than three wheelers*

A3 – Public Goods carrying 3 wheeler / motorized pedal cycles

A4 Private Goods carrying 3 wheeler / motorized pedal cycles

## B. Tariff for Trailers

## C. Tariff for Vehicles used for carrying passengers Hire or Reward

C1 – 4 / 3 wheeled passenger vehicles - CC not exceeding 6 passengers

C2 - 4 or more wheeled passenger vehicle exceeding 6 passengers and 3 wheelers exceeding 17 passengers

C3 – Motorized 3 wheeled passenger CC exceeding 6 and not exceeding

C4 – Motorized 2 wheelers used for carrying passengers for Hire or reward

# Tariff for commercial vehicles – Classification

- D. Tariff for miscellaneous and Special types of vehicles
- E. Tariff for Motor Trade – Road Transit Risks only
- F. Tariff for Motor Trade – Road Risks only
- G. Tariff for Motor Trade – Internal Risks only

# Tariff for Commercial Vehicle

## Rating Factors

- IDV, Geographical zones ,Age of vehicle AND GVW / LCC (exceeding 1200kgs ..... Additional Premium ?)

Zone : A – 4 – B/D/K/C

B - All State Capitals

C - Rest of India

Note : for C1 & C4 – as per private car / 2 wheeler

# Tariff for Commercial Vehicles

- Vehicles designed as commercial vehicles and used for commercial and private purpose (excluding hire or reward)

*Appropriate CTV rate with 25% loading*

## Special Exclusions

*IMT 21 and 35 are not applicable in – Liability only*

Public passenger service vehicles – carriage of goods in addition to Passengers

*Normal rate : 20% : Regular route*

Non Fare Paying Passengers ? Passenger vehicle / Goods carrying vehicle ? Premium ? Applicable for E, F & G?

# Tariff for Commercial Vehicles

## LIMITATION OF GEOGRAPHICAL AREA

- a. Other than MT policies – India
- b. Motor Trade policies
  - i. Section II – India
  - ii. All other Sections – India, but subject to

Trade Certificate “ upto 80 kms nil ; 80-120 15% loading; more than 120, Road Transit risk rate

Other than TC – upto 160 kms nil; 160 to 320 – 25% diff between package & Lib; exceeding 320 kms – 50%.

# Tariff for Commercial Vehicles - Trailers

Trailer :Any truck, cart carriage, including agricultural implements without means of self propulsion, drawn or hauled by any self propelled vehicle

Class D : Trailers attached to Miscellaneous  
Special types of vehicles are not rated under trailer

NCB : Tractor and trailer is considered as single unit

Vehicle Laid up : No concession



# Tariff for Commercial Vehicles – Misc. Vehicles

Ambulance : Rs.60/- per passengers

Hearses : Rs.115/- per passengers

Non motor policies : Mobile cranes, excavators, fork lifts, bull dozers, drilling rigs, mobile plant, dumpers and tippers etc

IMT 47 : purpose & premium

Rating : Tractors?

No. of vehicles as per the list : 58 / 53

# Tariff for Commercial Vehicles – Motor Trade E – Road Transit Risks

Scope : vehicle running on its own power

Type of policies : Individual / declaration

Rate - OD : Minimum 120 kms 0.25% of IDV /  
Maximum exceeding 3600 kms 1% of IDV

Rate – Liability : below 2400 kms / above 2400  
kms

Rate OD Towing : Not more 2 trailers & More  
than 2 trailers

Rate – deletion of 50% clause : 1% of basic OD  
subject to minimum of Rs.5/- ?.

## Tariff for Commercial Vehicles – Motor Trade E – Road Transit Risks

Liability + Fire and/or Theft cover : Premium

Liability premium + 25%(F) or 30% (T) or 50% (FT) of Od Premium. Minimum premium Rs.100

Declaration policies : Fire and/or Theft risks –

Minimum premium Rs.75/- for package, Rs.60/- Lib + F or T or FT and Rs.40/- for only liability

*Specific conditions : The cover is to be limited to the risk during transit naming the point of departure and arrival*

## Tariff for Commercial Vehicles :Motor Trade F– Road Risks

- ✓ Scope : : property of the insured / in his control / in his custody
- ✓ Type of policies : Named driver basis - / Trade certificate basis – any person including insured
- ✓ Named driver can drive Regd and Unregd. vehicle and Trade certificate holder only unregistered vehicle
- ✓ Separate policies for each town. Not more than one policy for trade certificates and named drivers
- ✓ All trade certificates in possession or all drivers employed by the insured for his trade are to be declared for insurance.

# Tariff for Commercial Vehicles :Motor Trade F– Road Risks

## Loan/Hire of vehicles to customers by Motor Dealers

### a. Cars of private car type

Package policy :Rs.12 per car per day – Max 12 months : Min Pre-330

Liability only : Rs.2 per car per day – Max 12 months : Min Pre-175

### a. Two wheelers

Package policy :Rs.6 per 2 wheeler per day – Max 12 months : Min Pre-225

Liability only : Rs.1 per 2 wheeler per day – Max 12 months : Min Pre-120

# Tariff for Commercial Vehicles :Motor Trade F– Road Risks

## EXTRA BENEFITS

1. Legal liability to passengers excluding employee :  
Seating capacity within 7 : Rs.115/- per passenger :  
Premium on total vehicles at risk considering each vehicle is having 4 seats
2. Private Use : Used by insured / member or director or employee of the insured / : Premium 5.5% on OD
3. Demonstration – Driving extension : If the vehicle driven by employee / non employee of the insured for demonstration purpose – 12%
4. Tuition Driving - only for named driver basis :  
Premium as per 3 + 50% loading
5. Paid drivers : WC cover

# Tariff for Commercial Vehicles :Motor Trade G–Internal risk

Scope : Motor manufacturer, Motor Assembly factories, Motor Body Builders and Petrol filling stations are not covered

Cover	Lib only	Package
Bodily injury	Unlimited	Unlimited
PD excluding damage to vehicles	1.5 lakhs AOA	1.5 L AOA
Damage to Vehicle (TP)	NA	1.5 L AOA
Damage to own vehicle	NA	0.50L AOA

# Tariff for Commercial Vehicles :Motor Trade G–Internal risk

## Rating:

(1) Not exceeding superficial area of 2000 sq mts

Package : 0.28% on wages + Rs.150/-

Liability only : 0.28% on wages

(2) Exceeding superficial area of 2000 sq mts : (1) +

Package : Rs.15/- & Liability only : Rs.8/- for every additional 1000 sq mts or part.

(3) Where premises is occupied as only showroom  
50% of the above rate

(4) Open air car parks :adjoining but outside motor traders premises – 50% of such area has to taken for premium calculation



# Tariff for Commercial Vehicles :Motor Trade G–Internal risk

## Rating:

(5) More than one premises : it should be within 450 meters, belongs to single owner and insured under one policy ; each premises rated as separate risk both for superficial area and wages and allow discount as:

Exceeding 2 premises but NW 5 premises : 20%

Exceeding 5 premises but NW 10 premises : 25%

Exceeding 10 premises : 30%

Third party damage by fire : Not covered

Work away from premises : Covered – premium 0.065% on wages & Minimum Rs.50.

# Indian Motor Tariff Endorsements

## Important endorsement – Total endorsement 65

1. IMT-2 : Agreed value clause – Depreciation & Applicable to ?
2. IMT-5 : Hire Purchase
3. IMT-6 : Lease
4. IMT-7 : Hypothecation

*Loss or damage to the insured vehicle as cannot be made good repair and / or replacement of parts and such monies shall be paid to owners ie hirer / lessors / pledgee ?*

# Indian Motor Tariff Endorsements

- 6. IMT-20 : Reduction in the limit of liability for property damage
- 7. IMT-21 : Special exclusions and compulsory deductible (applicable for all commercial vehicles except taxi and two wheeler carrying for hire /reward)

Special exclusions : Loss or damage to lamps tyres tubes mudguards bonnet side parts bumpers and paint work

# Indian Motor Tariff Endorsements

- 8. IMT-22 : Compulsory deductible ( applicable for all vehicles including taxis, private car type vehicles plying for public / private hire, private type taxi let out on private hire excepts vehicles mentioned in IMT 21)
- 9. IMT-22 A: Voluntary deductible
- 10. IMT-23 :Cover for lamps tyres tubes mudguards bonnet side parts bumpers and paint work

# Indian Motor Tariff Endorsements

IMT-31 : Rallies held in India (Private cars and motorized two wheelers only).

Deductible applicable

Does not cover driver, inmates or promoters,  
Speed tests, dexterity test, motor racing and  
hill climbs not covered – rally extension 300%  
loading on OD and TP @ short period

# Indian Motor Tariff Endorsements

- 12. IMT-32: Accidents to soldiers /sailors / airmen employed as drivers
- 13. IMT-33 : Loss of Accessories (applicable to two wheelers only) 3% - Minimum premium Rs.50

# Indian Motor Tariff Endorsements

- 14. IMT-34 : Use of commercial type vehicles for both commercial and private purposes (applicable to commercial vehicle policies only)
- 15. IMT-35 - Hired vehicle driven by hirer -  
Applicable to 4 wheeled vehicle with carrying capacity not exceeding 6 passengers and Motorized two wheeler -  
Theft and conversion risk excluded
- 16. IMT-43 : Theft and conversion Risks – take care IMT 35 on additional premium of 1.5%

# Indian Motor Tariff Endorsements

Total endorsements = 65

10. IMT-47 : Mobile cranes / drilling rigs / mobile plants / excavators / navvies / shovels / grabs / rippers – loss or damage resulting from overturning arising out of the operation as a tool.
11. IMT-48: Agricultural and Forestry vehicles and other miscellaneous vehicles with trailers attached extended cover



**THIRD PARTY LIABILITY**

# THIRD PARTY LIABILITIES

1. Property Damage
2. Injury / Death

Sec:134 – Duty of the driver in case of accident and injury to a person

Sec:136– inspection of the vehicle involved in accident

Sec:140– Liability to pay compensation in certain cases on the principle of no fault

Sec: 143 – Applicability of chapter to  
certain claims under Act 8 of 1923

Sec:149– Duty of the insurers to satisfy  
judgements and awards against insured in  
respect of third

Sec: 163B – Options to file claim in certain  
cases

Sec:165– Claims Tribunals

Sec: 169– Procedures and powers of claim tribunals

Sec: 170 – Impleading insurer in certain cases

Sec:173– Appeals

Sec:175– Bar on jurisdiction of Civil Courts

# **GRIEVANCES**

- **OPERATING OFFICES**
- **UIGMS**
- **IGMS**
- **OMBUDSMAN**
- **GRIEVANCES TO THE MINISTRY**
- **CONSUMER FORUM**
- **HIGH COURT /SUPREME COURT**

# GRIEVANCES

## CONSUMER FORUM

Time limit for filing the complaint?

Within two years from the date on which the cause of action has arisen - The District Commission, the State Commission or the National Commission

# GRIEVANCES

## CONSUMER FORUM

### LIMITS

- 1) 50 lakh for District Commissions,
- 2) More than ₹50 lakh to ₹2 Crore for State Commissions and
- 3) More than ₹2 Crore for National Commission

INTEREST PAYABLE OR NOT?



# GRIEVANCES

## OMBUDSMAN

Any aggrieved individual who has taken an Insurance Policy on personal lines (or if deceased, the legal heir(s) under such policy) can approach Ombudsman

Award Limit : Maximum Rs.30 lakhs

Maximum time line to pass the award : 3 months  
after getting all documents

# De-registration and scrapping of old vehicles

**Effective from 1.4.2023 - Maximum age – 15 years**

**Applicable to** - Central Government / State Government / Union Territory administrations / Municipal Corporation / Municipality / Panchayat/ state transport undertaking established under the Road Transport Corporation Act, /a public sector undertaking; or an autonomous body owned or controlled by the Central / State Government

**Not applicable to** - Special purpose vehicles (armoured and other specialised vehicles) used for operational purposes for defense of the country and for the maintenance of law and order and internal security.

**Benefit - Tax Concession**

# Claims

**Liability**

**No. of times**

**Maximum Indemnity**

**Reinstatement of Premium**

**Documents**

**Excess**

**Salvage & Disposal**

# Important IRDAI Regulations

**Commission & Remuneration to various intermediaries**

**Brokers Regulations**

**Agents Regulation**

**Corporate Agents Regulations**

**Commission Service Centre**

**Micro Insurance Agents Regulations**

**Marketing Firms Regulations**

**MISP Regulations**

**Web Aggregators Regulations**

**POS Regulations**

**Protection of Policyholders Regulations**

# ACT

**Insurance Act, 1938 & amendments till date**

**Motor Vehicles Act, 1988 amendments till date**

**Ombudsman**

**Consumer Court**

**RTI Act, 2005**

**Workmen Compensation /Employee**

**Compensation ACT**

# IRDAI (Protection of policyholders Interest) Regulations, 2002 / 2017

- **Insurers / distribution channels / intermediaries / insurance intermediaries / other regulated entities**
- **Appointment of surveyor – 72 hrs**
- **Initial report by surveyor – within 7 days**
- **Survey work to start – within 48 hours**
- **Survey report submission - within 30 days / 90 days in large claims**
- **Clarification on survey report – within 15 days by insurers / 3 weeks from such request by surveyor**
- **Claim settlement / rejection: within 30 days**
- **Interest : ?**

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