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**PROJECT REPORT ON:**

**A STUDY ON OPERATION AND CLAIM PROCEDURE OF  
MOTOR VEHICLE INSURANCE**

**SUBMITTED BY:**

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**T.Y.ACCOUNTING AND FINANCE (SEMESTER 6)**

**SUBMITTED TO:**

University of Mumbai



**PROJECT GUIDE:**

**PROF. NIMESH JOTANIYA**

**ACADEMIC YEAR 2019-2020**



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## **DECLARATION**

I **RITVIKA DWIVEDI** from THAKUR COLLEGE OF SCIENCE AND  
COMMERCE STUDENT OF T.Y.BAF (ACCOUNTING AND  
FINANCE) SEM 6 HEREBY SUBMIT MY PROJECT ON

**“A STUDY ON OPERATION AND CLAIM PROCEDURE OF  
MOTOR VEHICLE INSURANCE”**

I ALSO DECLARE THAT THIS PROJECT WHICH IS A PARTIAL  
FULLFILLMENT FOR THE DEGREE **T.Y.BCOM (ACCOUNTING  
AND FINANCE)** OFFERED **BY UNIVERSITY OF MUMBAI** IS  
THE RESULT OF MY OWN EFFORTS WITH THE HELP OF  
EXPERTS

**RITVIKA DWIVEDI**

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## CERTIFICATE

THIS IS TO CERTIFY THE PROJECT ENTITLED IS SUCCESSFULLY  
DONE BY **RITVIKA DWIVEDI** DURING THE THIRD YEAR  
SIXTH SEMESTER FROM **THAKUR COLLEGE OF SCIENCE  
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COORDINATOR      PRINCIPAL      PROJECT GUIDE

## PLAGIARISM REPORT

“A STUDY ON OPERATION AND CLAIM PROCEDURE OF  
MOTOR VEHICLE INSURANCE”



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## ACKNOWLEDGEMENT

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal, Dr. C.T. CHAKROBORTY** for providing the necessary facilities required for completion of this project.

I take this opportunity to thank our **Coordinator, Dr. Nishikant Jha** for his moral support and guidance.

I would also like to express my sincere gratitude towards my project guide, **Prof. NIMESH JOTANIYA** whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me.

## **EXECUTIVE SUMMARY**

Motor Insurance in India deals with the insurance covers for the loss or damage caused to the automobile or its parts due to natural and man-made calamities. It provides accident cover for individual owners of the vehicle while driving and also for passengers and third party legal liability. Motor Insurance is the branch of insurance that most directly affects the general public. With over 55 million vehicles on Indian roads and a legal requirement for insurance for every vehicle on road, it is easy to mark why this portfolio plays such a major role in insurance services.

This project gives a gist about various policies under different types of motor insurance in India, the procedure for buying the policy, need and importance and also how one can apply for claim in case of any mishap to the motor vehicle.

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## **CHAPTER NO I: -INTRODUCTION**

### **1.1 INSURANCE**

Insurance is contract between an insurer and the insured under which undertakes to compensate the insured for loss arising from the risk insured against. In consideration, the insured agrees to pay a sum called as Premium in advance. The instrument containing the contract of insurance is called as the Policy. The things, property or life, which forms basis of insurance is called as subject matter of insurance.

The Insurance Act, 1938 was passed by the Legislature on 26<sup>th</sup> February, 1968 and it came into force on 1<sup>st</sup> July, 1939. It has been amended several times. It extends to whole of India. It is an Act to consolidate and amend the law relating to the business of insurance. Risk is there at every walk of life, also endangers life itself. In the same way all financial deals, as well as possession of money and property goods, etc. are fraught with the element of risk. All risks do not actually occur at all times and hence, it is possible to calculate probable chances of any particular risk materializing. It is quite clear that all the people do not face risks at the same time. Thus, transfer of risk too another i.e. the insurer is in fact a pooling the risks. If insurance did not exist, each individual had to bear the losses on his own. Insurance, in effect means that each one in pool undertakes to bear a portion of the loss. Such an agreement has proved to be advantageous to everyone as it is uncertain as to who will suffer the loss. Thus, in course of time, the idea developed that such a common pool of resource should be managed by experts who would calculate the quantity of the contribution to be levied on each individual. In this way the idea of insurance developed. In modern times, the insurance has come to be highly commercial undertaking however the principle is still the same viz., and the insurer collects premium for a large number of persons and covers them against a large variety of risks.

### **1.2 MOTOR INSURANCE**

Motor insurance is one of the largest non-life insurance of the world. This is because it is statutorily mandated in most parts of the world. All motor vehicles are required to be registered with the road transport authorities and insured for Third Party Liability.

The basic premise is that the motor vehicle could either cause injury or to a subject of damage, and thus require insurance.

Motor insurance originated in U.K. where the first motor insurance policy was introduced into England in 1894 to cover third party liabilities. In 1899 this policy was extended to cover the accidental damage similar to what is known as comprehensive policy. In 1903, the first company transact motor insurance was Car & General Insurance Corporation. After World War 1, there was a considerable increase in motor vehicles in all the countries and an increase in road accidents. This position warranted compulsory Third Party Liability insurance in England through Road Traffic Act, 1930 & 1934 which were subsequently consolidated by Road Traffic Act, 1960.

In India, the Motor Vehicles Act was passed in 1939 and in 1946 the third party insurance was introduced compulsorily. The need for compulsory motor insurance was obvious. There has been a phenomenal rise in the motor accidents in the last 4-5 years. Much of these are attributable to a sudden rise in the number of vehicles. Every vehicle before being driven on roads has to be compulsorily insured. The automobile insurance policy represents a combined coverage of the vehicles including accessories, loss or damage to his property or life and the third party cover.

The Motor Vehicle Act, 1939 introduced compulsory insurance to take care of those who get injured in an accident. The insurance for own vehicle damage is not mandatory. In India, the Tariffs Advisory Committee regulates this business.

## **1.3 VEHICLE INSURANCE**

### **MEANING**

Vehicle insurance (also known as car insurance, motor insurance or auto insurance) is insurance for cars, trucks, motorcycles, and other road vehicles. Its primary use is to provide financial protection against physical damage or bodily injury resulting from traffic collisions and against liability that could also arise from incidents in a vehicle. Vehicle insurance may additionally offer financial protection against theft of the vehicle, and against damage to the vehicle sustained from events other than traffic collisions, such as keying, weather or natural disasters and damage sustained by colliding with stationary objects. The specific terms of vehicle insurance vary with legal regulations in each region.

### **DEFINITION**

Motor third-party insurance or third-party liability cover, which is sometimes also referred to as the 'act only' cover, is a statutory requirement under the Motor Vehicles Act. It is referred to as a 'third-party' cover since the beneficiary of the policy is someone other than the two parties involved in the contract (the car owner and the insurance company). The policy does not provide any benefit to the insured. However, it covers the insured's legal liability for death/disability of third-party loss or damage to the third-party property.

## **FEATURES**

### **Comprehensive Cover**

- The third-party cover is in-built within the policy (mandatory) that comes along with the purchase.
- This cover also includes any damage to one's own vehicle in case of an accident.

### **Premium Calculation**

- The premium of the insurance policy depends on a variety of factors like:
- Model, capacity, and fuel type of your vehicle
- Place of residence
- Past claims experience
- Modifications done to the vehicle

### **Add-on Covers**

- The no depreciation cover,
- No claims bonus and
- An assistance facility if the vehicle is stuck due to failure.

### **Cashless Facility**

- Private insurers offer cashless facility to their customers for any damage of your vehicle.
- To avail this facility, it is necessary to take the vehicle to the network garages.
- Before you purchase or renew your policy, you can look at the network garages.

### **No-claims Bonus**

- As with the Health Insurance policy, one can avail a benefit of a claim free year.
- This will enable one to avail significant discounts in the premium amounts if the policy is continuously renewed without any break within the admissible time limit of 90 days.
- Usually insurer declares the no-claim bonus beforehand, thus you can estimate while making a claim if it is worth giving up the no-claim bonus next year.

### **Deductible**

- Whenever a claim is made, there is a certain amount that the owner must pay out of his own pocket. This is fixed at Rs. 50 for two-wheelers and Rs. 500 for cars.
- This deductible amount has been made mandatory to avoid any false claims on the insurer.

### **Exclusions**

There are certain exclusions to this policy which are as follows:

- Driver not holding valid license
- Driver being under the influence of drugs or liquor
- Normal wear and tear of the vehicle
- Depreciation
- Mechanical breakdown
- Using the vehicle for other purposes than recommended

The above are some of the key features of a motor insurance policy that one must be aware of before buying one. However, if one has decided to insure his vehicle; it is important to have sufficient knowledge about how to buy the policy and the documents that are required for the same.

## **1.4 IMPORTANCE OF VEHICLE INSURANCE IN INDIA**

Accidents are unfortunate events that can leave a tremendous lifetime burden if you are uninsured. This article details several reasons why you must go for vehicle insurance, apart from the fact that vehicle insurance in India is mandated by the law.

Lack of proper infrastructure makes vehicle insurance in India a necessity. With the kind of traffic management we have in India, you will hardly find a day not seeing or at least hearing about vehicles banging into each other causing major damages. Haste and negligence on top of a poor infrastructure and lack of safety practices makes us at Risk of road accidents in India.

India enjoys the dubious distinction of reporting the highest number of road fatalities in the world. In the year 2009, there were around 4.9 lakh road accidents in India, which resulted in the deaths of 1, 25, 660 people and injured more than five lakh persons. And, this does not include the smaller accidents, most of which go unreported. Another pertinent reason for the increase in the number of accidents is the fact that we are witnessing a very rapid growth in the number of vehicles, but paradoxically improvement in infrastructure is not in proportion. This exposes vehicle owners to a greater risk of accidents.

One may be confident about his driving skills and would tend to avoid buying an insurance cover as it always pinches to pay the Premium especially when you do not have to make any claims. But you only realize the value of insurance, when you are in a situation and you may need to make a claim. But remember, no matter how good a driver you may be, you are always exposed to risk of getting hurt by somebody else's negligence. The consequences of an Accident can be severe, and besides financial loss and personal injuries it also causes severe mental stress. Having a motor insurance helps relieve a lot of your financial and mental pain.

## 1.5 TYPES OF MOTOR INSURANCE

### 1. CAR INSURANCE

### 2. TWO WHEELERS INSURANCE

### 3. COMMERCIAL VEHICLE INSURANCE

#### 1. CAR INSURANCE

This is the fastest growing segment in the insurance sector as car insurance is mandatory while buying a new car. Major car manufacturers are tying up with leading insurance companies to provide quick insurance to its customers. Car insurance covers loss or damage by accident, fire, lightning, riots, earth quake, hurricane, terrorist attacks, explosion, theft, third party's claims and damages (like liability for third party injury or death, third party property and liability to paid driver). On payment of appropriate additional premium it covers loss or damage to electrical or electronic accessories and other significant items.

#### 1.5.1 WHY YOU NEED CAR INSURANCE:

Car insurance is required mainly for the following reasons:

1. **Mandatory by law:** The Motor Vehicles Act of India has made it compulsory for all vehicles used in public spaces to have car insurance. A third-party liability policy is compulsory for all vehicles, but you can decide to go for a comprehensive car insurance policy too. The reason why third-party liability insurance is mandatory is that in case of accidents, any damages or losses to the property of a third party along with injuries to the said person are covered.
2. **Effective investment:** Recent studies have shown that one in six car accidents take place in India. Whether you are at fault or not, these odds cannot be taken lightly. As such, having a comprehensive car insurance policy in place will ensure that your vehicle is covered for the costs incurred on repairs in case of accidents. It will also cover the policyholder for any bodily injuries. In case of collisions with other vehicles, the compensation could run into thousands of rupees, perhaps lakhs. Your

car insurance policy will help you breathe easy and cover the costs for you in exchange for a nominal premium, making it a worthwhile investment.

3. **Offers peace of mind:** Having a car insurance policy offers peace of mind in the sense that you can cruise on a highway or even squirm through peak traffic without having to worry about the consequences of potential accidents. Sometimes, even the tiniest of scratches to another vehicle could urge the driver to create a scene on the road and demand money for repairs. With car insurance, you can put these worries in the back seat and drive easy.
4. **Health insurance boost:** Many of the car insurance policies out there provide coverage for the injuries you sustain, or the injuries sustained by your fellow passengers during an accident. If the policy you choose does not offer this cover, you can always purchase personal injury protection as an add-on cover, and it will boost your health insurance, covering things that may not be covered by your health insurance plan.
5. **Saving time:** Meeting with an accident can be quite stressful. You have to get your vehicle repaired, pay for the expenses incurred on repairing the vehicle of a third party, pay for the treatment of any injuries sustained by you or a third party, making claims, finding a good garage, etc. Basically, you will have to run around a lot. But with car insurance, your stress can be significantly lower and you can also save a good amount of time as the insurance company will handle everything for you.

### **1.5.2 THIS IS HOW CAR INSURANCE CAN PROTECT YOU :**

Purchasing a car insurance policy can financially protect you as well as your vehicle in times of accidents. Given the rate at which new vehicles are entering Indian roads on a daily basis, having a car insurance policy in place is crucial as there are several perils of driving in the country. Here are five ways through which you can be protected with car insurance.

- **Damages:** Cars are expensive to purchase and maintain, and repairing them if they meet with accidents can be a costly affair too. There may be instance where your vehicle could sustain damages because of a third party's negligence. Another vehicle colliding with your car, or your vehicle crashing into a wall, or your swerving in an effort to avoid a jaywalker, etc. can make you incur a significant amount of money. Having a car insurance policy will ensure that your damages are paid for by the insurance company.

- **Lower liability:** It is mandatory to have third party liability car insurance in India. This policy will provide cover against the legal liability of an accident you have caused. For instance, if you crash your car into the property of a third party, the insurance will take care of the legal repercussions as well as cover the cost of repairs to the damaged property. Similarly, the legal and financial ramifications of injuring a person will also be covered by your car insurance policy, thereby lowering your liability to a significant extent.
- **Hospitalization expenses:** While some accidents are rather mild, there are some that see the driver and passengers suffer from more than just small bruises and cuts. There are times when people have fractures or other severe injuries that need them to be hospitalized. Given the rate at which medical and hospitalization expenses are rising in India, having a car insurance policy will ensure that you don't burn a hole in your pockets at times like these. The insurance policy will take care of these expenses and lower your financial liability.
- **Compensation for the family:** The worst case scenario of a car accident is the demise of the car owner. If you are the sole breadwinner of your family, it can be extremely difficult for your spouse and kids to survive in your absence. A car insurance policy will pay for the expenses your family will incur after your death, such as funeral expenses.
- **Lower cost for online purchase:** Purchasing a car insurance policy online can be cheaper as the premiums are often lower. The reason for this is that the operating costs are lower for the insurance company when transactions are done online. Since there are no commissions to be paid to brokers, the insurance company passes on the benefit of lower cost to the customer. Even renewing your policy online is simple and hassle-free in addition to being cost-effective.

### **1.5.3 TYPES OF CAR INSURANCE POLICIES:**

The two kinds of car insurance policies available to car owners in India include third-party liability and comprehensive insurance.

- **Third-party Car Insurance:**

Third-party car insurance is a type of car insurance policy that covers the policyholder against legal liabilities that arise to a third party in case of an accident. If you are at fault in an accident and injuries are caused to a third party, or if their property is damaged, you will be covered by your third-party car insurance policy. Third-party

liability is compulsory under the Motor Vehicles Act, 1988 for those who purchase, own, or drive a motor vehicle in India.

- **Comprehensive Car Insurance:**

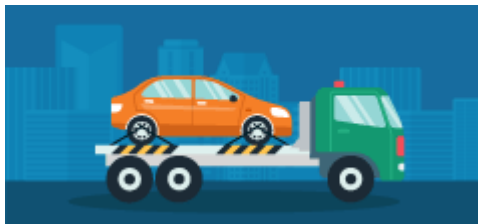
If you wish to get the best kind of coverage for your vehicle, a comprehensive car insurance policy is what you need. As the term suggests, the policy offers comprehensive protection. In comparison with third-party liability car insurance, a comprehensive car insurance policy not only covers the costs incurred on loss or damages to a third party's property, but also covers damages to your own vehicle in case of an accident. It also offers a range of extensive services that cannot be availed through a third-party liability car insurance policy. A comprehensive car insurance policy will cover damages caused by fire, vandalism, theft, severe weather, and natural disasters. It also covers damages to your car caused by falling objects like the branches of trees.

#### **1.5.4 ADD-ON COVERS :**

The following are a few add-on covers that you can purchase with your car insurance policy to make it more comprehensive and effective:

#### **Zero Depreciation Cover**

**Figure 1.1**



#### **Roadside Assistance Cover**

In case you are faced with an emergency when driving in a remote area, the roadside assistance cover will provide you with access to services that can fix your problems as soon as possible.

**Figure 1.2**



### **Personal Accident Cover**

A personal accident cover provides coverage to the owner of a car in case of accidents. If the owner of the car is driving it and meets with an accident, 100% of the claim amount will be provided to him/her in case of irreparable damage to limbs or death.

**Figure 1.3**



### **No-Claim Bonus**

A no-claim bonus is a reward for policyholders who do not make any insurance claims over the course of a policy year. In such cases, this cover rewards them by providing discounts of up to 50% on the premium payment for the following year.

**Figure 1.4**



### **Engine and Electronic Circuit Cover**

This add-on cover provides protection to the electronic circuit and the engine of the vehicle. In case of flooding, the engine can fail if you keep trying to run it, and this damage is not covered by regular car insurance policies.

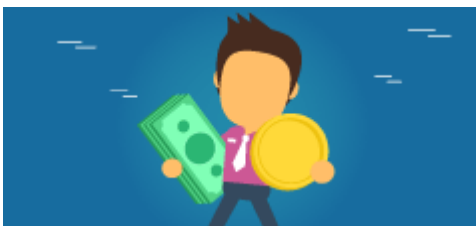
**Figure 1.5**



### **Loss of Belongings**

This add-on cover allows you to report claims because of loss or theft of your personal belongings. In case you leave your laptop or some other expensive equipment in your locked car and it gets stolen, this cover will reimburse you for the loss at least partly if not fully.

**Figure 1.6**



### **Daily Cash Allowance**

In case your vehicle remains in a garage for about three to four days, the daily cash allowance cover will pay for your transportation costs. However, this cover is not too popular among Indian car owners due to the fact that repairs usually take just a day or two.



**Figure 1.7**

**Key Replacement**

In case you misplace or lose your car keys, having a key replacement cover will ensure that you are reimbursed for the cost of replacing the key. However, insurance companies do not reimburse the whole amount needed to replace the key.

It is very simple to make your car insurance policy stronger and have comprehensive coverage in difficult times. It is essential to consider the aforementioned covers as they will not only come to your rescue when needed, but will also lower the costs you would otherwise incur if you did not have them. However, not all add-on covers may be beneficial for you, so it is advised that you go through them carefully and pick the ones that could come in handy.

**1.6 INCLUSIONS AND EXCLUSIONS :**

The cover offered by car insurance policies varies from insurer to insurer, but the most common inclusions and exclusions in car insurance are as follows:

**Figure 1.8**

What is Covered (Inclusions)	What is Not Covered (Exclusions)
Cover for damages to your vehicle	Damages to vehicle when it was being used for illegal purposes.
Cover for damages caused by natural calamities	Accidents that are deemed fraudulent by the insurer.
Personal accident cover	Damages incurred by the vehicle when it was being driven by someone who was under the

What is Covered (Inclusions)	What is Not Covered (Exclusions)
	influence of alcohol or drugs.
Cover for damages incurred due to man-made disasters	Damages incurred by the vehicle when it was being driven by someone who does not have a valid driving license and who has not attained the legal driving age.
Theft	Damages incurred by the vehicle when the driver was breaking traffic rules.
Damages to property	Damages incurred by the vehicle when the car insurance policy had expired.

**Note:** Each policy has its own list of exclusions that you are expected to read carefully at the time of purchasing one.

### 1.7 PARAMETERS OF PREMIUM

Car insurance components is combination of own damage and third party liability coverage. Own damage part of the insurance covers any damages and theft (total or partial) of the car whereas third part) covers any damages and injury caused to a person and property by the insured car. The primary factors that determine car insurance premium are the make and model of the car, age of the car and city of registration on the basis of IDV (Insured Declared Value). The procedures for car insurance segment are determined on the company package policy are mentioned below :

- **Insured Declared Value (IDV)**

The make and model of the car and age together form the basis for arriving at the IDV of the car. All vehicles are insured at the fixed IDV. This is calculated based on the car ex-showroom price (and the listed price of any electrical and non electrical

accessories) after deducting the depreciation for every year, as per the schedule provided by Tariff Advisory Committee (TAC). Now consider electrical and non electrical accessories like music system, air conditioner, fog lights, overhead carrier, seat covers, etc. If one opts for top of the line stuff, insuring them is a must, which again will add to the value of the car and hence it would get added to the cost of individual premium. Adding a Compressed Natural Gas (CNG) kits to individual will further increase individual premium.

- **Age**

The age for car is explained in form of example: - Suppose a car that is less than 6 months old will incur a depreciation of 5%, compared to 30% for car that is more than two years old but not exceeding 3 years. Apart from usage in calculation of IDV, age is also used to arrive at the rate based on loss experience.

- **Make / Model**

Generally, the more expensive car the higher is the car insurance premium. So insuring a BMW (Bavarian Motor Works) will definitely be more expensive than insuring a Maruti car. However, value of the car is not the only determinant of premium but most of the insurance companies follow "Risk Based Pricing" approach wherein historical loss experience and risk assessment methods are considered for deciding premium rates. Such rates when multiplied by IDV gives the final Premium.

- **Location or city**

As we know that more cars sold in a particular city means more cars on the road. This high level of penetration may result in a higher probability of accidents as compared to a city where there are fewer cars. Apart from density of cars, other factors such as infrastructure, usage of the cars or driving habits are expected to have impact on accidents. Hence location is one of the important factors while determining the premium.

## 1.8 POLICY PREMIUM COMPUTATIONS

1. a. Basic OD (Own Damage)	1. a. Basic TP (Third Party)
b. Bi-fuel kit/ Fuel Types	b. Bi - Fuel / Fuel Types
c. Electronic Equipments	c. Passenger Liability
d. Other add – ons	
Total Premium	
2. Discounts	2. Other Liability
a. Voluntary excess	a. Driver, Conductor, Coolies.
b. Automobile Ass Membership	b. Non Fare Paying Passengers
c. Anti theft device	
d. No Claim Bonus - %	
	3. P.A.
	a. Owner Driver
	b. Named passengers paid driver
	c. Unnamed passengers
Net OD Premium (A)	Total TP Premium (B) Total Premium (A+ B)

## 1.9 HOW TO PURCHASE A NEW CAR INSURANCE:

Car insurance can be purchased through agents, dealers, or brokers.

- **Agents**

Insurance agents work with insurance companies and are paid by the company to sell their products to customers. As such, agents are experts so far as the insurance products offered by their employers are concerned. They have the ability and the expertise to guide you and help you choose the policy that best suits your needs. If you wish to change your insurance company, you should find another insurance agent who works with the company from which you wish to purchase insurance.

- **Dealers**

Automobile dealers sell vehicles to customers, and these vehicles are sold with third-party liability insurance. Generally, dealers have tie-ups with insurance companies and may not be experts regarding the insurance policies. They take care of the

paperwork associated with availing a third-party liability insurance policy sold by the dealership, but do not have adequate knowledge to guide you to find the policy that best suits your requirements.

- **Brokers**

Brokers can either be individuals or companies that have a license from the Insurance Regulatory and Development Authority of India to sell insurance products. The products sold by brokers can be from various insurance companies as they have the expertise required to help you make an informed choice. They also offer assistance in after-sales service. Brokers can help you compare various policies in an effort to find the best one for you. Brokers can also assist you through the claim settlement process.

## **POINTS TO KEEP IN MIND WHEN PURCHASING FOUR WHEELER INSURANCE:**

### **1. Do your research**

You will have to compare a number of plans to find the one that best suits your four wheeler insurance needs. You will have to consider various parameters such as the cost of premium, the claim settlement ratio of the company, the coverage provided, additional benefits, etc.

### **2. Claims**

The Claim Settlement Ratio of an insurance company must be checked to ensure that you have a hassle-free claims process.

### **3. Third-party insurance is compulsory**

If you are purchasing a car for the very first time, the auto-dealer will offer you third-party insurance. If not, you will have to purchase it from a broker or insurance company.

### **4. Understand the policy document**

You must go through the policy document to understand who is covered, how much coverage is provided, what are the exclusions, inclusions and etc.

### **5. Comprehensive cover offers greater protection**

Not only will it protect you and your vehicle, but will also take care of the claims made by third parties for damages caused to their body or vehicle.

#### **6. Additional cover must be considered for your risk profile**

Purchasing add-on covers for your car insurance policy will provide you with sufficient cover against various situations in case of accidents.

#### **7. Periodical evaluation**

Experts say that you must evaluate your insurance plan on an annual basis to know if you have adequate coverage or you need more.

#### **8. Credit score**

The credit-based insurance score of an individual can determine the premium rate applicable to him/her.

#### **9. Personal accident cover must be considered**

The benefits of purchasing this cover is that it provides global coverage and covers all legal expenses. It is also customizable based on the needs of the individual.

#### **10. Voluntary deductibles**

By going for this option, the cost of repairs during accidents will be shared between you and the insurer, thus meaning that you will have to pay a lower premium amount.

#### **11. Assess dealer insurance**

The package may not be the best suited to your insurance needs and neither would it be the least expensive option.

#### **12. Understand your car's Insured Declared Value**

The Insured Declared Value of your vehicle is the maximum amount that can be claimed under your car insurance plan.

#### **13. Understanding the No-Claim Bonus**

In case you do not make any claims over the course of a year, the No-Claim Bonus will offer benefits such as reduction in your premium amount.

#### 14. Consider cashless claim options

Look for four wheeler insurance companies and plans that offer the cashless claims facility as it comes in handy during times of emergencies.

#### 15. Car customization

It is important to note that coverage is not offered for some vehicle parts under a regular car insurance policy. Engine parts or other mechanical parts may not be covered after they are modified.

#### 16. Customer service

When you purchase a car insurance policy, the customer support offered by the company is crucial to ensure that you don't have any hassles in the future.

#### CLAIM PROCESS :

Car insurance is mandatory in India and is among the most commonly bought insurance products. The reason for an increasing number of people purchasing car insurance is the rising population which has a higher disposable income, thereby resulting in a higher number of cars on Indian roads. However, there are times where policyholders have no clue regarding the car insurance claim process. Here is a step-by-step guide to go about filing your car insurance claims:

In Case of Damages to Your Own Vehicle	In Case of Damages to Third-Party Claims	In Case of Stolen Vehicles
As soon as you meet with an accident or notice damages to your vehicle, you will have to call the insurance company and intimate them about the damage. You will also	In case you receive a legal notice from a third party, claiming reimbursements for damages caused by you, you will have to inform your insurer about the same. It is essential to	If your car is stolen you will have to lodge an FIR by filing your complaint at the nearest police station. A copy of the FIR must be submitted to the insurance

In Case of Damages to Your Own Vehicle	In Case of Damages to Third-Party Claims	In Case of Stolen Vehicles
<p>have to furnish a duly filled-in claim form in addition to the necessary documents required by the insurer. The forms can be downloaded from the website of your insurance company.</p>	<p>speak to your insurer before communicating with the third party or making any out-of-court settlements or financial commitments to them.</p>	<p>company.</p>
<p>A surveyor will be sent by the insurance company to assess the damages sustained by your vehicle. A report will be prepared by the surveyor and passed on to the insurance company. A copy will also be sent to you.</p>	<p>A copy of the legal notice must be sent to your insurance company.</p>	<p>After the final police report is sent to you, a copy must be taken and sent to your insurance company. An investigator will be assigned by the insurance company with whom you will have to cooperate.</p>
<p>In case of severe damages that require immediate repairs, the surveyor will arrive at the location of the accident as soon as possible, and your car can be sent for repairs after the surveyor has sent his report to the insurer.</p>	<p>Copies of the FIR, your driving license, and the RC book of your vehicle must be submitted to the insurance company.</p>	<p>Once your claim has been approved by the insurance company, the RC book of the stolen vehicle will have to be sent to your insurer. The owner's name will be changed to the name of the insurance company.</p>

In Case of Damages to Your Own Vehicle	In Case of Damages to Third-Party Claims	In Case of Stolen Vehicles
<p>Following the completion of repairs to your vehicle, the duly signed forms and documents must be taken from the garage and given to the surveyor who will send them to the insurer.</p>	<p>The documents will then be assessed by the insurance company and the details of the accident will be assessed and if they are satisfactory, the insurance company will appoint a lawyer for your case.</p>	<p>The duplicate keys of the vehicle will then have to be submitted to the insurance company along with a letter of subrogation. A notarized indemnity on a stamp paper must also be submitted to the insurance company.</p>

**DOCUMENTS AND DETAILS REQUIRED FOR FILING CAR INSURANCE CLAIMS:**

The following are the details/documents you will be required to send to your insurer when making a claim :

- Name of the insured individual
- Policy number
- Contact number
- Date and time of the accident
- Number of the vehicle
- Make and model of the car
- Location and extent of loss
- Name of the garage along with contact information
- Brief description of the accident

**In case of accident damages, the following documents will be required to make a claim:**

- Proof of insurance – cover note or policy copy

- Registration book copy and original tax receipt
- Driving license copy along with the original (of the individual driving the car at the time of the accident)
- FIR or police panchanama (for bodily injuries or death or damage to third party and/or his/her property)
- Estimate of the cost of repair
- Payment receipts and repair bills following the completion of repairs

**In case of theft of your car, the following documents will be required to make a claim:**

- Original policy document or certificate
- Registration book along with theft endorsement from the concerned Regional Transport Office plus tax payment receipt
- Details of the insurance policy, such as policy number, period of insurance, and the insurance company
- All sets of service booklets, keys, and warranty cards
- FIR or police panchanama along with JMFC report or final investigation report
- Acknowledged copy of letter addressed to the Regional Transport Office intimating theft

#### **TOP FIVE CAR INSURANCE COMPANIES IN INDIA:**

If you wish to purchase a new car, you must also look at car insurance. It is essential to pick a reputed company in order to have a hassle-free experience when making claims. The following are the top five car insurance companies in India:

#### **New India Car Insurance**

- New India Assurance Co. Ltd. currently operates in 28 countries and is headquartered in Mumbai.
- Cashless claim settlement option is available in all cashless garages across the country.

- New India Motor Insurance has an incurred claim ratio of 79.68%.
- The net earned premium of New India Motor Insurance stands at Rs.9,074.26 crore.
- New India Assurance offers both own-damage and third-party liability cover.

### **United India Car Insurance**

- United India Insurance Company was first set up as a company in 1938.
- There is an option for direct cashless settlement of claims in network garages across the country.
- United India Car Insurance has an Incurred Claim Ratio of 91.72%.
- Rs.5,748.32 crores is the amount of premium earned by United India Motor Insurance.
- Offers coverage for own-damage, third-party liability, and personal accident cover.

### **National Car Insurance**

- National Insurance Company is the oldest general insurance company in India.
- Can get vehicles repaired using cashless claim settlement facility available in all network garages across India.
- National Car Insurance has an Incurred Claim Ratio of 121.67%.
- National Car Insurance earned a net premium of Rs.5,008.23 crore.
- Liability-only cover and package covers are the covers provided under this insurance policy.

### **ICICI Lombard Car Insurance**

- ICICI Lombard is one of the leading private sector insurance company in the country.
- Cashless Claim Settlement option is available in more than 3,400 network garages available in different parts of India.
- The Incurred Claim Ratio of ICICI Lombard stands at 77.44%
- The Net Earned Premium of ICICI Lombard is Rs.4,142,19 crore.
- Offers covers like Zero Depreciation, Roadside Assistance, and Accident Cover.

### **Oriental Car Insurance**

- Oriental Insurance Company was incorporated in 1947 and all the shares of the company now belong to the Central Government.

- Network garages can be used to avail cashless claim settlements across the country.
- Oriental Car Insurance has an Incurred Claim Ratio of 68.19%
- Oriental Car Insurance has a Net Earned Premium of Rs.4,000.26 crore.

**“Based on IRDA Annual Report 2017-18 on Net Earned Premium”**

Car owners should be wise enough to choose the best car insurance coverage options to minimize the risk and to maximize the benefits. While the mandatory liability insurance is the cheapest option, it will not cover the policyholder’s interests. Hence, the selection of insurance policy should be done as per the make and model of the car, frequency of usage, location and other factors. By comparing and analyzing various kinds of coverage, you can settle for the best car insurance policy.

### 1.10 TWO WHEELER INSURANCE

Two wheeler insurance is another type of popular auto insurance in India. It is governed by the Indian Motor Tariff. This insurance provides protection against natural and man made calamities like: fire, rockslide, landslide, storm, hurricane, flood, earthquake, burglary, theft, riots or any damage caused to the vehicle in transit by road, air, inland waterway or rail.

Two wheeler insurance provides mandatory personal accident cover of Rs. 1lakh to the insurer. This accident cover can also be opted for passengers. It also protects against legal liabilities arising due to third party injury/death or damage caused to its property.

## 1.11 IMPORTANCE

The Indian Motor Vehicles Act, 1988, has made it mandatory for all vehicles that run on Indian roads to be insured with a valid insurance policy. Riding your bike without a valid two wheeler insurance plan is considered illegal. 2 wheeler insurance policies are designed to offer financial coverage against unfortunate events and accidents that could damage the insured two wheeler, or bodily injuries to the rider, the pillion, or pedestrians, or damages to the property of a third party. With a proper bike insurance policy in place:

**You will be free of financial stress:** In case your vehicle is damaged or stolen, you won't have to worry about the costs incurred in fixing it or replacing it as the insurance company will take care of it or you.

**You will have legal protection:** Considering the fact that it is compulsory to have an insurance policy in place when riding on Indian roads, carrying a copy of your insurance policy will ensure that you will be legally protected against paying fines or penalties to the police.

**You receive a personal accident cover:** If you are insured, the insurance company will cover you for up to Rs.1 lakh in case you suffer total permanent disability. In case of your untimely demise, your family will receive the sum assured from the insurance company.

## FEATURES

The following are the key features of a bike insurance policy:

- Bike insurance policies are categorized as motor insurance policies that are part of the general insurance industry.
- Motorcycle insurance plans provide financial coverage against damages incurred by the insured vehicle as well as theft of the vehicle.
- In case your two wheeler insurance policy has expired, all the damages incurred by your vehicle will have to be borne by you.

- Bike insurance plans offer coverage against natural disasters as well as man-made calamities such as earthquakes, storms, landslides, riots, theft, explosions, strikes, etc.
- In case of the loss or theft of your vehicle, a pre-determined sum assured up to the Insured Declared Value will be provided to you.
- When purchasing a bike insurance policy, you will be required to pay a pre-specified premium to the insurance company over regular intervals of time for a certain period.
- Premium rates are cost-effective and can be negotiated with the insurer at the time of purchasing the policy. Premium amounts start from Rs.600.
- The personal accident cover on bike insurance is limited to Rs.1 lakh for damages incurred by the insured vehicle as a result of an accident.
- Discounts of up to 70% of the premium can be claimed through the no-claim bonus offered by most two wheeler insurance companies.

### **1.13 TWO WHEELER INSURANCE PLANS:**

Insurance companies offer several incentives to prospective customers in the form of long-term bike insurance policies, NCB benefits, etc. Vehicle owners may be confused on the benefits offered by each of the policies. Look no further; given below is a representative list of some of the best two wheeler insurance policies currently available.

## Oriental Bike Insurance

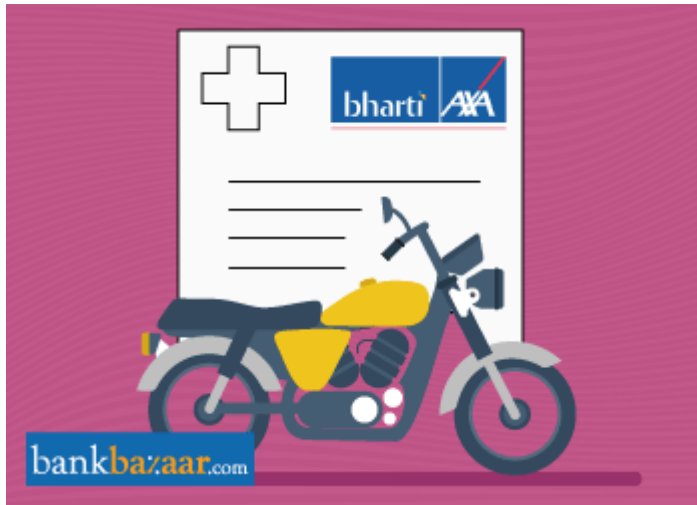
Figure 1.10



Incurred Claim Ratio	68.19%
Cashless Network Garages	200+
Policy Term	1 – 5 years

## Bharti AXA Bike Insurance

Figure 1.11



Incurred Claim Ratio	81.74%
Cashless Network Garages	2,500+
Policy Term	1 – 5 years

## National Two Wheeler Insurance

Figure 1.12



Incurred Claim Ratio	121.67%
Cashless Network Garages	Available
Policy Term	1 – 5 years

### ICICI Lombard Bike Insurance

Figure 1.13



Incurred Claim Ratio	77.44%
Cashless Network Garages	Available

Policy Term	1 – 5 years
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#### 1.14 TYPES OF BIKE INSURANCE POLICIES

There are two kinds of 2 wheeler insurance policies, viz. comprehensive plans and liability-only plans.

- **Comprehensive Insurance**

A comprehensive two-wheeler insurance policy, although not mandatory, is highly recommended for all bikes. This insurance plan offers extensive coverage to the bike and its owner. It also protects from legal liabilities to third parties in an accident.

##### **What Does Comprehensive Two Wheeler Insurance Cover?**

A comprehensive insurance policy covers damage or theft of your two wheeler apart from the third party that comes with a liability only policy. Comprehensive insurance policies cover any damages incurred by the owner of the two wheeler. Opting for a comprehensive insurance policy is not mandatory like the liability only cover. Here are the features of a comprehensive two wheeler insurance plan

1. Personal accident cover
2. Offers protection for costs incurred due to damages
3. Coverage against third party liability
4. Coverage against death or bodily injury

Comprehensive insurance policies will not cover any damages caused due to a electrical or mechanical breakdown or the normal wear and tear of the vehicle.

Coverage will not be provided if the vehicle is driven without a valid driving license at the time of the incident. Damages incurred while driving under the influence of alcohol or any other intoxicant.

Unlike the liability only insurance, there are a number of add-ons you can opt for to improve the coverage you receive. Roadside assistance, return to invoice, pillion rider, and zero depreciation are some of the popular add-on covers available. Even

though a comprehensive insurance policy is more expensive when compared to a liability-only policy, the amount of coverage offered under this plan will help you save a lot of money in case you meet with an untoward incident. Comprehensive insurance policies are the best option to choose as the policy offers extensive coverage when compared to liability only policies.

#### **ADD-ON COVERS:**

When you purchase a two wheeler insurance policy, you get covered against unforeseen circumstances that could make you incur major expenses. While comprehensive 2 wheeler insurance policies offer basic insurance coverage, going for optional riders or add-on covers will significantly increase the level of protection afforded to you. Most insurance companies offer add-on covers with their bike insurance policies. Each add-on cover has its own benefits, thereby allowing you the luxury of choice to pick only the ones that will suit your unique insurance needs. The following are the optional riders to choose from:

#### **Personal Accident Cover for Pillion:**

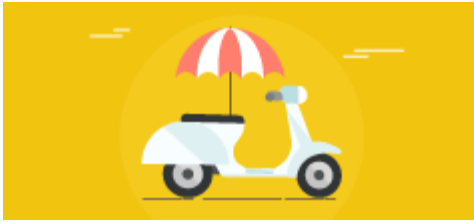
Figure 1.14



When you supplement your bike insurance policy with a personal accident cover for pillion, your financial liability can be lowered significantly in case of accidents where the pillion rider is injured. This add-on feature provides coverage for the death or permanent or partial disability of the pillion rider.

### **Roadside assistance:**

Figure 1.15



By purchasing the roadside assistance add-on cover, you can avail roadside assistance at any time in case of a mechanical failure or the breakdown of your vehicle. This feature offers facility such as free towing, immediate repairs, etc. and it comes in very handy especially when you are travelling to a remote place where it is difficult to find help.

### **Accessories cover:**

Figure 1.16



Having this add-on cover will provide coverage for all the accessories of the two wheeler, electrical or non-electrical. In case any of the accessories of the vehicle is damaged, the rider will cover the cost to repair or replace it.

### **Consumables cover:**

Figure 1.17



The consumable cover can be of great help when it comes to receiving compensation for costs incurred on nuts, bolts, engine oil, etc. Since consumables are not covered under basic two wheeler insurance policies, purchasing this optional rider will ensure that you are financially covered for the aforementioned costs.

### **Zero depreciation cover:**

Figure 1.18



Whether you purchase a liability only insurance policy or a comprehensive two wheeler insurance policy, the whole claim amount will not be settled by either of them. Depreciation is deducted by the insurance company and only the remaining amount is paid out. Supplementing your bike insurance policy with a zero depreciation cover, however, will eliminate the depreciation factor and you will be eligible for the whole claim amount.

### **Daily cash allowance:**

Figure 1.19



The daily cash allowance add-on cover is ideal for those who commute solely on two wheelers. In case your bike is seriously damaged and is undergoing repairs at a garage, you may have to incur out-of-pocket expenses to travel without it. Adding the daily cash allowance cover to your two wheeler insurance policy will mean that your insurer will give you a certain amount of money per day to meet your travel expenses.

### **Engine cover:**

Figure 1.20



The engine cover can come in very handy if the engine of your two wheeler or the ancillary circuit gets damaged because of flooding or waterlogging. Considering the cost of repairs to engines can extend to several thousands of rupees, the engine cover will cover these expenses and allow you to have total peace of mind.

### **Return to invoice cover:**

Figure 1.21



When you purchase a two wheeler, there is always a risk that it could be stolen. Since the value of every machine depreciates over time, the value of your bike will be relatively lower after a period of, say, six months. However, purchasing the return to invoice cover to supplement your motorcycle insurance policy will mean that you will be reimbursed the actual value of the vehicle in case it is stolen or suffers total loss due to natural calamities or theft.

### **Availability of discounts:**

When you compare 2 wheeler insurance policies, it is advised that you go for companies that provide concessions and discounts for certain factors like membership of reputed automotive associations, no claim bonus (NCB), inclusion of anti-theft systems, etc. Some companies also offer extra discounts on online renewal, purchase of a policy using a credit card or certain apps, etc.

Since each of the aforementioned riders has its benefits, you can pick as many options as you want to extend the level of protection available to your two wheeler. These riders are available for a nominal fee and come in very handy in times of emergency.

- **Third-Party Liability Insurance/Liability-only insurance**

A third party liability insurance plan provides coverage against losses or damages caused by the insured two wheeler to a third party or his/her property. Two wheeler owner may also receive coverage in the form of a personal accident cover, but no coverage will be provided for the theft or any damages.

### **What Does Third Party Insurance Cover?**

It is mandatory as per law to have an insurance policy that covers third party liabilities at least. This is according to the Motor Vehicles Act, 1988. Third party insurance offers this coverage. This third party insurance is most common in motor insurance policies. Any third party involved in the accident will be provided coverage under this policy. IRDAI will be evaluating the damages before deciding if the claim is valid or not. The following are the coverage of a third party two wheeler insurance plan

1. Bodily injury or death to third party
2. Property damage
3. Permanent total disability of driver or bike owner\*
4. Death of driver or bike owner\*

*(Personal Accident Cover is provided in the third-party liability insurance plans offered by some insurers).*

Apart from the legal aspects, third party insurance can be very useful in case a third party or a third party property is involved in the incident. The victim in the accident can register a case to claim compensation. This is where third party insurance comes into play. This will cover all liabilities that will arise due to death or damage to third party or third party property.

A Third party insurance will cover any damages or injuries incurred by a third party or third party vehicle at the time of an accident. Any damage to property belonging to a third party will also be covered under this policy. This policy will not cover any damages incurred by the vehicle of the policyholder. You will have to purchase a comprehensive motor insurance policy if you wish to get this coverage.

Comprehensive insurance policies offer so much more coverage apart from the mandatory third party coverage.

### **Third Party Insurance Premium for FY 2018-19**

<b>Two Wheelers</b>	<b>Premium</b>
Not exceeding 75cc	Rs.427

Exceeding 75 cc but not exceeding 150 cc	Rs.720
Exceeding 150 cc but not exceeding 350 cc	Rs.985
Exceeding 350 cc	Rs.2 ,323

### **INCLUSIONS**

The policy document will cover all the inclusions and exclusions of your motorcycle insurance plan. Generally speaking, the following are the inclusions and exclusions of a two wheeler insurance policy:

- **Natural events:** A bike insurance policy provides coverage for damages caused by natural calamities such as fires, earthquakes, inundations, hurricanes, self-ignitions, floods, storms, lightning, hailstorms, frost, cyclones, tempests, rockslides, etc.
- **Man-made events:** Two wheeler insurance policies also provide coverage for damages caused by man-made calamities such as thefts, burglaries, strikes, riots, etc., even when the two wheeler is being transported from one location to another by air, waterways, railways, or road.
- **Legal third-party liability:** A 2 wheeler insurance policy provides cover against any legal losses that are incurred because of injuries to a third party. It also covers the death of a third party in addition to providing cover against damages to properties of third parties.
- **Personal accident coverage:** In case the owner or a driver of a two wheeler meets with an accident, a personal accident cover to the extent of Rs.1 lakh will be provided as cover for permanent or temporary disabilities or loss of limbs resulting in total or partial disability.

### **EXCLUSIONS**

The following are the general exclusions of a two wheeler insurance policy:

- Damages incurred by normal wear and tear of a two wheeler.
- Losses incurred due to electrical or mechanical breakdowns.
- Damages to tubes and tyres.
- Consequential losses or depreciation from regular use of the vehicle.
- Losses incurred by the vehicle when it was being used for illegal purposes.
- Damages or losses incurred by the vehicle when it was being used by someone who does not have a valid driving license.
- Damages or losses incurred by the vehicle when the driver was using the vehicle under the influence of drugs or alcohol.
- Damages or losses incurred by the vehicle due to mutiny, war, or from nuclear risk.

#### **1.15 FACTORS THAT AFFECT THE BIKE INSURANCE PREMIUM :**

- **Vehicle model and manufacturing year:** The premium amount that the insured pays is decided on the Insured Declared Value also known as ‘market value’ of the vehicle. IDV is the sum insured by the insurance company that they promise to pay at the time of total damage or accident. Therefore higher the price of your vehicle, higher is the premium amount for the insurance.
- **Age of the vehicle:** Age of the vehicle is a vital parameter for premium calculation. The rate of depreciation for a new vehicle is comparatively less when compared to bikes which are old.
- **Engine capacity and vehicle condition:** Higher the cubic capacity of your engine, higher the premium. For bikes above 750cc and super bikes which are 1200cc the premium amount paid is higher. The condition of the vehicle is also important, the maintenance of the bike is taken into consideration as well. If the vehicle has been in an accident or the owner of the bike has a bad track record, the insurance premium will also change according to it.
- **Age of the insured:** The younger you are the higher the premium amount. It is believed by insurance companies that youth particularly aged below 20 years are more prone to accidents and injuries because of their riding style. So anybody who is below 20 years and wants to own a bike should be prepared to pay higher premium. This depends on the insurance company.

- **Deductibles:** It is the amount the insured or policyholder pays voluntarily as a part of the insurance claim, the rest is paid by the insurance company. The lower your premium amount is, the higher the deductibles will be and vice versa.
- **Geographical Location:** The city you live in also matters in computation of bike premium calculator. If you live in metropolitan cities like Delhi, Bengaluru, Mumbai, etc. where the rate of road accidents and injuries are high, the premium amount will be slightly higher than for regular cities.
- **Anti-theft discount:** If you have installed anti-theft device in your vehicle that is approved by Automotive Research Association of India (ARAI), then the insurer will give a discount of 2.5% on premium amount. You can install anti-theft alarm, safety gear lock, GPS device, etc.
- **No claim Bonus:** If you have a good driving track record and have not claimed your insurance in that policy year, the insurer will reward you with no-claim bonus ranging from 20% to 50% at the time of policy renewal.

## RENEWALS

- **Online renewal**

Since all major insurance companies have their own websites, you can simply log in to them and follow the instructions to renew your bike insurance online. All you have to do is ensure that you enter the correct information regarding your policy as well as your personal details into the system. The old policy must be with you when you are renewing it as it will be easier to refer for details like old policy number. Your net banking details and your debit/credit card must also be kept handy so that information can be entered quicker and your renewal process is smooth and hassle-free. Insurers usually generate digital policies in the PDF format once you pay the premium when renewing your plan. The PDF can be saved on your system but make sure that you take a print out and keep the document with you when you ride.

- **Renewal at a branch**

If you wish to take the old-fashioned route, you can visit a branch of the insurance company to renew your two wheeler insurance policy. While the process of renewing your bike insurance plan at a branch of the insurance company is simple, you will have to take the time out to physically visit the branch. You will have to carry your

old policy along with details regarding the vehicle so that you can fill them out in the application form. When you renew your insurance policy at a branch office, the new policy will be handed to you immediately if the premium payment is made by debit card, demand draft, or cash. Paying the premium by cheque will mean that it will take some time to clear so your policy will be sent to your residential address by mail at a later date.

- **Through mobile applications**

Considering the fact that a large number of insurance companies have launched their own mobile apps or tied up with mobile payment vendors, renewing your bike insurance policy is as easy as it gets. The applications request certain information such as the registration number of the vehicle, the name of the manufacturer, the make and model of the vehicle, etc. The apps also need details of your policy, such as the name of the insurer, the policy number, etc. By filling in these details and paying the premium, your motorcycle insurance policy can be renewed quickly and without any hassle.

## **RENEWAL PROCESS**

Insurance companies have made it relatively easy for customers to renew their motorcycle insurance policies online. In case your policy has expired and you do not wish to renew it as you want to purchase another policy, you can do so easily on the website of the company from which you purchased the plan.

## **CLAIM PROCESS**

Considering most insurance companies are customer-conscious, their claims process is relatively simple and you can file claims with no hassles. The entire claims process includes a few steps like intimating the insurer about the claim, filing an FIR with the nearest police station, transporting the two wheeler to the garage, furnishing the necessary documents along with the claim form, etc. In many cases, the insurer tends to cover all the costs incurred as a result of an accident, with the owner of the vehicle having to bear certain expenses that are not covered by the insurance policy, such as the taxes and service charges. Considering how tedious the claims process can be at times, you can take help from the insurance company.

### **TOP TWO WHEELER INSURANCE COMPANIES IN INDIA:**

The best insurance companies are those that have the highest incurred claim ratio and provide the best customer service. These two factors along with cashless claim settlement facility are the important factors to look at the time of picking an insurer.

Listed below are some of the best insurance companies in the country:

1. Bajaj Allianz General Insurance Company
2. HDFC Ergo General Insurance Company
3. Bharti AXA Motor Insurance Company
4. National Insurance Company
5. IFFCO Tokio Insurance Company
6. New India Assurance Company Limited
7. L&T Motor Insurance Company
8. SBI General Insurance Company
9. Royal Sundaram Alliance Insurance Company
10. Tata AIG Motor Insurance Company
11. Reliance General Insurance Company

### **IRDAI REGISTRATION NUMBER – What is it and why is it important?**

The Insurance Regulatory and Development Authority of India, which is the regulatory body for the insurance industry in India, issues a registration number to insurance companies. This number is called the IRDAI registration number. The number is issued to insurers following mandated and rigorous stipulations set by the IRDAI. If an insurance company does not have the IRDAI registration number, it is probably a fraudulent organisation. The IRDAI registration number essentially serves as a mark of legitimacy and authenticity of an insurance company.

The website of an insurance company will have its IRDAI registration number. It is usually present in the footer of most insurer websites. You can also find this number in the advertisements, brochures, and policy documents of the company. Another place to find the IRDAI registration number of an insurance company is the website of the IRDAI. Here are the IRDAI registration numbers of some of the popular two wheeler insurance providers in the country:

- New India Assurance Two Wheeler Insurance – 190

- Bharti AXA Two Wheeler Insurance – 139
- Reliance Two Wheeler Insurance – 103
- IFFCO Tokio Two Wheeler Insurance – 106
- HDFC Ergo Two Wheeler Insurance – 125
- SBI Two Wheeler Insurance – 114
- Oriental Two Wheeler Insurance – 556

### **3. COMMERCIAL VEHICLE INSURANCE**

This type of insurance covers all those vehicles which are not used for personal purpose. Trucks, buses, heavy commercial vehicles, light commercial vehicles, multi utility vehicles, agricultural vehicles, ambulances etc are covered under this insurance. The premium is calculated on the basis of the make and model of the commercial vehicle, place of registration, year of manufacture, current showroom price and whether the insurer is individual or corporate.

Insurance Companies in collaboration with the automobile manufacturing companies chalk out different kind of easy and less complicated plans for safe and easy insurance policy. HSBC India, New India Assurance, United India Insurance, Bajaj Allianz, ICICI Lombard etc. are some of the prominent companies in India which provide commercial car insurance or vehicle insurance.

#### **WHY SHOULD I BUY COMMERCIAL VEHICLE INSURANCE?**

If you are running a business and having a commercial vehicle, it is quite important to buy commercial vehicle insurance. Here are some top reasons to buy Commercial Vehicle Insurance.

- **Legal Protection**

Having a valid commercial vehicle insurance confirms that you are abiding by the law. By buying a suitable commercial vehicle insurance, you stay protected against any third party liability that may arise due to bodily injury/ property damage caused to the other vehicle.

- **No Financial Worries**

By choosing a commercial vehicle insurance, you do not have to pay for the third party liability or costs that may incur due to your bodily injury or any damage caused to your commercial vehicle. Buying a comprehensive commercial vehicle insurance

provides you a complete cover and let you drive your business vehicle worry-free. There are times, when business vehicles carrying precious goods are wrecked or robbed during transit. A commercial vehicle insurance provides coverage against the financial loss occurred in such scenarios.

- **Employee Protection**

Your commercial vehicle insurance helps you pay for your employees, in case your employee becomes injured driving the business vehicle during the working hours. It covers legal liability against death and/or injury caused to the passengers by your own vehicle.

- **Pays for Vehicle Repairs**

With commercial vehicle insurance, you can get the costly repairs for your vehicle all at affordable cost or free of cost under the scope of your policy. By getting vehicle repairs on-time, you can easily maintain the resale value of your vehicle.

- **Cashless Network Garages**

Insurers have tied up with the workshops/garages known as network garages to provide the cashless facility for the policyholders for the repairs done under the scope of coverage in different cities and towns.

## **TYPES OF COMMERCIAL VEHICLE INSURANCE POLICIES**

### **1. Liability Only Policy/ Third Party Commercial Vehicle Insurance**

This commercial vehicle insurance provides cover against any liability towards property damage and bodily injury/ death caused to a third party. Some Insurers also provide cover for Owner/driver in case of accidental death, and personal total disability.

## **2. Comprehensive/ Package Commercial Vehicle Insurance**

You never know when a vehicular accident may occur and for this, you need to ensure that you are completely covered against any loss/damage. With a Package Commercial Vehicle Insurance, your vehicle is covered for,

- **Third Party Liability**

This component of the policy covers third party bodily injury/death and property damage to any third party.

- **Own Damage**

This component of the policy covers damage/loss caused to your vehicle under natural calamities which includes fire, lightning, flood, hurricane, storm, tempest, inundation, cyclone, hailstorm, typhoon, frost, landslide, rockslide, explosion fire and shock damage due to earthquake and Man-made Calamities which includes burglary, housebreaking, theft, riot or strike, accident by external means, malicious act, terrorist activity and damage during travel by road, rail, inland-waterway, or air.

### **EXCLUSIONS**

- Loss or damage due to war or nuclear risks
- Deductible as stated in your policy
- Loss or damage due to ionizing radiation
- Vehicle driven by someone other than the driver, as stated in the 'Driver's Clause'.
- Accidental loss, damage or liability occurring outside the defined geographical area for the vehicle
- Vehicles being used other than in accordance with the limitations as to use. For example, if you use a private vehicle for commercial purposes.
- Consequential loss - if the original damage causes subsequent damage / loss, only the original damage will be covered.

### **ADD-ON COVERS/RIDERS**

Add-on covers/Riders are additional benefits provided over and above to your base insurance policy. Following are the add-on covers, that are available with the commercial vehicle insurance.

- **Legal Liability to Employees**

This add-on provides coverage against accidental death and permanent total disability to the employees (both paid and unpaid).

- **Legal Liability to Passengers**

This add-on provides coverage against bodily injury/death caused to the passengers (fare and non fare paying passengers) present in your commercial vehicle at the time of the accident.

- **Zero-depreciation**

When you raise claims, insurers usually pay for the depreciated value of the replaced vehicle parts. However, by choosing the zero depreciation (Nil Depreciation) cover, you become eligible to receive the full claim amount for the damaged vehicle parts. With this add-cover, there is no need to worry about the depreciation component.

- **Roadside Assistance**

Have you ever faced a situation with your commercial vehicle running out of fuel, breakdown, or other technical issues? You are stuck there, when there is no service center or any other assistance. Choosing roadside assistance cover with your vehicle insurance is the answer. This add-on cover provides you the swift services such as fuel refill, battery jump-start, flat tire change, towing, spare key arrangement, and many more.

- **Personal Accident Cover**

This add-on provides cover for owner and driver in case of accidental death, Permanent Total Disablement, Permanent Partial Disablement, and Temporary Total Disablement.

- **No Claim Bonus Shield Cover**

No claim bonus is a reward given by the insurer to the policyholder in case of a claim free policy period. By choosing no-claim bonus shield cover, you do not lose NCB benefit even if you make a claim in a policy year for your commercial vehicle.

- **Accessories Cover**

This add-on cover pays for loss/damage to accessories fitted in the vehicle, including stereos, fans, and others. You may ask your insurer to ascertain which accessories are covered under the vehicle insurance.

- **Coverage for Vehicle Consumables**

Engine oil, nut and bolt, washers, etc. are utilized for repairing the vehicles. By choosing this add-on cover, you are reimbursed for the cost of these consumables.

- **Penalty Coverage**

By choosing this add-on cover, the insurer will pay for the penalty imposed on you by your client in case of damage of goods or delay in delivery of goods caused due to the accident of the vehicle.

- **Additional Cost Coverage**

This add-on cover provides coverage against amount spent on insurance, registration, road tax, and additional expenses that may incur at the time of total loss or theft of the vehicle.

- **Towing Charges Coverage**

In case your business vehicle met with an accident in a manner that it cannot be driven on its own and requires towing, then the cost incurred in towing is covered under this add-on cover.

*(Add-on covers may vary from insurer to insurer and are available at an extra cost)*

## **HOW IS MY COMMERCIAL VEHICLE INSURANCE PREMIUM CALCULATED?**

- **Insured's Declared Value (IDV)**

IDV is deemed to be the 'Sum Insured' and it is determined at the beginning of each policy period for a vehicle. Insured's Declared Value is the current market value of your vehicle that is paid by the insurer in the event of theft or total loss of vehicle. With a lower IDV of your vehicle, you need to pay the lesser premium amount for your commercial insurance policy and vice versa.

- **Place of Registration**

When it comes to commercial vehicle insurance rating, India is demarcated under insurance zones which are Zone A (Chennai, Delhi / New Delhi, Kolkata, Mumbai), Zone B (all other state capitals), and Zone C (Rest of India). When you register your vehicle in Zone A and Zone B, you are charged with higher premiums considering the exposure of your vehicle to accidents and theft. Commercial vehicles excluded under section 4.C.1 and C.4 are rated under Zone A or Zone C.

- **Gross Vehicle Weight**

It refers to the maximum operating weight of a vehicle as stated by the manufacturer and it includes the chassis, body, accessories, engine, driver, passengers and goods. Higher gross vehicle weight, will incur huge losses to other vehicles and thus carries higher risk, so the insurer will also charge higher premiums to cover the risk.

- **Vehicle Age**

The age of the vehicle also helps determine the premium amount for your commercial vehicle insurance. Insurers may charge the higher rate of premium for older vehicles, as there is more risk of electrical/mechanical breakdown, wear & tear.

- **Safety Devices**

Commercial vehicle equipped with safety devices such as advanced braking systems, audible warning devices, light signaling devices, and mechanical and GPS speed-limiters, the insurer may charge you the lowest premium for the vehicle insurance, considering the safety of the vehicle.

- **Fuel Type**

When buying insurance for diesel and CNG/LPG based vehicle, the premium is charged at a higher rate than for a petrol-based vehicle. The reason being the diesel and CNG/LPG run vehicles tend to have higher usage that may result to frequent break-down and wear & tear.

## **BENEFITS OF BUYING A COMMERCIAL VEHICLE INSURANCE?**

It's important to assess the benefits of commercial vehicle insurance and then choose an insurance policy that offers protection for your business vehicle. Here are the key benefits of a commercial vehicle insurance.

- **Cover for Third Party Liability**

Getting a commercial vehicle insurance provides protection against legal liability to the third party resulting from bodily injury, death and property damage. A third party coverage helps you pay off the legal expenses for any third party liability which includes bodily injury or property damage.

- **Cover for Own Damage**

Under comprehensive commercial vehicle insurance policy, any damages mentioned under the scope of policy coverage is indemnified to the policyholder which could be man made damage or damage by natural calamities.

- **Medical Payments Coverage**

A commercial vehicle insurance also provides cover against medical expenses that are incurred due to your bodily injury caused by vehicular accident, irrespective of who is found at fault.

- **Avail Add-on Coverage**

With a commercial vehicle insurance, you can also include add-on covers such as zero depreciation, personal accident coverage for owner/driver, and many others to enhance the scope of coverage.

- **No Claim Bonus**

Insurers also offer a No Claim Bonus (NCB) protection that you can avail for claim free policy years for your commercial vehicle which will result in a decrease in premium for renewal year.

## **SOME SMART BUYINGS TIPS**

Following are some of the key buying tips you can follow to buy the right Home Insurance Policy.

- **Compare before buying:** Prior buying insurance, it is wise to compare and choose the right commercial insurance for your vehicle. It is also important to read the customer reviews and feedback to ascertain, it's the right pick.
- **Buy Online:** Buying a policy online saves time as you can get the policy in just a few clicks of the mouse. Buying the policy online helps you grab huge discounts on the premium amount.
- **Pick the Insurer Wisely:** Buying commercial vehicle insurance from an insurer having IRDAI certification would a right move. So, assess the profile of the insurer and then go ahead to buy the insurance policy. You should also choose an insurer that offers 24x7 support so, you can contact them anytime you need. Also ensure whether they have the quick and efficient claims settlement process.
- **Add-on Covers:** There are various add-on covers available with commercial vehicle insurance. Primarily, you need to assess your need and then pick add-ons accordingly. Upon choosing add-on covers you need to pay additional premiums as it will provide you additional cover.
- **Read the Policy Wordings:** Prior finalizing a commercial vehicle insurance, it would be a prudent decision to go through the policy benefits, its inclusions & exclusions and assess whether it's the right vehicle insurance, you are looking for

## **1.16 PROCEDURE FOR BUYING A POLICY**

### **TRADITIONAL PROCESS TO AVAIL THE POLICY**

Many insurance companies still do it the traditional way through the paperwork. So, you need to be aware of it to be prepared with all the required papers

#### **1. Submit the Declaration Form**

- You need to make the insurer aware of the current coverage that you have on your vehicle.

- The insurance company will then decide on what more can it offer to you.
- Submit the declaration page to get the quote from your insurer.
- If satisfied, go ahead with the procedure.

## 2. **Driver's Licence**

- Submit the copy of your driver's license.
- The company can thus verify your previous record and the authenticity of your case

**3. Check for Setting up an Electronic Transfer:** Electronic fund transfer will enable you to make payments of your premium amount in a hassle-free manner. For setting up such an account, your insurer will want to do a voided check to accurately set up the account for withdraw.

**4. Discounts Available:** Many vehicle insurance companies offer discounts for several reasons. Types of discounts that can be available:

- Loyalty discounts
- Safety device discounts
- Multiple Car Discounts
- Good driving discounts
- Membership discounts (applicable for certain clubs)

## **HOW TO BUY THE POLICY ONLINE ?**

The online procedure is easier as you need not indulge in filing documents separately.

Here are the steps you can follow to buy the vehicle insurance online:

- You can get quotes from them in one go by providing the following details:
- Your name
- Model of the vehicle
- Year of purchase
- Registration Number
- Driving license number
- After getting the quotes from your selected insurers, you can follow up with the one you feel is best suited to your requirements.
- Submit the copy of the documents required by mailing them to the insurance company.
- Get in touch with them personally if required.
- You will receive all the papers from them through the mail.
- Check for all essential pages i.e. the insurance policy, the declaration page, the proof of insurance, bills and updated declaration pages.
- All the above are to be secured in the safest place in order to produce them whenever required.
- Study all the features and exclusions of the policy to be clear on what exactly is covered under it.

Keep in mind all these steps before you go on to secure your vehicle from any kind of damage. Individual insurance companies may not offer you quotes from different insurers but we do. Apart from proposal filing, policy management and claim assistance Secure now also offers you 24×7 support and guidance in your decision making.

## 1.17 TOP 5 MOTOR INSURANCE COMPANIES IN INDIA

### **1. BAJAJ ALLIANZ GENERAL INSURANCE CO. LTD.**

Among the private insurance players in Indian insurance domain, Bajaj Allianz is one of the largest general insurance companies in the country.

A large number of industry experts reveal that Bajaj Allianz Auto Insurance leads all the auto insurance players in terms of customer satisfaction, cashless claim settlement and features rich policies. The brand is also widely recognized as one of the most customer friendly insurance companies in India.

#### **Services :**

- Doorstep surveyor facility
- 24X7 Towing assistance
- Online purchase on EMIs
- Instant SMS Updates on Claims
- Cashless settlement at 1500+ network garages

### **2. TATA AIG GENERAL INSURANCE CO. LTD.**

Tata AIG General Insurance was incepted in 2011. Even being a comparatively younger company, TATA AIG managed to win over a major fraction of motor insurance market owing to its robust channels of distribution and hassle-free claims.

Last year, the brand bagged reputed awards for being the best employer and deployment of mobile application in insurance.

#### **Services :**

- Free car pick up
- Warranty on repairs
- Cashless settlement at network garages
- Claim settlement in 7 days
- Unique add-ons

### **3. THE ORIENTAL INSURANCE CO. LTD.**

Owned by the Central Government, Oriental Insurance Company Limited is one of the best companies to get a motor insurance. The brand boasts of winning the most reputed awards in the industry. The latest ones worth mentioning here are - 'best public general insurance award' and 'best bank and financial institution award'. Oriental is one of the few insurance companies in India to get the IAAA rating by ICRA, indicating its strong financial framework.

#### **Services :**

- One of the most reliable names in motor insurance
- High claim settlement ratio
- Fast claim settlement
- Valuable add-ons

### **4. THE NEW INDIA ASSURANCE CO. LTD.**

New India is wholly owned by the government of India. Backed up by a strong capital, infrastructure and human resource, auto insurance company in India. The brand has embarked an international presence and is well known for being a pioneer in introducing innovative insurance products.

It has been rated A- (Excellent) by A.M. Best Co., becoming the only Indian insurance company to be rated by an international rating agency.

#### **Services :**

- Claim decision taken within 3 days of application
- Surveyor appointed within 48 hours of claim intimation
- Claim payment made within 3 days of discharge voucher receipt
- Grievance acknowledged within 3 days of receipt
- Grievance resolved within 15 days of receipt

### **5. HDFC ERGO GENERAL INSURANCE CO. LTD**

Bolstered by a robust channel of distribution and customer oriented approach, HDFC is the top notch brand for getting a motor insurance. HDFC boasts of having one of the highest car insurance claim settlement ratios among private motor insurers. HDFC ERGO is ISO 9001:2008 certified for its operations and claim processes and has been rated IAAA by ICRA. It was recognized as the best general insurance company in India by IAIR in 2013.

**Services :**

- Age and profession discount
- Zero documentation
- Fast claim settlement
- Cashless settlement at 1600+ network garages

## 1.18 ROLE PLAYED BY (IRDA) FOR VEHICLE INSURANCE IN INDIA

IRDA plays a vital role for the regulations of Vehicles Insurance in India.

Procedures of IRDA in regulating the vehicle insurance are mentioned below:-

- The IRDA Act of 1999 has carried out its functions and exercised its powers in terms of the Insurance Regulatory and Development Authority Act, 1999. As per vehicle insurance it is important to provide commercial auto Insurance cover, insurance companies have to use a standard insurance policy form authorized by the Indian Insurance Regulatory and Development Authority (IRDA). which contains the following two main coverage's :- (i) Own Damage to the vehicle (Comprehensive Package Policy coverage) (ii) Third Party Liability (TPL) to cover claims arising from damages caused to property, health and life of third parties. The cover contains no deductible and is introduced on the first loss basis. The TPL cover is compulsory for all drivers and can be bought separately. Unfortunately, the level of compliance with this requirement is quite low. While no detailed statistics are available. the surveyed insurers indicate that the level of insurance penetration for the TPL

coverage is well under 50 % of the driver population. The TPL cover is a direct extension of the Motor Vehicle Act of 1988.

- IRDA supervises the functioning of the Tariff Advisory Committee (TAC) which was established by an amendment to the Insurance Act, 1938 (effective June, 1969) to control and regulate the rates, advantages, terms and conditions that may be offered by insurers in respect of any risk or any class or category of risks in the general insurance business. The non-tariff products are filed by the insurers with the authority under file and use procedures. In 2002-03, non tariff business constituted about 25% of the gross direct premium underwritten in the non-life segment.
- IRDA to facilitate the supervision of the functioning of Tariff Advisory Committee (TAC), the chairman of the authority is also the ex – officio Chairman of the TAC, and its functioning is de - facto the responsibility of the authority. Tariff Advisory Committee controls and regulates the rates, advantages, terms and conditions that may be offered by insurers in respect of general insurance business relating Fire, Marine, Motor, Engineering and Workers Compensation (WC), provisions of IRDA on various motor insurance pools also holds critical importance for vehicle insurance in India since the Act of 1999.

## RECENT REGULATORY CHANGES

The Indian Insurance regulator, the Insurance Regulatory and Development Authority of India (IRDAI) has recently brought about changes in the regulations governing motor insurance in India. Under the Motor Vehicles Act 1988, insurance cover for third party liability is mandatory for all motor vehicles at the time of purchase. However, until recently, this third party liability insurance had a mandatory term of one year, and was to be renewed by the policyholder on a yearly basis.

Recently, the Supreme Court of India directed in *S Rajaseekaran v Union of India* , that a long term motor insurance should be introduced and made mandatory at the point of sale and registration. Following the issuance of these directions, the IRDAI has extended the term of the statutory third party liability insurance to three and five years for private cars and two wheelers, respectively, with respect to new

vehicles sold from 1st September 2018<sup>2</sup>. Indian General Insurers were directed to file these products under the File & Use Procedure with the Authority before 15th September 2018 which was later extended to 15th October 2018, on the basis of representations received from the General Insurers<sup>3</sup>.

***LONG TERM MOTOR INSURANCE COVER:***

Earlier, the insurance cover for motor vehicles was offered in the form of "*Third Party Liability*" and "*Package Policy*", where a Package Policy provided a more comprehensive cover, including own damage of the insured vehicle, in addition to the third party liability offered under the Act Only insurance. The mandatory term for the third party liability component of these policies has now been increased to five and three years respectively for two wheelers and private cars.

Apart from the Act Only policy and the long term package policy, effective 1st September 2018, policyholders may also be offered a "*Bundled Policy*", where a one year own damage component is bundled with a five year or a three year third party liability cover, as applicable, for two wheelers and private cars respectively. Per the directions of the IRDAI, General Insurers are now required to offer the following motor insurance products at the time of purchase of a new vehicle, for a three or five year term:

- a. Long term Act only policy;
- b. Long term Package policy;
- c. Bundled Policy (with a 1 year component for Own Damage).

General Insurers may also offer motor insurance add-on covers with the foregoing for a period co-terminus with that of the package product, i.e., three year or five years as the case may be. Insurers have also been directed to take cognizance of the movement of IDV over time for all relevant purposes including underwriting, pricing and settlement of claims.

In line with the earlier directions issued by the IRDAI, General Insurers are required to ensure that the mandatory five year or three year third party liability cover is

available through online channels, and also continue liaising with police authorities to enable issuance, renewal and easy availability. General Insurers have also been instructed to advertise the long term motor insurance available pursuant to the Supreme Court's directive in S Rajaseekaran.

**PREMIUM RATES:**

The IRDAI prescribes the premium rates for third party motor insurance, and the same are usually revised on an annual basis and published on the IRDAI's website. Since the term of third party insurance covers has been extended beyond a one year period, the IRDAI has introduced a new premium rate structure for the 3 year and 5 year third party liability insurance, where the premium for the entire term would be collected at the point of sale itself.

<b>Vehicle Category</b>	<b>Existing Premium Rates (Rs.)</b>	<b>Long Term Premium Rates (Rs.)</b>
<b>FOR PRIVATE CARS</b>		
Not exceeding 1000 cc	1,850	5,286
Exceeding 1000 cc but not exceeding 1500 cc	2,863	9,534
Exceeding 1500 cc	7,890	24,305
<b>FOR TWO WHEELERS</b>		
Not exceeding 75 cc	427	1,045
Exceeding 75 cc but not exceeding 150 cc	720	3,285
Exceeding 150 cc but not exceeding 350 cc	985	5,453
Exceeding 350 cc	2,323	13,034

However, the premium collected shall be recognized on a yearly basis, where the premium for that particular year is to be treated as income, and the remaining as "*Premium deposit*" or "*Advance Premium*".

***CANCELLATION OF POLICY:***

Pursuant to the directions of the IRDAI, no third party liability insurance can be cancelled by either the Insured or the Insurer, except on the grounds of a) Double Insurance; b) the Insured Vehicle not being in use anymore as a result of Total Loss or Constructive Total Loss; or, c) the vehicle having been sold and/or transferred.

The IRDAI, however, has not prescribed the manner or basis for calculating the applicable refund to the Insured in case of cancellation of policy, and Insurers have largely continued to follow the short period scales for refund of balance premium.

***NO CLAIM BONUS:***

No Claim Bonus (NCB) is a discount on the own damage component for each preceding claim free year, generally ranging from 20% to 50% of the premium, which is offered by the Insurer at the end of each policy year. Per the directions of the IRDAI, for long term motor insurance covers, the NCB shall be applicable only at the end of the policy term, ie, three years for private cars and five years for two wheelers.

***COMMISSION STRUCTURE:***

The IRDAI has subsequently introduced a new structure for the commission/remuneration payable, rewards, and the MISP's distribution fees for long term motor insurance policies<sup>4</sup>. Payment of commission/remuneration for long term motor insurance shall be paid in the financial year premium is booked by the Insurer, and shall be restricted to the gross written premium recognized for that year.

No commission/remuneration or rewards are payable to insurance agents/insurance intermediaries for the distribution of the Act Only long term policies. For bundled

covers, commission is 15% of the OD premium for new private cars, 17.5% for new two wheelers, and NIL for the TP portion. For package policies, commission has been capped per year as a reducing percentage of the total premium collected. The distribution fees payable to MISPs is marginally higher than the commission/remuneration payable to insurance agents/insurance intermediaries.

#### ***ENHANCEMENT OF CAPITAL SUM INSURED:***

Pursuant to the decision of the High Court of Madras in *United India Insurance Co Ltd v R Rekha*, the IRDAI has effectively amended General Regulation 36 of the India Motor Tariff 2002 which prescribed the sum insured and applicable premium for the compulsory personal accident cover for owner-drivers under the liability only and package policies<sup>6</sup>.

Further, with the introduction of long term motor insurance policies, General Insurers are now required to provide compulsory personal accident cover under Bundled Policies as well.

The IRDAI has now increased the minimum capital sum insured for motorized two wheelers from Rs.1lakh and private cars from Rs.2 lakhs, to a capital sum insured of Rs.15 lakh for the single year policies, at a premium of Rs.750 per annum. However, for long term motor insurance policies, General Insurers have been permitted to set the premium in terms of their existing pricing approach.

### **1.19 FUTURE OF MOTOR INSURANCE IN INDIA**

In the past two decades, the Indian economy has witnessed an exponential growth of several sectors. Out of which, insurance is one of the least evolved sectors in terms of innovation and technology adoption for maintaining transparency and efficiency. With an exponential boost in technology adoption, the Indian insurance sector is projected to move towards its growth trajectory with innovation.

Technology is creating a buzz in the insurance sector with its interesting concepts of connecting people with products and services. The latest offerings of technology and digital systems are uniquely combining the physical groundwork of the insurance sector with its overall efficiency and transparency.

There are some major transformations of technology, out of which, artificial intelligence (AI), machine learning, blockchain and IoT (Internet of Things) are significantly accelerating the growth of the insurance sector with a significant impact on the auto insurance segment.

Traditionally, the pricing model and premium strategies in auto insurance were based on assumptions – customers driving behaviour, their age and the life they lead. Moreover, young drivers -- specifically between the age of 18 and 25 years are considered more inclined towards accidents prone driving attitude with subject to high insurance rates. However, not all young drivers believe in unsafe and reckless driving.

With technology adoption, usage-based insurance plans are coming into the digital picture. Starting from the ease of access, evaluation and purchase of the right insurance plan, AI is going to improve the customer experience in purchasing and renewing the policy online. Similarly, it is also going to improve the reach and engagement of customers in understanding the process of buying the insurance plan for their vehicle.

Moreover, the mix of new technology tools such as machine learning, telematics and AI are playing a crucial role in raising the awareness and driving the adoption rate of new products that are being offered by the insurance companies. They are now becoming an integral part of every insurer's market plan to provide faster and better insurance plan in a fully digital environment. These are becoming the epitome of personalizing auto insurance policy by formulating usage-based plans. Additionally, technology is also helping in driving the overall adoption rate in the two-wheeler insurance segment. Non-renewal is considered as one of the major problems in the two-wheeler segment due to its cumbersome process.

According to recent estimates, a whopping 70 per cent of two-wheelers operating on the Indian roads do not have valid motor insurance that puts them under risk during

the claim process. Thus, in order to simplify the insurance buying process for two-wheeler owners, various fintech companies are making the use of AI to lure the customers in renewing their insurance policy with their smartphone.

Apart from AI, there comes the role of Big Data, which is crucial in recording the driving habits of the customer and sharing with the car insurer. If a driver drives safe, then this recorded data can benefit the policy holder with lucrative offers and discounts. All this monitoring is done with the aid of telematics technology, which records real time data pertaining to distance covered, braking patterns, speeding history etc.

In simpler terms, Telematics data is more comprehensive and realistic pertaining to analyze the risk profile of the driver. It not only determines the driver's safety profile but also allows car insurer to accurately frame the insurance policy including its pricing model for that customer. Hence, it controls the damage in advance which also leads to reduction in number of genuine and false claims. However, during the disruption of Telematics, the car insurers need to focus on maintaining a perfect balance between utilizing the benefits of data with keeping in view customers' security and privacy. In the auto insurance segment, Blockchain has also perceived a lot many benefits for the insurers. Blockchain is one such technology that establishes digital trust between the policy holder and the car insurer by increasing transparency. This is also very helpful in simplifying auto insurance claims, easing out high premium based plans and creating a coverage specific product. Several fintech platforms are making extensive use of Blockchain technology to increase efficiency and transparency in buying auto insurance policies. These fintech platforms are creating a digital atmosphere which alleviates long document submissions and third party verification processes. The transformation of Indian auto insurance sector is projected with the disruption of new technology tools. However, this transformation completely depends upon the business models that auto insurance companies are going to formulate while making an optimum use of technology.

## **CHAPTER II: - RESEARCH METHODOLOGY**

### **2.1 OBJECTIVES AND HYPOTHESIS**

- To understand the need for buying an automobile insurance and the procedure for claiming losses arising due to motor accidents.
- To study the operations of vehicle motor insurance in India.
- To study the role played by IRDA(Insurance Regulatory Development Agency)
- To understand different types of policies covered under motor insurance.

#### **HYPOTHESIS**

- H0: - There is no need of automobile insurance
- H1: - There is need of automobile insurance

### **2.2 PURPOSE OF STUDY**

In India, vehicle insurance policy is mandatory under the motor vehicle act, while other forms of general insurance are optional. The law mandates that every owner of car motor vehicle must have the motor insurance policy. The need for vehicle insurance of third party liability towards injury, death or property damage is mandatory as per the motor vehicle act. Therefore, vehicle insurance becomes important as it is not only for motor vehicle owners to minimize the risk for his or her vehicle but for the persons who may get injured or damage etc. due to vehicle hit or so on. The present study throws light on the various types of motor vehicle insurance in India.

### **2.3 METHODOLOGY**

Research methodology process includes a number of activities to be performed. These are arranged in proper sequence of timing for conducting research. One activity after another is performed to complete the research work. Research methodology includes the following steps:

## **2.4 Type of Research**

The topic for the research study is investment awareness and the nature of the topic is Theoretical and descriptive. So to conduct the research study the type of research suitable is descriptive research only. For the study purpose both primary and secondary data are used. The primary data collected from college students. The secondary data collected from the research papers from various countries and especially India. The primary and secondary data have been collected to cover every aspect of the study. These data used in combination as per need of the study. These data having different merits and demerits and have served our purpose of the research study. These are explained below:

### **2.4.1 Primary Data**

Primary data are information collected by a researcher specifically for a research assignment. Primary data are original in nature and directly related to the issue or problem and current data. Primary data are the data which the researcher collects through various methods like interviews, surveys, questionnaires etc. The primary data have own advantages and disadvantages:

#### **Advantages of primary data:**

Advantages of primary data are as follows:

- The primary data are original and relevant to the topic of the research study so the degree of accuracy is very high.
- Primary data is that it can be collected from a number of ways like interviews, telephone surveys, focus groups etc. It can be also collected across the national borders through emails and posts. It can include a large population and wide geographical coverage.
- Moreover, primary data is current and it can better give a realistic view to the researcher about the topic under consideration.
- Reliability of primary data is very high because these are collected by the concerned and reliable party.

### **Disadvantages of primary data:**

Following are the disadvantages of primary data:

- For collection of primary data where interview is to be conducted the coverage is limited and for wider coverage a more number of researchers are required.
- A lot of time and efforts are required for data collection. By the time the data collected, analyzed and report is ready the problem of the research becomes very serious or out dated. So the purpose of the research may be defeated.
- It has design problems like how to design the surveys. The questions must be simple to understand and respond.
- Some respondents do not give timely responses. Sometimes, the respondents may give fake, socially acceptable and sweet answers and try to cover up the realities.

### **2.4.2 Secondary Data**

Secondary data are the data collected by a party not related to the research study but collected these data for some other purpose and at different time in the past. If the researcher uses these data then these become secondary data for the current users. These may be available in written, typed or in electronic forms. A variety of secondary information sources is available to the researcher gathering data on an industry, potential product applications and the market place. Secondary data is also used to gain initial insight into the research problem. Secondary data is classified in terms of its source – either internal or external. Internal, or in-house data, is secondary information acquired within the organization where research is being carried out. External secondary data is obtained from outside sources. There are various advantages and disadvantages of using secondary data.

### **Advantages of Secondary Data:**

Advantages of secondary data are following:

- The primary advantage of secondary data is that it is cheaper and faster to access.
- Secondly, it provides a way to access the work of the best scholars all over the world.
- Thirdly, secondary data gives a frame of mind to the researcher that in which direction he/she should go for the specific research.

- Fourthly secondary data save time, efforts and money and add to the value of the research study.

### **Disadvantages of Secondary data:**

Following are the disadvantage of secondary data:

- The data collected by the third party may not be a reliable party so the reliability and accuracy of data go down.
- Data collected in one location may not be suitable for the other one due variable environmental factor.
- With the passage of time the data becomes obsolete and very old
- Secondary data collected can distort the results of the research. For using secondary data a special care is required to amend or modify for use.
- Secondary data can also raise issues of authenticity and copyright.

Keeping in view the advantages and disadvantages of sources of data requirement of the research study and time factor, both sources of data i.e. primary and secondary data have been selected. These are used in combination to give proper coverage to the topic.

## **2.5 Instruments for Data Collection**

For collection of data the following instruments have been used:

### **Questionnaire**

Questionnaire is a set of questions has been prepared to ask a number of questions and collect answers from respondents relating to the research topic. A number of questions usually in printed or electronic form are to be answered by the individuals. The forms often have blank spaces in which the answers can be written. Sets of such forms are distributed to groups and the answers are collected relating to research topic. A questionnaire is a series of questions asked to individuals to obtain statistically useful information about a given topic.

When properly constructed and responsibly administered, questionnaires become a vital instrument by which statements can be made about specific groups or people or entire populations. Inappropriate questions, incorrect ordering of questions, incorrect

scaling, or bad questionnaire format can make the survey valueless, as it may not accurately reflect the views and opinions of the participants. A useful method for checking a questionnaire and making sure it is accurately capturing the intended information is to pretest among a smaller subset of target respondents. In a research or survey questions asked to respondents, and designed to extract specific information. It serves four basic purposes: to

- (1) collect the appropriate data
- (2) make data comparable and amenable to analysis
- (3) minimize bias in formulating and asking question
- (4) To make questions engaging and varied.

For our study purpose a set of questions has been prepared to collect information relating to the topic of the study. In this study a structured questionnaire has been used with different types of questions such as closed ended and open ended. Special case has been taken to select the scales for the questions for collection of responses very effectively.

### **Telephone, Mobile Phone and Facsimile**

Telephone and other devices can be used for collecting data verbally and written on fax from respondents located away from the researcher and having these facilities plus the researcher having their contact numbers. Use of interviewers encourages sample persons to respond, leading to higher response rates. Interviewers can increase comprehension of questions by answering respondents' questions. It is fairly cost efficient, depending on local call charge structure. It is good for large national or international respondents and gives wider coverage. It cannot be used for non-audio information (graphics, demonstrations, taste/smell samples) this instrument is not suitable for the respondents where the telephone facility is not available.

### **Mail**

For collection of data from the respondents who are located at a long distance and do not have any communication facility. They can be contacted through mailed questionnaire. Only thing is required that the researcher should have the postal addresses of the respondents. The questionnaire may be handed to the respondents or

mailed to them, but in all cases they are returned to the researcher via mail. The cost involved is very less but no clarification can be given to the respondents if required. Respondents can answer at their own convenience. The respondents cannot be biased by the researchers and the detail information can be collected for the research purpose. Only one disadvantage this instrument gives is that the response rate is very less due to lack of interest in the topic of respondents and low literacy rate.

### **Interview**

In this method the interviewer personally meets the informants and asks necessary questions to them regarding the subject of enquiry. Usually a set of questions or a questionnaire is carried by him and questions are also asked according to that. The interviewer efficiently collects the data from the informants by cross examining them. The interviewer must be very efficient and tactful to get the accurate and relevant data from the informants. Interviews like personal interview/depth interview or telephone interview can be conducted as per the need of the study.

### **Advantages:**

Advantages of interview are following:

- In this method information can be gathered from illiterate people too.
- There are no chances of non-response as the interviewer personally collects data.
- The collected data is very reliable since the interviewer tactfully collects the data by cross examining the responders.

### **Disadvantages:**

- The major disadvantages of interview are:
- There is a chance of bias.
- The informants may not answer some personal questions.
- It is a time-consuming process.
- Money and manpower requirements are very high.
- Sometime the interviewers are involved in pressurizing respondents to share their personal information.

## **2.6 Research Methods**

For collection of primary data for this research work survey and observation methods have been used. Experimental method is not found suitable for this study because the topic is a theoretical topic and there is no need to have experiments. These two methods are explained below:

### **2.6.1 Survey Method**

Survey is used to collect quantitative information about items in a population. Surveys are used in different areas for collecting the data even in public and private sectors. A survey may be conducted in the field by the researcher. The respondents are contacted by the research person personally, telephonically or through mail. This method takes a lot of time, efforts and money but the data collected are of high accuracy, current and relevant to the topic. When the questions are administered by a researcher, the survey is called a structured interview or a researcher-administered survey. When the questions are administered by the respondent, the survey is referred to as a questionnaire or a self-administered survey. It is an efficient way of collecting information from a large number of respondents. Very large samples are possible. Statistical techniques can be used to determine validity, reliability, and statistical significance. Surveys are flexible in the sense that a wide range of information can be collected. They can be used to study attitudes, values, beliefs, and past behaviors. Because they are standardized, they are relatively free from several types of errors. There is an economy in data collection due to the focus provided by standardized questions. Only questions of interest to the researcher are asked, recorded, codified, and analyzed.

### **2.6.2 Observation Method**

Observation is a complex research method because it often requires the researcher to play a number of roles and to use a number of techniques; including her/his five senses, to collect data. The observer puts himself in the actual situation and watch carefully. On the basis of his knowledge, skills and experience he collects the data without contacting the respondents.

The results of observation entirely depend on the talents of the researcher. This method can be used only by expert persons in the research. Observation methods have been developed with the objective of 'observing people in their natural setting - as they go about their everyday lives. Observation methods can overcome some of the

criticisms of quantitative research methods (Validity, bias etc.) and can be useful when its subject can't provide information, or can only provide inaccurate information. Out of available methods for collecting primary data, survey and observation methods have been found suitable for the topic study. These have fulfilled the requirements for data collection properly.

## **2.7 Sampling**

### **Introduction**

The research is a systematic study to examine or investigate the issue or problem and find out the relevant information for solution. For study data are to be collected from the respondents. It is not possible to collect data from every one of the population. Population is a very large number of persons or objects or items which is not feasible to manage. A population is a group of individuals, persons, objects, or items from which samples are taken for measurement. For research purpose a part of the population is to be selected.

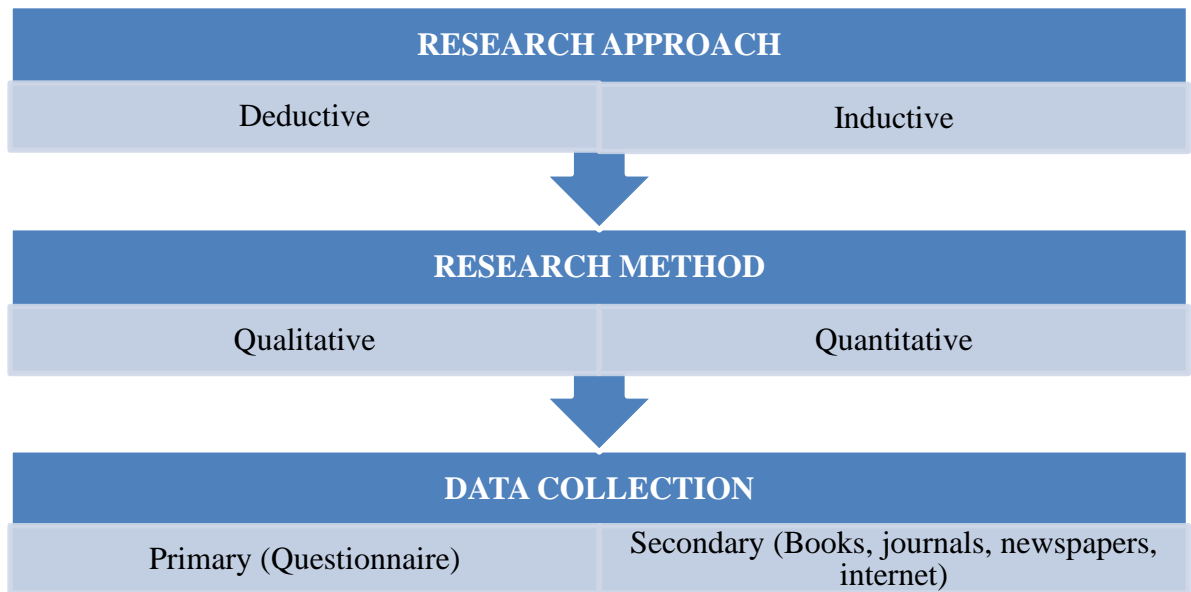
Sampling is the process in which a representative part of a population for the purpose of determining parameters or characteristics of the whole population is selected. This is called a sample. It is easier to contact a smaller part of the population for data collection. It can be done within a limited time, efforts and with minimum cost. For selection of a sample special care should be taken that the sample is proper representative of the whole population. Every segment of the population should be included but the number should not be very large which may become difficult to manage within time and cost limits.

## **2.8 RESEARCH METHODOLOGY**

The research is the base of any thesis, it can be done in various method but there are two methodologies to get the perfect research. They are qualitative and quantitative research method. These two methods are tool for research process. But, research method should be selected as per the plan and objective of research. Similarly, it can be conducted within two different ways such as deductive reasoning method and inductive reasoning method. Deductive reasoning is helpful for further research on actual matter but inductive reasoning method is different. In inductive reasoning

method the topic needed to be created and have to do further research as per the need of the topic.

For this thesis, both Primary data and secondary sources have been used. Primary data has been collected via telephonic interview. Similarly, secondary data have been collected from few books, articles, journals and thesis, research literatures as well as sources from internet. The data available from annual reports of various insurance companies were also taken for the present study.



## 2.9 RESEARCH APPROACH

The reason for this research is to find out the different types of motor insurance policies avail by various policyholders. There are various ways to carry out this research method and we have used both qualitative and quantitative methods for collecting data. The questionnaires are self-made and information are collected through survey. The questionnaires are in English. There are ten questions. Later the survey answers are analyzed with the help of graphs and charts into excel texts to drag out the result and conclusion.

## CHAPTER III: - REVIEW OF LITERATURE

### 3.1 Meaning

A **literature review** or **narrative review** is a type of review article. A literature review is a scholarly paper, which includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. Literature reviews are secondary sources, and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals, and are not to be confused with book reviews that may also appear in the same publication. Literature reviews are a basis for research in nearly every academic field. A narrow-scope literature review may be included as part of a peer-reviewed journal article presenting new research, serving to situate the current study within the body of the relevant literature and to provide context for the reader. In such a case, the review usually precedes the methodology and results sections of the work.

Producing a literature review may also be part of graduate and post-graduate student work, including in the preparation of a thesis, dissertation, or a journal article. Literature reviews are also common in a research proposal or prospectus (the document that is approved before a student formally begins a dissertation or thesis).

#### **Dheeraj Razdan "Insurance Principles, Application and Practices" Cyber Tech Publication New Delhi 2008, Book no; - 20257 (NIA)**

The details of history and origins of insurance business in world are mentioned in the book. The analysis of general insurance business operations and decision making are given in comprehensive pattern. Book analyzes the business policy of insurance in India, claims procedures, salvage disposal. Basic claims settlements, insurance risk management and its

procedures of insurance business in India is mentioned in the book. Operation of insurance business in India along with the governmental procedures is also mentioned in detail. The financial procedures and policies are given detail format. The concept of history and origins of insurance is taken as a reference for study.

**Janak Raj JAI "Motor Accidents Claims and Procedures" Universal Law Publishing Co Ltd New Delhi 2007, Book No;- 19736 (NIA)**

The book shows the detail of Motor Vehicles Acts in India 1988. Claims Tribunals Formation growth. Compensations Procedures, Insurance of Motor Vehicles, Legal Procedures Evidence, Appeals in Courts Relating towards Legal Aid, Criminal law, Lok Adalats cases and settlements etc. The reference from the book is taken on the definition on Motor Car,

Carriage Goods, Heavy Motor Vehicle and Light Motor Vehicle, and Motor Vehicle Act difficulties in beginning, Compulsory Insurance, Lorum, Amendment of 1969. Insurance against Third Party Risk, and the provision of third party insurance is compulsory is taken as the reference study.

**V.B. Kolhatkar, V.A. Pai "Motor Insurance" Insurance Institute of India Mumbai 1999, Book no;- 1640 (NIA)**

Author's book is a detailed analysis about the motor insurance. The history of Motor Insurance, introduction about the Motor Insurance in India, legal aspects regarding the rules and regulations on motor insurance in India. Motor policies and its impact in India, motor tariffs, documentations process of motor insurance, underwriting process of motor insurance in India, and the claim procedures of motor insurance in India are mentioned in the book. The history of motor insurance, types of motor vehicles, and the Motor Vehicle Act 1988 (Act no 59 of 1988). Act is effective from 1st July 1989 is taken for the reference study.

**II.R. Sarkar "Motor Accidents, Insurance Claims and Compensation"**

**4"" Edition Sodhi Publications New Delhi - Allahabad 2009**

The book is a detailed analysis of Motor Accidents, insurance Claims and Compensation. The detailed analysis of claim procedure and the compensation process of insurance procedure have been mentioned. The exhaustive coverage of supreme court decision along with cases on trots and negligence where the motor accidents claims trough tribunals rules and forms of applications is gi\en in the book. The detail provisions of motor insurance, personal injuries and disability, review and revision process of claims tribunal courts is mentioned in the book.

The Motor Vehicles Rule Acts along with cases of certain states is given and the essential aspects of insurance claims and compensations are extensive explained in the book was referred for the present study.

## CHAPTER IV: - DATA ANALYSIS

### 4.1 Introduction

A set of 6 questions were made by me and circulated among policy holders from aged 18 to 60. They were chosen randomly. Everyone possess atleast one motor vehicle. The sample was restricted to 30 respondants only.

### 4.2 STRUCTURE OF QUESTIONNAIRE

SERIAL NO.	QUESTIONS ASKED	RESPONSES
1	What type of motor insurance policy are you looking for?	30/30
2	Which method do you prefer while buying a motor insurance policy?	30/30
3	Which motor insurance provider have you opted for?	30/30
4	Are you satisfied with the services of your motor insurance provider?	30/30
5	Do you feel that your motor insurance will provide complete financial assistance to the time of a mishap?	30/30
6	Have you ever been in a situation where you have not received the correct claim amount or have been denied your claim?	30/30

#### 4.3 DATA ANALYSIS

##### 1. What type of a motor insurance policy are you looking for?

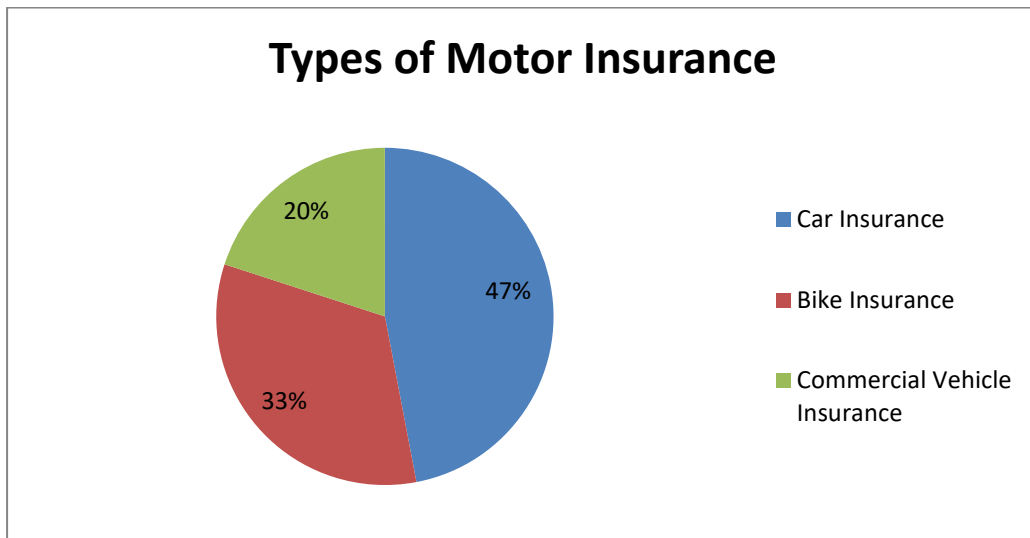


Figure 1.22

47% of the policyholders are looking for car insurance which constitute a major part of motor insurance. Whereas percentage of policyholders availing bike and commercial vehicle insurance is comparatively less which is 20% and 33% respectively.

## 2. Which method do you prefer while buying a motor insurance policy?

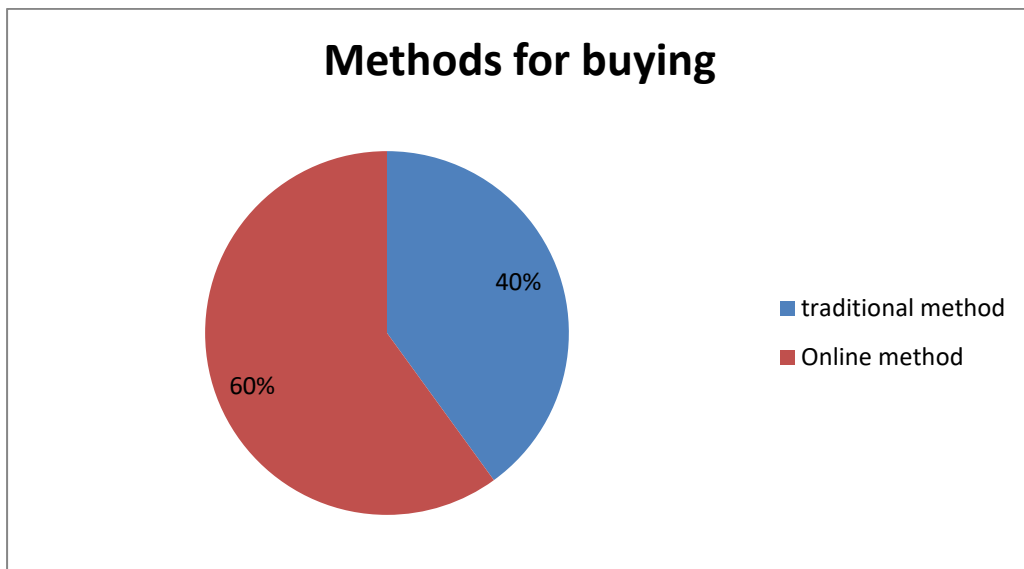
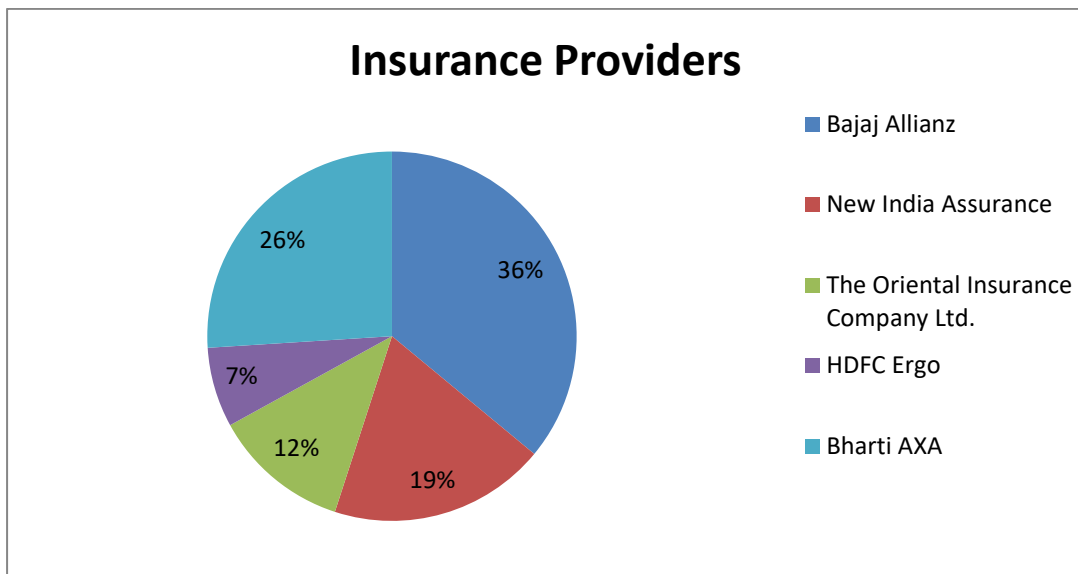


Figure 1.23

Due to technological enhancement, number of respondents going for online method while availing for a policy is more as compared to the traditional approach. 60% of the respondents buy motor insurance policies online. Still 40% of the crowd are comfortable with the traditional approach as they might not be familiar with the technology and any have some trust issues with the security of online process.

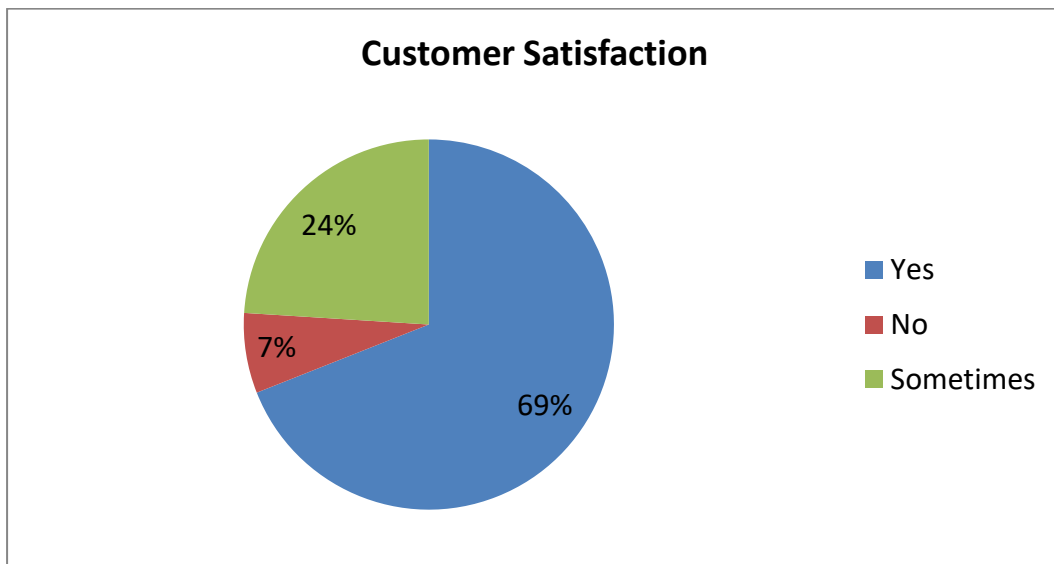
### 3. Which motor insurance provider have you opted for?



Major portion is acquired by Bajaj Allianz as it is the most leading general insurance company in India. 36% of the policyholders go with Bajaj Allianz. 26% of the policyholders choose Bharti AXA while availing for motor insurance in India. New India Assurance and Oriental company together constitute 31%. HDFC Ergo is on the least with 7% of the respondents availing it. Thus we can say that nowadays people are moving more towards private insurers as compared to govt. insurance companies.

**4. Are you satisfied with the services of your motor insurance provider ?**

Figure 1.25

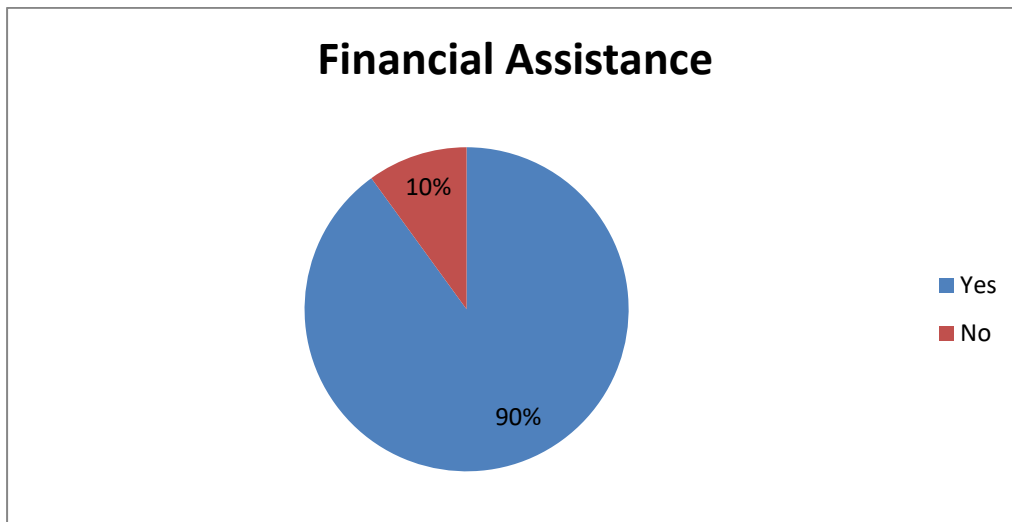


Source: -Authors computation

69% of the respondents are completely satisfied with the services provided by their insurance providers whereas 24% of them are somewhere satisfied. Only 7% of them are not satisfied. This ensures that motor insurance companies are still at a developing stage in India.

**5. Do you feel that your motor insurance will provide complete financial assistance the time of a mishap?**

Figure 1.26

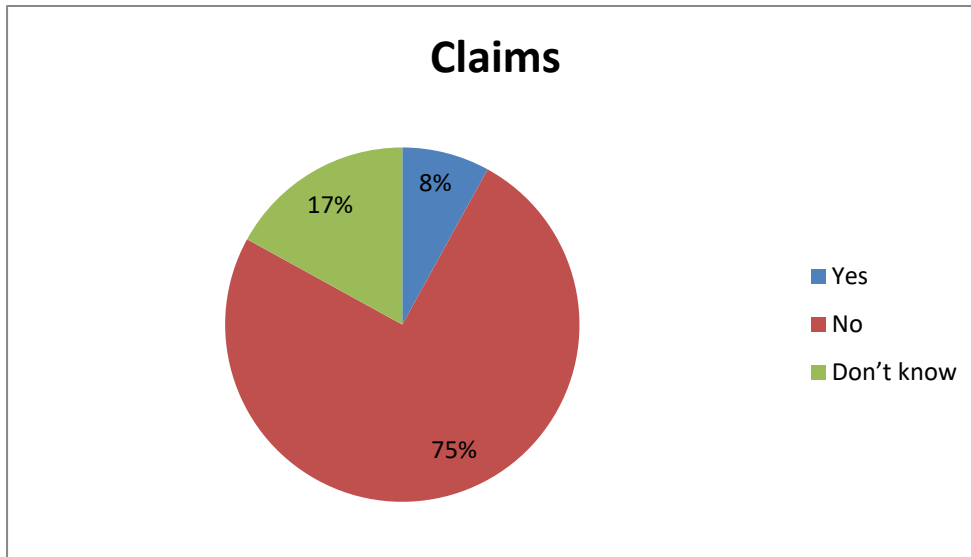


Source: -Authors Computation

Only 10% of the policyholders think that their insurers are lacking behind at providing proper financial assistance, else 90% of them feel satisfied with the financial assistance provided to them at the time of mishap.

**6. Have you ever been in a situation where you have not received the correct claim amount or have been denied your claim?**

Figure 1.27

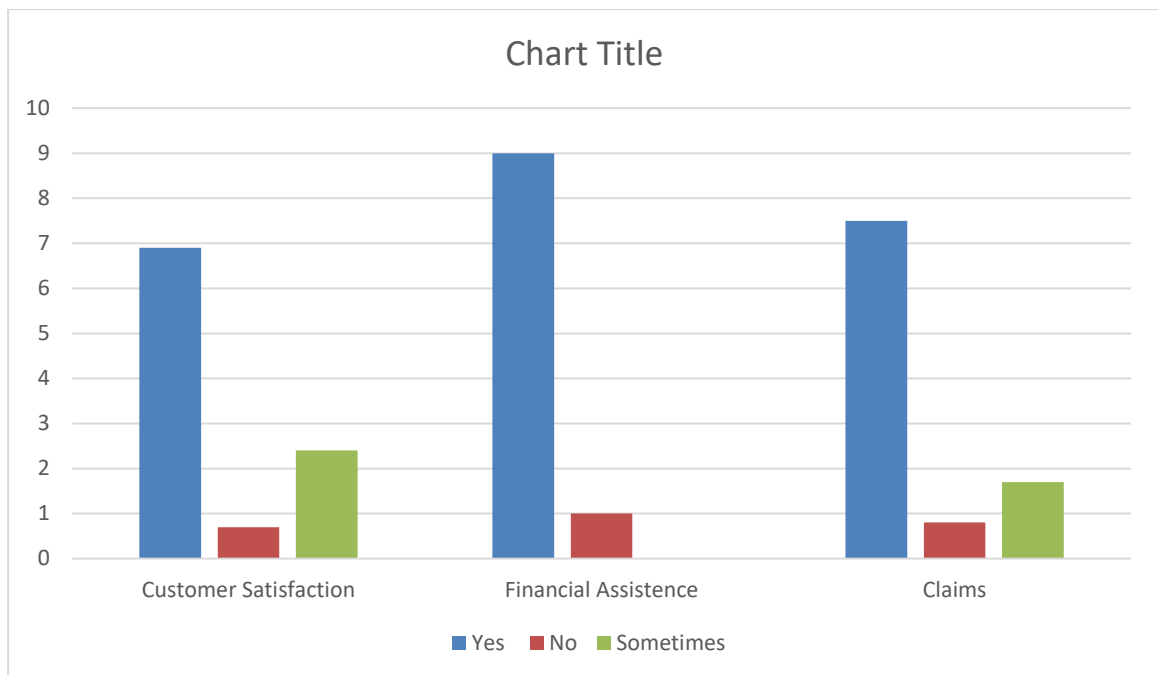


Source:- Authors Computation

75% of the policyholders have never been in any such situation rather they were given proper financial assistance and also accurate claim amount. 8% of them were not satisfied with the claim procedure and the amount they received and 17% of the respondents don't know anything about the same.

#### 4.4 Overall Review of survey

Figure 1.28



Source: -Authors Computation

#### 4.5 Findings

- 47% of the policyholders are looking for car insurance which constitute a major part of motor insurance. Whereas percentage of policyholders availing bike and commercial vehicle insurance is comparatively less which is 20% and 33% respectively
- Due to technological enhancement, number of respondents going for online method while availing for a policy is more as compared to the traditional approach. 60% of the respondents buy motor insurance policies online. Still 40% of the crowd are comfortable with the traditional approach as they might not be familiar with the technology and any have some trust issues with the security of online process.

- Major portion is acquired by Bajaj Allianz as it is the most leading general insurance company in India. 36% of the policyholders go with Bajaj Allianz. 26% of the policyholders choose Bharti AXA while availing for motor insurance in India. New India Assurance and Oriental company together constitute 31%. HDFC Ergo is on the least with 7% of the respondents availing it. Thus we can say that nowadays people are moving more towards private insurers as compared to govt. insurance companies.
- 69% of the respondents are completely satisfied with the services provided by their insurance providers whereas 24% of them are somewhere satisfied. Only 7% of them are not satisfied. This ensures that motor insurance companies are still at a developing stage in India.
- Only 10% of the policyholders think that their insurers are lacking behind at providing proper financial assistance, else 90% of them feel satisfied with the financial assistance provided to them at the time of mishap.
- 75% of the policyholders have never been in any such situation rather they were given proper financial assistance and also accurate claim amount. 8% of them were not satisfied with the claim procedure and the amount they received and 17% of the respondents don't know anything about the same.

## **CHAPTER V: - CONCLUSION AND SUGGESTION**

### **CONCLUSION**

The Indian insurance industry cannot continue its old practices in the motor-portfolio on which it has been operating since the nineties. Insurers in India have to keep pace with the changing times and innovations. Demand in the motor market is growing at steady rate. More and more automobiles will hit the Indian roads, so the growth is assured. Product innovations and price differentiation will matter but not in immediate future till the portfolio remains in the tariff regime. Competition in motor insurance will therefore be for resources and competence in operations.

One must compare and choose the best vehicle insurance policy. Buying an insurance policy, besides addressing your personal security, is also a social responsibility as insurance, as a concept is successful, only if there is mass participation. There are a host of insurance providers in India who offer various types of vehicle insurance policy to suit the varying needs of individuals. It is always advisable to do an online comparison of the premiums and benefits that are being offered by different insurance providers before buying a policy.

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[www.researchgate.com](http://www.researchgate.com)

[www.policybazaar.com](http://www.policybazaar.com)

[www.policyholder.gov.in](http://www.policyholder.gov.in)

### **NEWSPAPER REFERENCE:**

Economic Times

## **APPENDIX**

1) What type of motor insurance policy are you looking for?

- a) Car insurance b) Bike Insurance c) Commercial Vehicle

2) What method do you prefer while buying a motor insurance policy?

- a) Traditional method b) Online method

3) Which motor insurance provider have you opted for?

- a) Bajaj Allianz b) New india assurance c) The oriental insurance company Ltd. d) HDFC Ergo e) Bharati AXA

4) Are you satisfied with the services of your motor insurance provider?

- a) Yes b) No c) Sometimes

5) Do you feel that motor insurance will provide complete financial assistance to the time of a mishap?

- a) Yes b) No

6) Have you ever been in a situation where you have not received the correct claim amount or have been denied your claim?

- a) Yes b) No c) Don't know