

Ch-4 Types of Vehicle Insurance

Chapter - 19 (19)
Insurance of motor vehicle against third party risk

→ To cover loss of risk, concept of Insurance came into existence

Risk-Bearer is called → Insurer

"Agreed amount is paid to cover loss from insurer to insured"

A Importance of Insurance

- 1) provide protection against loss
- 2) Eliminates risk
- 3) co-operative method of sharing the loss
- 4) provides employment
- 5) Medical support

A History of Insurance :-

- 12th century Marine Insurance is oldest Insurance
- London Assurance & Royal Exchange Assurance were formed by the charter of 1720
- Lloyd's coffee ^{in London} House was common meeting place for ^{merchants}
- Monopoly was destroyed by "Joint Stock Company Act 1866"
- In India, British Law of Insurance
- Marine Insurance Act 1963 is the replica of English marine Insurance Act 1906

After marine, fire Insurance came into existence

Due to 1) Great fire of London 1666 → Dept occurred - Huge fire

2) Industrial revolution

3) Looley street fire 1861 (London) → 22 June

In India, British & foreign fire insurance Company in mod.

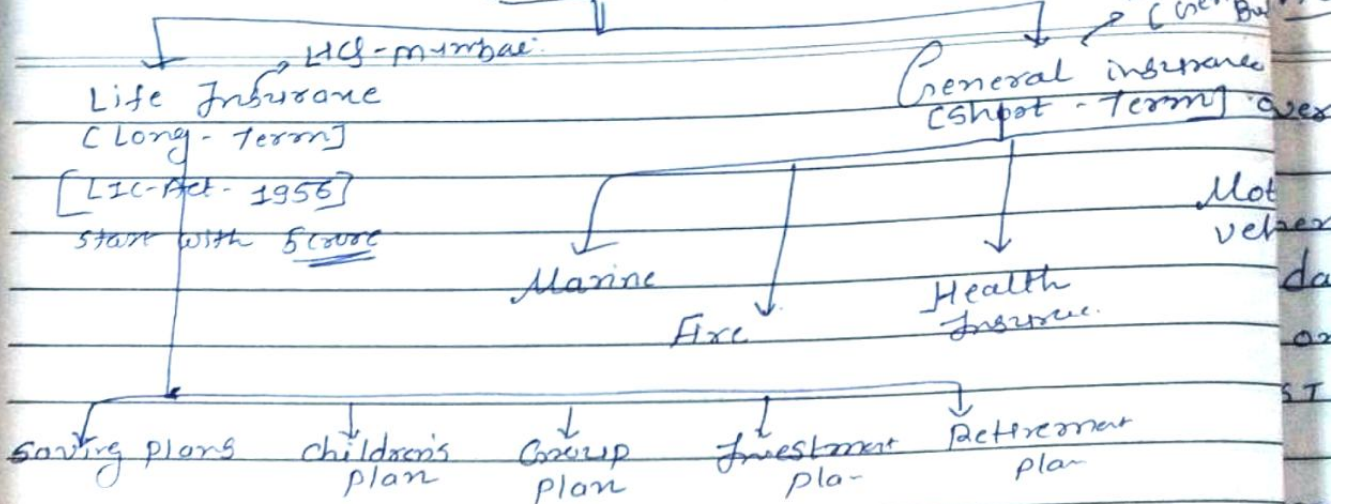
③ Life Insurance: Bubble's Act 1720. full-term insurance

Lic Act - 1774

In India Bombay mutual (1870) & Oriental (1874) were providing life Insurance

Become first Insurer

★ Types of Insurance



→ In 1993, "Malhotra committee" headed by RBI Governor ^{K.N. Malhotra} and former ^{Chairman} IRDA - Insurance Regulatory & Development of India [Chairman: Subhash Chandra] → controlling & regulatory apex body in Insurance → chairman & members appointed by Govt. → HQ → Hyderabad moved from Delhi 2001 → Constituted in 1999 by IRDA Act-1999. → Foreign company were allowed ownership up to 26% 10 members → 1 chairman (5) Full-time (4) - part-time [1+5+4]

★ List of Insurance Companies in India

- | public-sector | private |
|--|--|
| 1) LIC (2) New India (3) OIC (4) UIC | (1) Tata AIG (General) |
| <ul style="list-style-type: none"> ↳ HQ - Mumbai ↳ 48 countries ↳ operates ↳ Dorabji Tata 1919 | <ul style="list-style-type: none"> 2) JTO - Tokio. 3) F&L Lombard (4) Bajaj 5) L&T General. 6) Reliance (7) Bharti axa |

Vehicle Insurance :- provide financial protection against physical damage (1) Body injury (3) theft (2) Natural
 → UK - first country for car insurance with Road traffic act 1930.
 Germany - second - 1939

Act liability - only :→ (पॉलिसीमा खालकी गरी
बन्ने गरी)

Cover → Third party / individual who have been involved in the accident caused by you

When u take liability only policy - then loss or damage to your car will not be insured

→ only cover third party

AST: 18% is applicable on car insurance effective from 1st July - 2012

company → India / Accident / loss / कम्पनीमा खाली गरी

6 month of delay claim on 25th of year

Accidental Event Compensation

1) Death: 100%

2) Loss of two limbs ^{अंग}, eyes, or one limb & one eye - 100%

3) Loss of one limb or one eye - 50%

4) permanent total disablement - 100%

→ owner / driver → compensation amount not more than policy amount ~~not more than~~

policy should be running

owner: 1) खाली & Drive गर्ने ती कम्पनीमा खाली गरी

2) खालीमा गुडमान गर्ने

3) धर्तार्यास खालीमा गर्ने

policy is subject to

1) owner / driver → registered owner.

2) owner / driver → is insured name in policy.

3) effective driving licence / at the time accident

↓
1st Party Insurance person

↓
Second party is Insurance company

↓
Third party is any other person affected by vehicle

Third party only

(196-Driver with
Insurance 1000 →

→ အားကောင်း သိပ်မရှိပါ။ အားကောင်း သိပ်မရှိပါ။

→ Limited coverage

→ Third party → personal loss / property damage
(medical help)
↳ Body injury or death.

→ 1/4/34 new rates of third party cover

→ NO coverage can be claimed by policyholder for his/her own vehicle.

→ "No-Fault claim" → If you had an accident wasn't your fault, this could be considered as "no-fault claim"

→ Your insurer will attempt to recover any repair/replacement cost from the other driver's insurance company

Vehicle (Type) (Engine-capacity) less than 1000 cc	rates
1) Car [1,000 cc - 1500 cc]	2055 3355
2) Car Exceeding 1500 cc	9246
3) 2-wheeler less than 75 cc	569
3) 2-wheeler 75 cc to 150 cc	720
2) 2-wheeler 150 cc to 350 cc	978
5) 2-wheeler Exceeding 350 cc	1194
6) Goods vehicle 7.5 to 12 tonnes	23047
7) Goods vehicle 12 to 20 tonnes	33865
8) Goods vehicle 20 to 40 tonnes	37063

Package အားကောင်း စီမံ

	Cover
1) Commercial vehicle -	7.50 Lakhs
2) Commercial vehicle (3 wheel or taxi)	7.50 Laes
3) private cars -	7.50 Laes
4) Two-wheeler	1 Laes

Comprehensive Policy

known as "other than collision"

→ This plan covers

1) own liabilities due to personal losses and/or property damage from natural calamities / man-made calamities

2) Third party liabilities from property damage

3) Third party liabilities due to body injury / accidental death

→ premium is High"

→ The add-on options are listed below.

1) Zero depreciation cover: Entitles the policyholder to receive full claim, without any depreciation, & parts replaced after accident

2) Roadside Assistance cover: → This add-on policy allows the policyholder to avail any services such as towing / changing tyres / refueling in case of emergency while driving

3) Engine protect cover: Repair / replacement expenses for the engine are covered

4) Return to Invoice cover: → In case car gets completely damaged / stolen, the insurer will reimburse the policyholder for the original value of car

5) No-claim bonus (NCB) protection:

Every claim-free year, insurer gives a sum of bonus to policyholder.

6) personal accident cover: protect driver / passenger / owner of car at time of accident

7) Loss of personal belongings:

→ This covers loss of one's personal belongings from a locked car

8) key replacement: Ins. reimbursed with a sum to get new key

9) Daily cash allowance: policyholder leaves car at garage for more than 3 to 4 days,

Insurer covers his/her transportation cost until vehicle fully repaired

* Factors that affect Car Insurance Price.

Fuel type: CNG > Diesel > Petrol

- 1) IVV - Insured declared value
- 2) Type & age of vehicle
- 3) CC - Engine ^{cubic-capacity} (4) Geographical zone ^{dense traffic, stop} (5) Age & gender of owner ^{18 to 25 years more premium}
- 6) Fuel Type ^{CNG - High premium} (7) NCB (8) Anti-theft device Installation
- 9) profession of owner → Defence, doctors, Govt. Servant
- 10) Association of India membership ^{Automobile}

* How does IVV of a car reduce with age

Age	Percent of depreciation
1) Less than 6 months	5%
2) Between 6 months to 1 year	15%
3) Between 1 & 2 years	20%
4) Between 2 & 3 years	30%
5) Between 3 & 4 years	40%
6) Between 4 & 5 years	50%

A Simple car Insurance calculation

Year of manufacture	2012	with NCB comprehensive policy
1) Ex. showroom price	4,16,000 (X)	
2) Depreciation percentage (IVV)	20% × X	83,200 (Y)
3) Insured declared value	3,32,800 [X-Y]	3,32,800 (Z)
4) Own damage premium	1.970%	6556 (A)
5) NCB - Discounts	20% * A	1311 (B)
6) Total OD premium	$\frac{5245}{5114}$ [A-B]	5245 (C)
7) Personal accident cover	100 [D]	
8) Legal liability paid to driver	50 [E]	
9) compulsory third party cover	110 [F]	
10) Net premium	[C+D+E+F]	6505 (G)
11) GST - 18%	18% (G)	1171 [H]
Total premium	[G+H]	7676

→ when car become old, IVV - Less & premium becomes Less

Chapter-XI (11) Insurance of motor vehicles against third party risks

Section 145

Authorised Insurer: → company.

Certificate of Insurance: → means certificate issued by authorised Insurer in Section 147.

Crimes hurt: → Section 320 IPC

Hit & run motor accident.

RDA

Policy of Insurance

property: → roads, trees, posts, culverts, causeways goods

reciprocating countries

Third party: → Includes Crownesmen, driver & co-woman

Section 146 → Necessity for Insurance

Section 147: → limits of liability

Section 148: → validity of policy of Insurance issued in reciprocating countries

Section 149: → Settlement by Insurance Company & procedure therefore

Section 150: → Duty of insurers to satisfy judgement & awards against persons insured in respect of third party risks

Section 151: → Rights of third party against insurers on Insolvency of Insured

Section 153: → Settlement between Insurers & Insured ^{person}

