



Study4Insurance

MOTOR INSURANCE

FOR GIPSA OFFICER PROMOTION EXAM

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Acknowledgement and Disclaimer

This document has been prepared by the team at Study4Insurance. We extend our sincere gratitude to the Insurance Institute of India (III), as their official publications and exam books have served as the primary source for the content herein.

The primary objective of these notes is to provide a concise and effective resource for educational and training purposes only. This material is designed as a set of quick revision notes, meticulously crafted to aid candidates in their preparation for the III examinations.

While our team has made every effort to ensure the accuracy and clarity of the information presented, this document is intended to be a supplementary study aid and not a substitute for the official source material. For any doubts, discrepancies, or in case of any errors, readers are strongly advised to refer to the original III exam books. The source books should be considered the definitive and final authority on all topics.

We hope this revision notes prove to be a valuable tool in your study plan and help you achieve excellent marks in your examination.

Best of luck!



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Driving Licence

1. Basic Concept of Driving Licence

- A Driving Licence must always be both **effective** and **qualified**.
 - **Effective** → Valid for correct **duration** and **type of vehicle**.
 - **Qualified** → Holder must meet **minimum age, medical fitness, & other statutory conditions**.
 - Without both conditions, licence is invalid for **driving & insurance claims**.
-

2. Categories of Driving Licence and their Validity

(a) Motor Cycle not exceeding 50cc

- **Minimum age:** 16 years.
- **Validity depends on age at issuance:**
 - Driver <30 yrs → Valid till 40 yrs.
 - Driver 30–50 yrs → Valid for 10 yrs.
 - Driver 50–55 yrs → Valid till 60 yrs.
 - Driver >55 yrs → Valid for 5 yrs.
- No extra medical certificate required.

(b) Motor Cycle with gear

- **Minimum age:** 18 years.
- Same age-linked validity as above.

(c) Adapted Vehicle

- Vehicles modified for physically challenged persons.
- **Minimum age:** 18 years.
- Same validity rules as LMV.

(d) LMV (Light Motor Vehicle ≤7500kg GVW)

- **Minimum age:** 18 years.
- Validity same as above slabs.

(e) Transport Vehicle (Goods/Passenger/Heavy)

- **Minimum age:** 20 years.
- No direct Learner's Licence issued.
- Must hold LMV licence for **≥1 year before applying**.
- **Validity:** 5 years only (for strict medical & regulatory control).

(f) Road Roller

- **Minimum age:** 20 years.
- **Validity:** 3 years.
- **Medical Certificate mandatory.**

3. Learner's Licence (LL)

- **Validity:** 6 months from date of issue.
- Learner must display **"L" sign in red** at front & rear.
- Learner must be accompanied by a permanent licence holder.
- For Transport Vehicle → Learner licence not issued unless driver already holds LMV licence for 1 year.
- Guardian's written consent mandatory if applicant is under 18 yrs for ≤50cc vehicle.

4. Renewal of Licence

- Renewal application can be made **1 year before expiry** or **within 1 year after expiry**.
- Renewal effective from **date of renewal**, not date of expiry.
- If validity lapsed >1 year → holder must undergo **refresher test/course**.
- Renewal requires medical fitness certificate for **transport licences** and for persons above **50 yrs of age**.
- Renewal is applicable to all licences except Learner's Licence.

5. Endorsement for Hazardous Goods

- Mandatory for driving vehicles carrying **dangerous/hazardous goods**.
 - **Validity**: 3 years, renewable.
 - **Conditions**:
 - Valid **Transport Vehicle Licence**.
 - **Medical certificate**.
 - Ability to read/write in **English + one regional language** (Schedule VII).
 - Renewal subject to conditions prescribed by **Central Government**.
-

6. Amendment in MV Act, 1994 (Effective 14-11-1994)

- The word **“Without Gear”** replaced with **“Up to 50cc”** in vehicle classification.
 - All categories of **Medium Goods Vehicle, Medium Passenger Vehicle, Heavy Goods Vehicle, Heavy Passenger Vehicle** merged into single entry: **“Transport Vehicle”**.
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7. Miscellaneous Provisions Related to Driving Licence

- **Expired Licence**: Renewal possible; refresher test required if lapse >1 year.
 - **Disqualification/Revocation**:
 - RTO can revoke DL on medical grounds (disease, disability, epilepsy, etc.).
 - Suspension possible for repeated traffic violations or offences.
 - **Duplicate Licence**: Issued in case of loss, theft, or damage; requires FIR and application.
 - **Endorsements**: Each class of vehicle separately endorsed on DL (MC, LMV, HMT, etc.).
 - **Uniformity**: Driving Licence valid **throughout India**; no state-wise restriction.
 - **National Register of Driving Licences**: All DLs must be linked with unique licence number.
-

8. Importance of Valid DL in Motor Insurance

- A valid DL is a **prerequisite for claim payment** in Motor Insurance.

- Claims may be **rejected** if **DL is expired, not valid for the class of vehicle, forged, or disqualified.**
- For hazardous goods, endorsement is mandatory – absence leads to claim repudiation.
- Learner's Licence is valid only when driving with conditions satisfied (display "L", accompanied driver, etc.).

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Registration Certificate (RC)

1. Necessity of Registration – Sec. 39 of MV Act 1988

- No person can drive or allow driving of a motor vehicle in any public place without valid RC.
 - RC is proof of legal existence of the vehicle under MV Act.
 - Vehicle without registration is treated as **illegal and uninsurable**.
-

2. Place of Registration

- Registration must be obtained from RTO of owner's **residence** or **place of business**.
 - Also valid where vehicle is **normally kept**.
 - Ensures clear jurisdiction of controlling RTO.
-

3. Change of Address

- If owner changes **residence/business address**, he must inform RTO within **30 days**.
 - Updated address to be endorsed on RC.
 - Prevents mismatch in records during claims or legal proceedings.
-

4. RC Validity – General

- RC is **valid throughout India** – no state boundaries for validity.
 - For **private/non-transport vehicles**:
 - Valid for **15 years** from date of issue.
 - Renewable for such further period as Central Govt. may prescribe.
 - For **transport vehicles**:
 - RC validity is directly linked to **fitness certificate validity**.
 - Without fitness, RC automatically becomes invalid.
-

5. Temporary Registration

- Granted when permanent registration cannot be issued immediately.
 - **Validity = 1 month only.**
 - Meant for temporary movement until permanent RC obtained.
-

6. Vehicle Transfer to Another State

- If a vehicle is kept in another state for **>12 months**, owner must apply for **new registration mark** in that state.
 - Owner must present **original RC** to new RTO for assignment.
 - Prevents misuse of vehicle across states with lower road tax.
-

7. Transfer or Sale of Vehicle

Seller's duties:

- Must **report the sale** to RTO within **14 days** if buyer in same state.
- Must **report within 45 days** if buyer is in another state.

Buyer's duties:

- Buyer must apply for **transfer of ownership within 30 days** of purchase.
 - Ensures RC records match actual ownership for liability & insurance.
-

8. Total Loss Cases

- If vehicle suffers **total loss**, RC must be surrendered to RTO within **14 days** for cancellation.
 - This cancellation must be **ensured by insurer** before claim settlement.
 - Prevents fraudulent use of same RC after claim payment.
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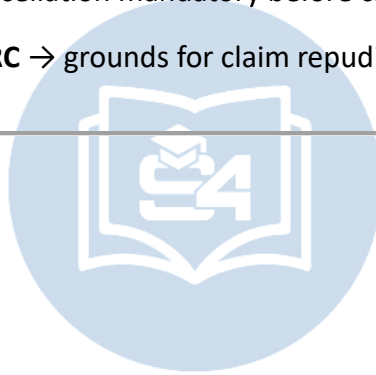
9. Fitness Certificate (Transport Vehicle link)

- **Sec. 56 MV Act 1988** → Without valid fitness certificate, vehicle deemed **not registered** under Sec. 39.

- **For Transport Vehicles:**
 - Brand new → Fitness valid for **2 years**.
 - Subsequent renewals → Fitness valid for **1 year** at a time.
 - Rules governing:
 - **Rule 52 CMVR** – Renewal of registration.
 - **Rule 62 CMVR** – Validity of Fitness Certificate.
-

10. Importance of RC in Insurance

- RC is a **mandatory document** in all motor insurance policies.
 - Insurers verify RC validity before settlement.
 - In **transfer cases**: RC must be updated in buyer's name → Insurer ensures compliance.
 - In **total loss cases**: RC cancellation mandatory before claim payment.
 - **Invalid, expired, or fake RC** → grounds for claim repudiation.
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Fitness of Vehicles

1. Statutory Requirement

- **Sec. 56 of MV Act, 1988** → If fitness expired, vehicle is **not deemed registered** under Sec. 39.
 - Fitness certificate = essential for the legal existence of a **Transport Vehicle**.
 - Without fitness, both **RC and permit automatically stand suspended**.
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2. Governing Rules

- **CMVR Rule 52** → Relates to **renewal of RC**, which is dependent on valid fitness.
 - **CMVR Rule 62** → Specifies **validity and renewal procedure** of fitness certificate.
-

3. Validity Periods

- **Brand new transport vehicles** → Fitness certificate valid for **2 years** from date of issue.
 - **Renewals thereafter** → Fitness valid for **1 year** at a time only.
 - Certificate must be renewed **before expiry** to avoid lapse.
-

4. Expiry of Fitness – Legal Consequences

- If fitness expired on **date of accident/loss**, insurer treats vehicle as **unregistered**.
 - **Claim repudiation** becomes valid ground.
 - Vehicle found running without fitness → **offence under MV Act**, attracts fine/penalty.
 - In insurance practice → Surveyors must specifically check **fitness validity** before recommending settlement.
-

5. Importance of Fitness

- Proves that vehicle is **mechanically roadworthy**.
- Certifies compliance with **safety standards** under law.

- Especially important for **commercial vehicles** → subject to higher wear & tear.
 - Fitness = Legal condition for:
 - Renewal of RC.
 - Validity of Permit.
 - Validity of Insurance Claims.
-



Permit

1. Statutory Requirement – Sec. 66(1)

- No owner can use/allow use of a **transport vehicle in public place** without valid permit.
 - Prohibition applies **even if vehicle not carrying passengers/goods** at that time.
 - Permit = official license to ply vehicle for transport use.
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2. Issuing Authority

- Permit granted/countersigned by:
 - **Regional Transport Authority (RTA).**
 - **State Transport Authority (STA).**
 - Any **other prescribed authority** under Motor Vehicle Rules.
-

3. Exemptions – Vehicles Not Requiring Permit

- **Government Vehicles:** Central Govt., State Govt.
 - Vehicles of **Police, Local Body, Fire Brigade, Ambulance.**
 - Vehicles used solely for **carrying corpses & mourners.**
 - **Cranes/transport vehicles** used:
 - To tow disabled vehicles.
 - To remove goods from disabled vehicle to a place of safety.
 - **Temporary registered vehicles** → being taken for registration, without carrying passenger/goods.
 - Vehicles diverted from route due to **flood, natural calamity, obstruction, or unforeseen event.**
 - Vehicles under possession of **financier**, moving till destination.
 - Transport vehicle proceeding **empty to repair location.**
 - Goods vehicle with **GVW ≤ 3000 kg.**
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4. Validity of Permit

- General validity = **5 years**.
 - Exception → **Temporary or Special Permits** valid for shorter duration.
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5. Renewal of Permit

- Renewal effective from **date of expiry** only.
 - Even if there is a **gap in renewal**, it does not extend validity period.
 - No retrospective effect granted for expired permits.
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6. Death of Permit Holder

- On death of permit holder:
 - Legal heir/successor/possessor of vehicle may use permit for **3 months**.
 - RTO must be **informed within 30 days of death**.
 - After 3 months → new permit application compulsory.
-

7. Insurance Implications

- Valid permit = **compulsory requirement for commercial vehicle insurance claims**.
 - Accident during lapse or absence of permit = **insurer can repudiate claim**.
 - Insurance company's claim department must check **permit number, validity & authority** before settling.
-

Types of Motor Policies

1. Two Types of Policies under India Motor Tariff (2002 – still followed)

A) Liability Only Policy (Act Only Policy / Third Party Policy)

- **Minimum compulsory cover** required under MV Act.
- Covers **Third-Party Death/Bodily Injury** → unlimited liability as per Act.
- Covers **Third-Party Property Damage (TPPD)** → subject to monetary limits as per tariff.
- Includes **Compulsory Personal Accident (PA) cover for Owner-Driver** (SI – ₹15 lakh).
- Does **not cover own damage (OD)** to insured's vehicle.
- Scope limited only to statutory requirements.
- Premium rates → still **regulated by IRDAI** (even after de-tariffing).

B) Package Policy (Comprehensive Policy)

- Wider coverage than Liability Only Policy.
- Includes **Own Damage (OD) + Act Liability**.
- Covers accidental **loss or damage to insured vehicle** by specified perils.
- Includes **Liability Cover** similar to Liability Only Policy but with **additional extensions**.
- Insurer free to give **add-ons** under IRDAI File & Use provisions.

2. Difference Between Liability Only vs. Package Policy

In Liability Only Policy:

- Restricted to **statutory coverage** only.
- Covers TP injury/death and limited property damage.
- Does **not** cover occupants (except as required by Act).
- No cover for own damage.

In Package Policy:

- **Private Cars & Two-Wheelers:** Covers death/bodily injury to **any person including passengers/pillion rider**, provided not carried for hire/reward.

- **Commercial Vehicles:** Covers death/bodily injury to **any person (including owner of goods/representative)** traveling in vehicle or during loading/unloading.
 - Exclusions like **drunken driving** apply to OD section, but **liability still covered**.
 - Broader liability scope compared to Liability Only.
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3. Motor Tariff Structure (2002)

- Effective from **01.07.2002**.
 - Contains **49 General Regulations (GRs)** → still followed for policy wording, forms, endorsements.
 - **Eight Sections of Motor Tariff:**
 1. General Regulations.
 2. Private Car Tariff.
 3. Motorised Two-Wheeler Tariff.
 4. Commercial Vehicles Tariff.
 5. Proposal Forms.
 6. Standard Wordings (Policy, Certificate of Insurance, Cover Note).
 7. IMT Endorsements (standard modifications).
 8. Statistical Codes (for premium & claims data).
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4. Classification of Motor Vehicles for Insurance Purposes

A. Private Car.

B. Motor Cycle / Scooter (Motorised Two-Wheelers).

C. Commercial Vehicles (detailed sub-classes):

- **Goods Carrying Vehicles (GCV):**
 - Public Carriers – other than 3-wheelers.
 - Private Carriers – other than 3-wheelers.
 - Public Carriers – 3-wheelers & motorised pedal cycles.
 - Private Carriers – 3-wheelers & motorised pedal cycles.

- **Trailers.**
- **Passenger Carrying Vehicles (PCV):**
 - 3/4-wheeler ≤6 passengers.
 - 4+ wheeled PCV >6 passengers.
 - 3-wheeler PCV >17 passengers.
 - Two-wheeler PCVs.
- **Miscellaneous & Special Types of Vehicles.**
- **Motor Trade Policies:**
 - Road Transit Risks only.
 - Road Risks only.
 - Internal Risks only.

5. Tariff → Detariffing Transition

- Motor Insurance business was **tariff-controlled** from **1970 to 31.12.2006**.
- From **01.01.2007** → **tariff withdrawn (de-tariffing)**.
- **Rates & discounts** are de-tariffed.
- **Wording, conditions, & structure** continue as per 2002 tariff.
- Liability-Only premiums remain **regulated by IRDAI**.
- Add-on covers allowed under **IRDAI File & Use guidelines**.

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Package Policy

1. Scope of Cover – Own Damage (OD) Section

- Covers **loss/damage to vehicle** caused by:
 - Fire, Explosion, Self-Ignition, Lightning.
 - Burglary, Housebreaking, Theft.
 - Riot, Strike, Malicious Act.
 - Earthquake – Fire & Shock.
 - Flood, Typhoon, Hurricane, Storm, Tempest, Inundation, Cyclone, Hailstorm.
 - Accidental external means (collision, overturning, impact).
 - Terrorist Activity.
 - Transit by Road, Rail, Inland Waterway, Lift, Elevator, Air.
 - Landslide, Rockslide.
-

2. Specific Exclusions – OD Section

- **Consequential loss** (e.g., loss due to delay, downtime).
 - **Depreciation, Wear & Tear** – not covered.
 - **Mechanical/Electrical breakdown, Failures, Breakages** – excluded.
 - **Damage to Tyres/Tubes**: Payable only if vehicle damaged simultaneously, limited to 50% of replacement cost.
 - **Intoxication**: Loss while driver/insured under influence of liquor/drugs excluded.
 - **Breach of Limitations as to Use** → claim excluded.
 - **Contravention of Driver's Clause** → excluded.
 - **War & War-like perils, Nuclear material** → excluded.
 - **Damage to accessories** not on vehicle at time of accident → excluded.
 - **Geographical Area Breach** → excluded.
 - **Contractual Liability** → excluded.
-

3. Additional Exclusions by Vehicle Type

A) Motorcycles

- Loss of accessories by burglary/housebreaking/theft excluded unless **vehicle also stolen**.

B) Commercial Vehicles

- Damage caused by **overloading or strain** excluded.
- Loss/damage to **tyres, tubes, mudguards, lamps, bonnet side parts, painting** excluded under IMT-21 (only 50% payable).
- Can be covered fully under **IMT-23 endorsement** on payment of extra premium.

4. Conditions of the Package Policy

i) Notice of Loss

- Insured must give **immediate written notice** to insurer on occurrence of claim.

ii) No Admission of Liability

- Insured cannot admit, promise, offer, or pay compensation without insurer's prior written consent.

iii) Maintenance of Vehicle

- Insured must maintain vehicle in **roadworthy condition**.
- Insured must take **reasonable steps to safeguard** vehicle after accident.

iv) Cancellation of Policy

- If cancelled at **insured's request** → refund on **short-period basis**.
- If cancelled by **insurer** → refund on **pro-rata basis** after **7 days' notice**.

v) Contribution Clause

- If multiple policies exist → insurers share loss proportionately.

vi) Arbitration Clause

- Arbitration applies only for **quantum of claim disputes**, not liability disputes.

vii) Settlement Options

- Insurer may **repair, replace, or pay in cash**.
- Maximum payable cannot exceed **Insured Declared Value (IDV)**.

viii) Death of Insured

- Policy continues for **3 months from date of death** or until expiry (whichever earlier).
 - Legal heirs must **transfer or renew policy** within this period.
-

5. General Exclusions (Applicable to All Sections)

- Any loss/liability **outside geographical area**.
 - Any **contractual liability claim**.
 - Vehicle used in **breach of Limitations as to Use**.
 - Vehicle used in **contravention of Driver's Clause**.
 - **Consequential Losses**.
 - Loss/liability due to **War & Nuclear risks**.
-

6. Limitations as to Use (Important Clause)

- Policy covers use of vehicle for:
 - Social, Domestic, Pleasure purposes.
 - Insured's Business/Profession.
 - Excludes use for:
 - Hire/Reward.
 - Carriage of goods (except samples/personal luggage).
 - Racing, Pace-making.
 - Speed Testing, Reliability Trials.
 - Use in connection with Motor Trade.
 - **Driving Tuition**: must endorse words "other than for driving tuition" after "hire or reward."
-

7. Driver's Clause (Important Clause)

- Policy covers use by **any person including the insured**, provided:
 - Driver holds **effective DL** at time of accident.
 - Driver is **not disqualified** from holding/obtaining DL.

- **Learner's Licence holder** may drive if conditions of Rule 3 CMVR 1989 satisfied (L-plate, instructor, dual controls).
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Commercial Vehicles

1. Definition & Scope

- All vehicles **plying for hire or reward** are called **Commercial Vehicles**.
 - Commercial Vehicle tariff covers **all vehicles not covered under other Motor Tariff sections**, excluding vehicles running on rails.
 - Cover provided → **Perils, Exceptions, Conditions** same as **Private Car Package Policy**, unless specifically varied.
-

2. Scope of Cover – What is Included

- Covers **Own Damage (OD)** risks under Package Policy.
 - Covers **Third Party Liability (TPL)** under both Liability-Only and Package Policy.
 - Section III specifically designed for **liability while towing disabled vehicles** (applies only to CV).
-

3. Towing Charges – Protection, Removal & Redelivery Costs

- If loss/damage covered by policy → insurer reimburses **reasonable expenses** incurred for vehicle's protection, removal, redelivery.
 - Limits:
 - Motorcycles/Scooters → up to **₹300**.
 - Three-Wheelers → up to **₹750**.
 - Private Cars → up to **₹1,500**.
 - Commercial Vehicles → up to **₹2,500**.
-

4. Spot Repairs Facility

- Insured allowed to carry out **ordinary spot repairs** without prior insurer approval if minor.
- Claim limit:
 - **₹500** for all vehicles.
 - **₹150** for motorcycles.

5. Section III – Towing of Disabled Vehicle (Special for CVs)

- Applicable **only for Commercial Vehicles**.
 - Policy provides liability cover under **Section II** for mechanically disabled vehicle being towed.
 - Conditions:
 - Vehicle being towed must **not be towed for hire or reward**.
 - Policy does **not cover OD damage** to the vehicle being towed or property it carries.
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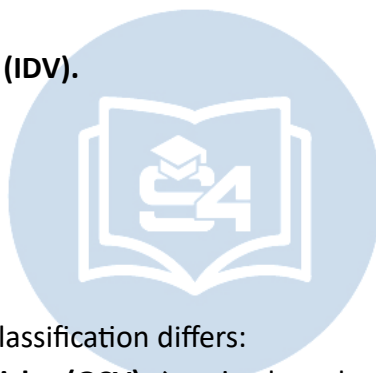
6. Rating Factors for Own Damage Premium

For Private Cars & Two-Wheelers:

- Premium depends on:
 - **Insured Declared Value (IDV)**.
 - **Cubic Capacity (CC)**.
 - **Geographical Zone**.
 - **Age of Vehicle**.

For Commercial Vehicles:

- Same broad factors, but classification differs:
 - For **Goods Carrying Vehicles (GCV)** → rating based on **Gross Vehicle Weight (GVW)**.
 - For **Passenger Carrying Vehicles (PCV)** → rating based on **Licensed Carrying Capacity (LCC)** (i.e., number of passengers allowed by permit).



7. Add-On Covers for Commercial Vehicles (Optional Endorsements)

- **Nil Depreciation Cover** → Full claim without deduction for depreciation on parts (mainly new vehicles).
- **Alternate Car Benefit Cover** → Provides allowance for alternate transport when insured vehicle under repair (for Private Cars).
- **Return to Invoice Cover** → In case of TL/CTL, insurer pays **invoice value of new vehicle** (only for first registered owner, new vehicle).
- **Key Cover** → Covers cost of replacement/repair of keys due to loss/damage.

- **NCB Protection Cover** → Protects No Claim Bonus even if OD claim lodged (subject to conditions).
 - **Engine Protection/Seizure Cover** → Pays for loss due to **water ingress/hydrostatic lock** – normally excluded in OD.
-

8. Long-Term Motor Policies (as per IRDAI Guidelines)

For Two-Wheelers (New only):

- **5-Year Long-Term Liability-Only Policy.**
- **5-Year Long-Term Package Policy.**
- **Bundled Cover** → 1-Year OD + 5-Year Liability.

For Private Cars (New only):

- **3-Year Long-Term Liability-Only Policy.**
 - **3-Year Long-Term Package Policy.**
 - **Bundled Cover** → 1-Year OD + 3-Year Liability.
-

9. Reclassification of Miscellaneous Vehicles (Circular dated 30.03.2012)

- Certain Miscellaneous & Special Type Vehicles reclassified as **Goods Carrying Commercial Vehicles (GCCV)**.
 - Reclassified Vehicles include:
 - **Non-Agricultural Tractors** used as GCCV.
 - **Dumpers.**
 - **Milk Vans.**
 - **Oil & Petroleum Tankers.**
 - **Refrigerated/Pre-Cooling Units.**
 - **General Tankers.**
 - **Tippers.**
 - **Electric Trolleys/Tractors.**
 - **Traction Engine Tractors.**
 - **Trolleys & Goods-Carrying Tractors.**
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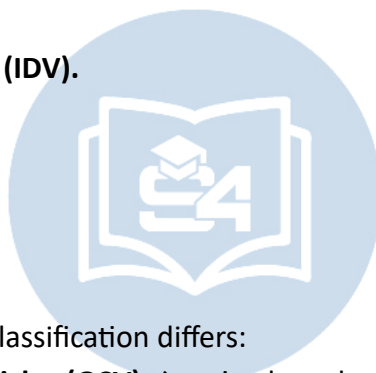
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For Private Cars (New only):

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Course Name	Ideal For	Dedicated Community
PARA 13.2 PSGICs Promotions	Employees of Public Sector General Insurance Companies (PSGICs) preparing for promotions under Para 13.2.	Telegram Group: Join Group
GIPSA Promotion Course	Officers in GIPSA companies (NIACL, UIIC, OICL, NICTL) seeking promotion from Scale I to V.	Telegram Group: Join Group
III Exam Course	Aspiring agents & employees seeking Licentiate, Associate, & Fellowship qualifications from the Insurance Institute of India.	Telegram Channel: Join III Exam Channel
Surveyor Exam Course	Individuals aiming to become licensed Insurance Surveyors and Loss Assessors.	Telegram Group: Join Group
LIC AAO (1B) Course	In-service LIC employees eligible for promotion to Assistant Administrative Officer (AAO) under the 1B category.	Exclusive Telegram Group: Join LIC AAO Group

Miscellaneous & Special Type Vehicles

1. Nature of Vehicles

- Vehicles of **special design/purpose** not strictly falling under private car, two-wheeler, or standard CV.
 - Risks are **specialised** → hence insured under separate tariff classifications.
-

2. Examples

- **Agricultural Tractor** – for farm operations, not for hire/reward carriage.
 - **Non-Agricultural Tractor** – when used for haulage, treated as goods carrier.
 - **Dumpers** – heavy earth-moving equipment, often in construction/mining.
 - **Cranes, Forklifts, Excavators** – mechanical lifting/earth moving.
 - **Milk Vans** – insulated for dairy transport.
 - **Refrigerated Vans / Pre-cooling Units** – for perishable goods transport.
 - **Oil Tankers / Petroleum Tankers** – hazardous carriage, needs special IMT endorsement.
 - **Tippers** – open-box vehicles, hydraulic unloading.
 - **Electric Trolleys / Tractors** – electrically powered goods haulage.
 - **Traction Engines** – steam-driven haulage vehicles.
 - **Concrete Mixers, Tower Wagons, Mobile Vans** – special use in construction/utilities.
-

3. Special Reclassification (Circular 30.03.2012)

- Certain vehicles reclassified from Miscellaneous → **Goods Carrying Commercial Vehicle (GCCV)**:
 - Non-Agri Tractors.
 - Dumpers.
 - Tankers (Oil, Petroleum, General).
 - Milk Vans.
 - Refrigerated Vans.
 - Tippers.

- Electric Trolleys/Tractors.
 - Traction Engines.
 - Rationale → operational risk profile similar to commercial goods carriers.
-

4. Premium Basis for Miscellaneous Vehicles

- **Goods Carrying Type** → premium based on **Gross Vehicle Weight (GVW)**.
 - **Passenger Carrying Type** → premium based on **Licensed Carrying Capacity (LCC)**.
 - Tariff Statistical Codes ensure correct risk categorisation.
-



Motor Trade Policies

1. Why Motor Trade Policy?

- Motor trade = **dealers, garages, service stations, repair workshops.**
 - They handle **multiple vehicles daily**, owned + customers'.
 - Individual policies impractical → Motor Trade Policy gives **blanket cover.**
-

2. Types of Motor Trade Policies

A) Road Transit Risk Policy

- Covers vehicles while in **transit by road only.**
- Typical users → Motor Dealers delivering vehicles.
- Cover restricted to **transport movement only.**

B) Road Risk Policy

- Covers vehicles **driven on road** by motor trade staff.
- Protects during:
 - Trial runs for customers.
 - Test drives after repairs.
 - Delivery runs.
- Broader than Transit Policy.



C) Internal Risk Policy

- Covers vehicles **within insured's premises** only.
 - Suitable for garages/workshops.
 - Perils covered → Fire, Theft, Accidental Damage within premises.
 - No cover outside premises.
-

3. Cover Provided under Motor Trade Policies

- **Own Damage (OD)** section → Similar to package OD, covers accidental loss/damage.

- **Liability (TPL)** section → Protects insured against third-party injury/property damage while vehicles under custody.
 - Can extend to cover **customer vehicles** in garage custody (via IMT).
-

4. Important Endorsements (IMT Series)

- **IMT-13** → Coverage for customer vehicles under care/custody.
 - **IMT-15** → Cover for demonstration vehicles during trial runs.
 - **IMT-16** → Restriction of cover to named persons only.
 - **IMT-23** → Extension to cover lamps, tyres, mudguards, paintwork fully (instead of 50% limit).
 - **IMT-29** → Extension of liability to employees not otherwise covered under Workmen's Compensation.
-

5. Practical Importance

- Garages/dealers → responsible for customer vehicles.
 - Trial vehicles on road → must have liability cover.
 - Motor Trade Policy ensures **legal compliance + customer confidence**.
 - Prevents uninsured exposures in custody of garages/dealers.
-

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Trailers

1. Definition of Trailer

- A **Trailer** = a vehicle which is **drawn or intended to be drawn by a motor vehicle**.
 - It is **not self-propelled** and depends fully on a towing unit (Prime Mover).
 - Common use → carriage of goods, machinery, or even passengers when authorised.
-

2. Registration of Trailer

- Each trailer must be **separately registered** under the MV Act.
 - Registration number of towing vehicle must be **exhibited on trailer**.
 - Details of trailer must be **endorsed on RC of the prime mover**.
 - Trailer without registration → deemed **illegal**.
-

3. Insurance of Trailer

- Trailer must be **insured separately** in addition to towing vehicle.
 - Premium is charged **for each trailer separately** under Motor Tariff.
 - Both **OD (Own Damage)** and **TPL (Third Party Liability)** sections apply to trailers.
 - Towing vehicle's policy must **mention attached trailer**.
-

4. Liability in Accidents involving Trailer

- **Third-Party Claims:** Liability attaches to **both towing vehicle & trailer**.
 - **Own Damage Claims:** Payable only if trailer itself is insured under OD.
 - If trailer uninsured but causes third-party damage → liability still arises.
 - For hazardous goods trailers → driver must have **hazardous endorsement**.
-

5. Special Points for Insurance Practice

- OD Cover for trailer is **optional** – must be specifically opted.

- For **hazardous goods trailers**: requires permit, driver training, and endorsement.
 - Rating Basis:
 - **Goods Trailers** – premium on **Gross Vehicle Weight (GVW)**.
 - **Passenger Trailers** – premium on **Licensed Carrying Capacity (LCC)**.
 - Insurer must ensure **both units (prime mover + trailer) are insured** to avoid gaps.
-



IMT Endorsements

1. Concept of Endorsements

- Endorsements = **standard modifications** to policy wording.
- Used to alter **terms, conditions, scope, or coverage**.
- Standardised as **IMT Endorsements** in the India Motor Tariff, 2002.

2. Categories of Endorsements

- **General Endorsements** – applicable to all types of motor policies.
- **Specific Endorsements** – applicable only to certain classes:
 - Private Car.
 - Two-Wheeler.
 - Commercial Vehicle.
 - Motor Trade.

3. Key IMT Endorsements to Remember

Accessories & Fuel System

- **IMT-5** → Cover for electrical/electronic accessories (not factory fitted).
- **IMT-6** → Cover for CNG/LPG Bi-Fuel Kit.
- **IMT-47** → Cover for fibre-glass fuel tanks.

Depreciation / Agreed Value

- **IMT-7** → Special conditions regarding depreciation on parts.
- **IMT-17** → Agreed Value Clause – for Vintage/Classic Cars, Sum Insured = Agreed Value.

Motor Trade & Garage Use

- **IMT-13** → Covers customer vehicles under care/custody of garage.
- **IMT-15** → Covers demonstration vehicles during trial runs.
- **IMT-16** → Restriction of driving to specified persons only.

Tyres, Lamps, Paintwork

- **IMT-21** → Exclusion of lamps, tyres, mudguards, paintwork (50% limit).
- **IMT-23** → Extension to cover these fully.

Employee Liability

- **IMT-28** → Legal liability to paid driver, conductor, cleaner.
- **IMT-29** → Legal liability to employees other than driver, conductor, cleaner.

Special Situations

- **IMT-20** → Restricts use to a specified geographical area.
- **IMT-32** → Legal liability for passengers in certain vehicles not automatically covered.
- **IMT-50** → Loss of accessories by burglary/housebreaking/theft (motorcycles).

4. Why IMT Endorsements are Important

- Allow **customisation of policies** to meet insured's needs.
 - Some endorsements are **mandatory**:
 - LPG/CNG kit → IMT-6.
 - Garage policies → IMT-13, IMT-15.
 - Avoids disputes at claim stage by **clearly defining cover/exclusions**.
 - Provide **uniformity across insurers** since IMT is standard tariff document.
-

Standard Policy Wordings

1. Proposal Form

- **Definition:** Proposal form is the **basis of insurance contract**.
- **Purpose:** To collect all **material facts** about proposer & vehicle.
- **Answers:** Treated as **warranties** → must be true and complete.
- **Signed by:** Proposer/insured only (not agent/broker).
- **Importance:** Any **non-disclosure, misrepresentation, suppression** → policy voidable at insurer's option.
- **Contents:**
 - Name, address of proposer.
 - Occupation/business of proposer.
 - Vehicle details (make, model, year, registration, chassis, engine no., CC, seating capacity, GVW, LCC).
 - Use of vehicle (private, hire/reward, commercial).
 - Past insurance history (claims experience, NCB).
 - Details of accessories, modifications, CNG/LPG kits.
 - Details of hypothecation/financier.

2. Cover Note

- **Definition:** Temporary document of insurance issued before final policy.
- **Validity:** 60 days from issue date.
- **Purpose:** Serves as proof of insurance for **vehicle registration** & use.
- **Binding Effect:** Has **same coverage** as the policy intended to be issued.
- **Condition:** Insurer must issue **final policy within 60 days**.
- **If policy not issued:** Cover Note automatically lapses after 60 days.
- **Importance:** Allows insured to comply with **statutory requirement** of insurance immediately.

3. Certificate of Insurance (Form 51)

- **Statutory requirement** under Sec. 147 of MV Act, 1988.
- **Issued in Form 51** prescribed by India Motor Tariff.
- **Mandatory:** Vehicle cannot ply in public place without Certificate.
- **Contents include:**
 - Policy number & insurer details.
 - Name & address of insured.
 - Vehicle details (registration, chassis, engine no., make, model).
 - Type of cover (Act Only / Package).
 - Period of validity.
 - Persons authorised to drive.
 - Limitations as to use.
- **Must be kept in vehicle** → produced on demand to police/RTO.
- Without valid Certificate → punishable offence.
- Certificate confirms that the vehicle has **minimum Act Liability cover**.

4. Policy Document

- **Final & complete contract** between insured & insurer.
- **Components of Policy Document:**

A) Schedule

- Identifies insured, vehicle, period, premium, endorsements.

B) Operative Clause

- States insurer's promise to **indemnify** insured subject to terms.

C) Definitions

- Explains key words → insured, vehicle, accident, geographical area.

D) Sections of Policy

- **Section I – Own Damage (OD):** Covers accidental damage to insured vehicle by listed perils.
- **Section II – Liability to Third Parties (TPL):** Covers liability for third-party death/bodily injury/property damage.

- **Section III – Towing Disabled Vehicles:** Applicable only for Commercial Vehicles. Covers liability while towing mechanically disabled vehicles.

E) General Exceptions

- Risks not covered → e.g., outside geographical area, contractual liability, war/nuclear risks, use in breach of Driver's Clause/Limitations as to Use, consequential loss.

F) General Conditions

- Conditions for validity:
 - **Notice of Loss** – immediate written intimation.
 - **No Admission of Liability** – insured cannot admit/pay without consent.
 - **Maintenance** – vehicle to be roadworthy at all times.
 - **Cancellation** –
 - By insured → refund after retaining short-period premium.
 - By insurer → refund on pro-rata basis with 7 days' notice.
 - **Contribution** – insurers share loss proportionately if multiple policies exist.
 - **Arbitration** – only for dispute in claim quantum, not liability.
 - **Transfer on Death of Insured** – policy valid for 3 months or till expiry, heirs must transfer in name.
 - **Settlement Options** – Insurer may repair, replace, or pay cash, subject to IDV cap.

5. Importance of Standard Documents in Motor Insurance

- **Proposal Form** → ensures **Utmost Good Faith** principle.
 - **Cover Note** → enables immediate **legal compliance** before policy issue.
 - **Certificate of Insurance** → statutory proof under MV Act.
 - **Policy Document** → defines exact rights, duties, cover, exclusions.
 - Together, they form the **legal & contractual framework** of motor insurance.
-

General Regulations (GR 1 to GR 49)

GR No.	Title / IMT Ref.	Detailed Provisions & Key Points
GR 1	Insurance not provided for	<ul style="list-style-type: none"> Motor insurance must be transacted strictly under the India Motor Tariff (IMT). No insurer can issue or rate a motor policy outside tariff terms without prior approval of the Tariff Advisory Committee (TAC). For any risk not defined in tariff, TAC's written advice must be sought "Motor Insurance" covers Private Cars, Motorised Two-Wheelers and Commercial Vehicles but excludes vehicles running on rails.
GR 2	Proposal Forms	<ul style="list-style-type: none"> Before coverage starts (and at renewal if material alteration occurs) the insured must submit a Proposal Form [Section 5 IMT]. For only change in IDV, a new form is not needed; written intimation by the insured is enough. If the insurer changes, a fresh proposal must be taken. Insurers may include extra questions for risk assessment.
GR 3	Policy Forms	<ul style="list-style-type: none"> Policies must be issued only on Standard Forms [Section 6 IMT]. Two types of policies: <ol style="list-style-type: none"> <i>Liability Only</i> – Covers Third-Party injury/death, TP Property Damage, and compulsory PA to Owner-Driver. <i>Package Policy</i> – Covers Own-Damage + all the above. Scope of Section-I may be restricted (without rate reduction). No alteration or extension of covers/terms without TAC approval. Rating: Tariff rates are minimum; insurer may load +100 % for adverse claims experience, and again +100 % (max 200 % total).

GR 4	Extension of Geographical Area – IMT 1	<ul style="list-style-type: none"> Geographical area may be extended to include Bangladesh, Bhutan, Nepal, Pakistan, Sri Lanka and Maldives. Extra premium (per 12 months max): ₹ 500 / vehicle (Package), ₹ 100 / vehicle (Others). Endorsement IMT-1 must be attached. Damage / injury / liability during sea or air passage for ferrying vehicle is excluded.
GR 5	Vintage Cars	<ul style="list-style-type: none"> Car manufactured before 31-12-1940 and certified by the Vintage & Classic Car Club of India is a <i>Vintage Car</i> for tariff purposes.
GR 6	Classic Cars	<ul style="list-style-type: none"> Cars made between 1-1-1941 and 31-12-1970 certified as <i>Classic</i> by the Club. No special rating or cover allowed under this tariff.
GR 7	Valued Policies – IMT 2	<ul style="list-style-type: none"> “Agreed Value Policy” pays the pre-agreed insured value for Total Loss / Constructive Total Loss without depreciation. Only permitted for Vintage Cars (see GR 5).
GR 8	Insured's Declared Value (IDV)	<ul style="list-style-type: none"> IDV = Sum Insured at policy start, fixed for each vehicle. Based on manufacturer's listed price of same brand/model less depreciation (see table below). Includes value of side-car / accessories not in list price. Used for TL/CTL claims (CTL when repair > 75 % of IDV). <p>Depreciation for fixing IDV:</p> <ul style="list-style-type: none"> 0–6 months → 5%. 6–12 months → 15%. 1–2 yrs → 20%. 2–3 yrs → 30%. 3–4 yrs → 40%. 4–5 yrs → 50%. Beyond 5 years or obsolete models – mutual agreement basis. IDV remains constant throughout policy; insurer's liability ≤ IDV minus wreck value.

GR 9	Depreciation on Parts for Partial Loss Claims	Depreciation Rates for Various Parts <ul style="list-style-type: none"> • Rubber / Nylon / Plastic parts, Tyres, Tubes, Batteries, Air-bags: 50% • Fibre-glass components: 30% • Glass parts: Nil • All Other Parts (including wood): <ul style="list-style-type: none"> ○ Up to 6 months – Nil ○ Up to 1 year – 5% ○ Up to 2 years – 10% ○ Up to 3 years – 15% ○ Up to 4 years – 25% ○ Up to 5 years – 35% ○ Up to 10 years – 40% ○ Above 10 years – 50%
GR 10	Geographical Zones (for rating)	Private Cars / 2-Wheelers / CV (Section 4.C.1 & C.4): Zone A – Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi, Pune. Zone B – Rest of India. Other CV Classes: Zone A (4 metros); Zone B (other state capitals); Zone C (rest of India).
GR 11	Period of Insurance	<ul style="list-style-type: none"> • Policies normally 12 months only. • No policy > 12 months allowed. • Short extensions for renewal alignment allowed on pro-rata basis with compulsory renewal warranty attached.
GR 12	Premium Rates for Short-Period Cover	<ul style="list-style-type: none"> • When insured cancels early, insurer retains premium as % of annual rate: <ul style="list-style-type: none"> • ≤1 month → 30%. • ≤2 months → 40%. • ≤3 months → 50%. • ≤4 months → 60%. • ≤5 months → 70%. • ≤6 months → 80%. • >6 months → 100% (no refund). • Extension must be at same rates; short-period not permitted for Liability-Only policies.

GR 13	Display of Premium	<ul style="list-style-type: none"> • OD and Liability portions to be shown separately in Schedule. • All loadings / discounts to be individually shown. • OD & TP premiums rounded to nearest rupee separately.
GR 14	Computation of Premium	<ul style="list-style-type: none"> • Follow tariff Premium Computation Tables + specific GRs for loadings/discounts. • Refer to relevant section for vehicle class while computing.
GR 15	Payment of Premium	<ul style="list-style-type: none"> • Full premium must be collected <i>before</i> start of risk. • Installment payments not allowed.
GR 16	Minimum Premium	<ul style="list-style-type: none"> • Vehicles for blind/handicapped/mentally challenged persons – ₹ 25 min. • All other vehicles – ₹ 100 min.
GR 17	Transfers – IMT 3	<ul style="list-style-type: none"> • On ownership transfer, Liability-Only cover (auto-transfer). • Transferee must apply within 14 days with details of vehicle, policy etc. • For Package policy, OD transfer only on written request + transferor consent. • NCB difference (if any) to be recovered. • Fresh proposal form required from transferee. • Fresh Certificate fee ₹ 50; old certificate to be surrendered or declaration taken if lost.
GR 18	Change of Vehicle – IMT 4	<ul style="list-style-type: none"> • Substitution allowed for another vehicle of same class for balance period. • Premium adjusted on pro-rata basis. • Evidence of continued insurance for new vehicle to be submitted.
GR 19	Vehicles under Hire Purchase – IMT 5	<ul style="list-style-type: none"> • Policy & Certificate to be in name of Hirer only (joint names prohibited). • Owner's interest protected via Endorsement IMT-5. • PA cover for Owner-Driver continues for the insured named in policy.

GR 20	Vehicles under Lease Agreement – IMT 6	<ul style="list-style-type: none"> • Policy & Certificate in name of Lessee only (joint names prohibited). • Lessor's interest protected via IMT-6. • PA cover for Owner-Driver remains applicable to insured named in policy.
GR 21	Vehicles under Hypothecation Agreement – IMT 7	<ul style="list-style-type: none"> • Policies / Certificates must be issued only in the Registered Owner's name — joint names (Owner + Pledgee) prohibited. • If pledgee's (financier's) interest is to be protected, endorsement IMT-7 must be attached. • For Personal Accident (PA) Cover – the registered owner named in policy is treated as Owner-Driver as per conditions.
GR 22	Cover Note	<ul style="list-style-type: none"> • Must be issued only in Form 52 as per Rule 142 of Central Motor Vehicle Rules (1989). • Validity – 60 days from issue date. • Insurer must issue full policy before expiry of the Cover Note.
GR 23	Certificate of Insurance	<ul style="list-style-type: none"> • Issued only in Form 51 as per Rule 141 of CMVR 1989. • Forms part of Section 6 IMT (Standard Forms).
GR 24	Cancellation of Insurance & Double Insurance	<p>(A) Cancellation – (i) Insurer may cancel policy with 7 days' notice by recorded delivery → refund on pro-rata basis for unexpired period. (ii) Insured may cancel policy with 7 days' notice → insurer retains premium as per short-period scale & minimum premium. (iii) Cancellation only after proof of alternate liability cover + return of original Certificate of Insurance. (iv) Insurer must notify RTA of cancellation.</p> <p>(B) Double Insurance – If two identical policies exist, cancel the later one (pro-rata refund). If same insurer – 100 % refund on later policy. No refund if any claim has occurred before cancellation.</p>

GR 25	Fresh Certificate on Policy Changes	<ul style="list-style-type: none"> Any change affecting data on Certificate (e.g., engine / chassis number change) → return old Certificate for cancellation & re-issue of fresh one. Fee ₹ 50 per new Certificate.
GR 26	Duplicate Certificate or Cover Note	<ul style="list-style-type: none"> If lost/destroyed, insured submits declaration + ₹ 50 fee → insurer issues duplicate marked "Duplicate". If original later found, must be surrendered to insurer.
GR 27	No Claim Bonus (NCB)	<ul style="list-style-type: none"> NCB applies only to Own Damage section (not to Motor Trade or Fire/Theft-only policies). Earned after full 12-month period without claim. NCB Scale: <ul style="list-style-type: none"> After 1 year – 20% After 2 years – 25% After 3 years – 35% After 4 years – 45% After 5 years – 50% Sunset Clause – Old NCB 55 % or 65 % retained for renewals until first claim. NCB follows insured (person), not vehicle or policy. Transferable to spouse / legal heir on death of owner. Transfer between insurers allowed with proof or self-declaration within 90 days of expiry (max 3 years carry-forward). NCB earned abroad can be used within 3 years in India.
GR 28	Automobile Association Membership Discount – IMT 8	<ul style="list-style-type: none"> 5 % discount on Own Damage premium (max ₹ 200 for Private Car, ₹ 50 for Two-Wheeler). Only one membership considered even if multiple Associations. Applies to new and renewal business. If membership ends mid-term → recover pro-rata difference. Valid membership must be verified each renewal.

GR 29	Vintage Car Discount – IMT 9	<ul style="list-style-type: none"> Private cars certified as Vintage by the Club → 25 % discount on Own Damage premium. If certified mid-term → pro-rata discount for unexpired period.
GR 30	Anti-Theft Device Discount – IMT 10	<ul style="list-style-type: none"> Vehicle (without Motor Trade policy) fitted with ARAI-approved device & certificate from Auto Association → 2.5 % OD discount (max ₹ 500). Mid-term installation → pro-rata discount for unexpired period.
GR 31	Concession for Laid-Up Vehicles – IMT 11-A/B/C	<ul style="list-style-type: none"> Vehicle laid-up in garage ≥ 2 months → benefits: <ul style="list-style-type: none"> (a) Liability-Only policy – either pro-rata return credit (not cash) or extension of expiry date (equal to lay-up period). (b) Package policy – coverage restricted to Fire / Theft during lay-up; OD premium credit after retaining Fire/Theft portion or extension equal to lay-up period. (c) Administrative fee ₹ 15 applies. (d) Pre-conditions – no repairs due to claim, prior written notice & return of Certificate. (e) Lay-up ≤ 12 months from policy expiry. Not for trailers or hire-reward vehicles except where permits suspended.
GR 32	Prohibition of Mid-Term Inclusion / Cancellation of Extras	<ul style="list-style-type: none"> Mid-term add/delete of extra benefits not allowed more than once per policy period.
GR 33	Concession for Special Vehicles for Disabled – IMT 12	<ul style="list-style-type: none"> Vehicles designed / modified for use of blind, handicapped or mentally challenged → 50 % discount on Own Damage premium. Applies to private owners and institutions exclusively serving such persons. Vehicle must bear RTA endorsement of such modification.

GR 34	Registration & Insurance	<ul style="list-style-type: none"> • Vehicle must be insured only in name of registered owner. • Exception – temporary substitution / Motor Trade Risk / cases under GR 19–21. • Use must match the purpose approved by RTA.
GR 35	Use within Insured's Premises / Sites – IMT 13 & 14	<p>(i) Own Premises: If vehicle operates only within premises (no public access & not licensed for road use) → 33⅓ % discount on Tariff rate.</p> <p>(ii) Construction / Work Sites: Goods carrying vehicles operating only on site (no public access, no registration) → same discount.</p> <ul style="list-style-type: none"> • No Certificate of Insurance to be issued for these cases.
GR 36	Personal Accident (PA) Cover under Motor Policy – IMT 15–18	<p>A. Compulsory PA for Owner-Driver: Applicable to both Liability-Only & Package Policies.</p> <ul style="list-style-type: none"> • Owner must hold effective DL. Not applicable to companies / firms / non-licensed owners. • PA cover for one vehicle only (per owner). <p>Capital Sum Insured (CSI) – ₹ 1 L for 2-Wheeler (premium ₹ 50); ₹ 2 L for Private Car / CV (premium ₹ 100). Compensation: 100 % for Death / PTD / both limbs / both eyes; 50 % for one limb or eye.</p> <p>B. Optional PA Covers:</p> <ul style="list-style-type: none"> • Named persons (IMT 15), Unnamed passengers (IMT 16), Paid driver/cleaner/conductor (IMT 17), Hirer/driver for 2-W hire (IMT 18). Premium @ ₹ 5 (Pvt Car) / ₹ 7 (2-W) / ₹ 6 (CV) per ₹ 10 000 CSI.
GR 37	Vehicles Imported without Custom Duty – IMT 19	<ul style="list-style-type: none"> • Embassy / Consulate vehicles where import duty not included in IDV → Load 30 % extra premium on Own Damage section.

GR 38	Vehicles Requisitioned by Government	<ul style="list-style-type: none"> Automatically covered without extra premium during period of requisition. Insurer pays only loss / liability exceeding amount made good by Government.
GR 39	Third Party Property Damage (TPPD) Cover – IMT 20	<p>Standard Limit of Liability – Third Party / Package Policy</p> <ul style="list-style-type: none"> Private Cars / Taxis / Commercial Vehicles (except 2-Wheelers): ₹7.5 lakh 2-Wheelers (Private & Commercial): ₹1 lakh <p>Optional Restriction (Statutory Limit as per MV Act – ₹6,000): If the insured opts to restrict the limit to ₹6,000, the following premium reductions apply –</p> <ul style="list-style-type: none"> Commercial Vehicle – ₹200 Taxi – ₹150 Private Car – ₹100 2-Wheeler – ₹50 <p>Important:</p> <ul style="list-style-type: none"> No mid-term change in liability limit is allowed.
GR 40	Compulsory Deductibles – IMT 21 / 22 / 23	<p>Limit of Liability & Premium – As per Vehicle Type</p> <ul style="list-style-type: none"> Commercial Vehicles (CV): <ul style="list-style-type: none"> GVW ≤ 7,500 kg / ≤ 17 passengers → ₹500 GVW > 7,500–16,500 kg / ≤ 36 passengers → ₹1,000 GVW > 16,500 kg / > 36 passengers → ₹1,500 Class D CV: 0.5% of IDV (Minimum ₹2,000) Class E / F / G: ₹50 (for 2-Wheelers) / ₹500 (for others) Taxis / 3-Wheelers: <ul style="list-style-type: none"> Engine capacity ≤ 1500 cc → ₹500 Engine capacity > 1500 cc → ₹1,000 Private Cars: <ul style="list-style-type: none"> Engine capacity ≤ 1500 cc → ₹500 Engine capacity > 1500 cc → ₹1,000 2-Wheelers: ₹50

		Notes: <ol style="list-style-type: none"> 1. Applies also to restricted covers under GR 45A / GR 45B. 2. IMT 21 – Applicable to CVs except Taxis and 2-Wheelers. IMT 22 – Applicable to Private Cars, Taxis, and 2-Wheelers. 3. Exclusions under IMT 21(a) may be reinstated by paying extra premium = 15% of gross OD premium with IMT 23 endorsement.
GR 41	Electrical / Electronic Fittings – IMT 24	<ul style="list-style-type: none"> • Electrical/electronic items not included in manufacturer's price (e.g., music system, AC, GPS, etc.) can be insured under Section I (Own Damage). • Additional premium: 4 % on declared value of such fittings. • Value must be separately declared in proposal form / attached letter. • Endorsement IMT-24 to be used.
GR 42	Use of CNG / LPG Fuel – IMT 25	<p>(a) Vehicles with bi-fuel (Petrol/Diesel + CNG/LPG) approved by RTA: CNG/LPG kit insured separately under Section I at 4 % premium on kit value.</p> <p>(b) Vehicles with only CNG/LPG engines or where kit value not available → insurer must refer to TAC for OD rate.</p> <p>(c) Additional ₹ 60 per vehicle to be charged for Liability-Only cover due to fuel modification.</p> <ul style="list-style-type: none"> • Endorsement IMT-25 applies.
GR 43	Fibre Glass Fuel Tanks	<ul style="list-style-type: none"> • If vehicle has a fibre-glass fuel tank → additional OD premium: – ₹ 50 for standard vehicles – ₹ 100 for Class D (Misc. & Special Types) Commercial Vehicles. • To be clearly endorsed in the policy schedule.

GR 44	Vehicles used for Driving Tuition	<p>Vehicles Used for Driving Tuition Purpose</p> <ul style="list-style-type: none"> Applies to driving schools recognized by the RTA, having vehicles fitted with double clutch and double brake and operated under the supervision of a professional instructor. <p>Premium Loading:</p> <ul style="list-style-type: none"> +60% on both Own Damage (OD) and Liability Only premiums. <p>Applicable Premiums:</p> <ul style="list-style-type: none"> Private Cars: Applicable OD premium + 60% Goods & Passenger Commercial Vehicles: Applicable OD premium + 60% 3-Wheelers & 2-Wheelers used for tuition: +60% on both OD and Liability <p>Policy Schedule Endorsement:</p> <ul style="list-style-type: none"> Under "Limitations as to Use", include the phrase: "Other than for purpose of driving tuition."
GR 45A	Restricted Cover for Fire / Theft Risks – IMT 26	<p>Fire / Theft / Fire & Theft Policies</p> <ul style="list-style-type: none"> Issued only when the insured declares that the vehicle will not be in use at all during the policy period. Not available for Classes D, E, F, G (Miscellaneous, Motor Trade, etc.). <p>Applicable Rates:</p> <ul style="list-style-type: none"> Fire Only: 0.50% of IDV Theft Only: 0.50% of IDV Fire & Theft: 0.75% of IDV <p>Other Provisions:</p> <ul style="list-style-type: none"> Minimum premium as per GR 16. Additional premiums apply for: <ul style="list-style-type: none"> Compulsory Deductible (GR 40) Electrical Accessories (GR 41) CNG/LPG Kit (GR 42) Personal Accident Cover (GR 36) <p>Discounts:</p> <ul style="list-style-type: none"> Allowed: Voluntary Deductible (for Private Cars & 2-Wheelers only) Not Allowed: Any other discount

GR 45B	Restricted Cover – Liability Only + Fire/Theft – IMT 27	<p>Liability Only Policy with Fire / Theft / Fire & Theft Add-Ons</p> <ul style="list-style-type: none"> Combines Liability Cover with limited Fire and/or Theft risks. Not available for Class D vehicles. <p>Premium Structure:</p> <ul style="list-style-type: none"> Liability + Fire: Liability premium + 25% of OD premium Liability + Theft: Liability premium + 30% of OD premium Liability + Fire & Theft: Liability premium + 50% of OD premium <p>Additional Premiums Apply For:</p> <ul style="list-style-type: none"> Compulsory Deductible – GR 40 Electrical Accessories – GR 41 CNG/LPG Kit – GR 42 Personal Accident Cover – GR 36 <p>Permitted Discounts:</p> <ul style="list-style-type: none"> NCB on Fire/Theft portion Voluntary Deductible Automobile Association Membership (for Private Cars & 2-Wheelers)
GR 46	Vehicles Driven by Non-Conventional Source of Power	<ul style="list-style-type: none"> Covers vehicles using non-conventional energy (battery, solar, etc.) approved by RTA. Rates to be referred to TAC for Own Damage computation.
GR 47	Towing Charges	<p>Towing Charges – Enhanced Cover</p> <ul style="list-style-type: none"> In addition to the standard towing limit under Package Policies, insured can opt for higher towing charge limits by paying extra premium. <p>Examples:</p> <ul style="list-style-type: none"> Private Car: <ul style="list-style-type: none"> Up to ₹1,500 Premium: 5% of the amount opted 2-Wheeler: <ul style="list-style-type: none"> Up to ₹300 Premium: 5% of the amount opted

GR 48	Submission of Statistics	<ul style="list-style-type: none"> • Insurers must provide periodic underwriting data to TAC to evaluate tariff adequacy & performance. • Data to be reported under Section 8 – Statistical Codes of IMT. • Mandatory under Section 64UE of the Insurance Act, 1938.
GR 49	Interpretation of India Motor Tariff	<ul style="list-style-type: none"> • Any ambiguity, interpretation or clarification regarding provisions of IMT shall be as per decision of Tariff Advisory Committee (TAC). • Such TAC interpretation is final and binding on all insurers.

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Own Damage (OD) Section

1. Insured Declared Value (IDV)

- **Definition:** IDV = Manufacturer's listed selling price (ex-showroom) adjusted for depreciation.
- IDV = **sum insured** for OD section; also = **maximum liability of insurer** in TL/CTL claims.
- **Accessories treatment:**
 - Factory-fitted → included in IDV automatically.
 - Non-factory (stereos, AC, fog lamps) → must be declared separately, insured at invoice cost, premium charged.
- **IDV Depreciation Table (Age-wise % deduction from showroom price):**
 - 0–6 months → 5%.
 - 6–12 months → 15%.
 - 1–2 yrs → 20%.
 - 2–3 yrs → 30%.
 - 3–4 yrs → 40%.
 - 4–5 yrs → 50%.
 - >5 yrs → IDV by **mutual agreement** between insurer & insured.

2. Sum Insured

- Sum Insured = IDV (fixed by tariff rules, not by insured's wish).
- Avoids underinsurance/overinsurance disputes.
- Sum Insured applicable **only to OD section** (liability section is unlimited).

3. Settlement Basis of OD Claims

- Insurer's option → may **repair, replace, or pay in cash**.
- Settlement capped at IDV.
- Deduction of: depreciation on parts, salvage value, compulsory excess, voluntary excess.
- Repair estimate must be approved by surveyor/insurer.

- Settlement options:
 - **Partial loss** → Cost of repair (less depreciation + excess).
 - **TL/CTL** → IDV less salvage less excess.
-

4. Depreciation on Parts (as per tariff)

- **Rubber, Nylon, Plastic, Tyres, Tubes, Batteries** → 50% depreciation.
 - **Fibreglass parts** → 30%.
 - **Glass parts** → Nil (0%).
 - **Metallic parts** (by age of vehicle):
 - <6 months → Nil.
 - 6 mo–1 yr → 5%.
 - 1–2 yrs → 10%.
 - 2–3 yrs → 15%.
 - 3–4 yrs → 25%.
 - 4–5 yrs → 35%.
 - 5–10 yrs → 40%.
 - >10 yrs → 50%.
-



5. Total Loss (TL) vs. Constructive Total Loss (CTL)

- **Total Loss:** Vehicle completely destroyed, beyond repair.
 - **Constructive Total Loss (CTL):** Cost of repairs + salvage > 75% of IDV.
 - TL/CTL → settlement = IDV (minus salvage, excess, depreciation on non-factory accessories).
-

6. Salvage

- Insurer has **right to take possession of salvage**.
 - Salvage value deducted from claim if insured retains salvage.
 - Salvage disposal to be documented → prevents fraud (reuse of RC/chassis).
-

7. Deductibles (Excesses)

- **Compulsory Excess (mandatory for all policies):**
 - ₹1,000 – Private Cars ≤1500 cc.
 - ₹2,000 – Private Cars >1500 cc.
 - ₹100 – Two-Wheelers.
 - Commercial vehicles → based on GVW.
 - **Voluntary Excess (optional):**
 - Insured opts for higher excess.
 - Gets premium discount.
 - Useful for disciplined drivers.
-

8. Special Clauses & Endorsements affecting OD

- **IMT-23** → Removes 50% restriction on lamps, tyres, paintwork → gives full cover.
 - **IMT-17** → Agreed Value Clause for Vintage Cars (payout = agreed value, not IDV).
 - **IMT-6** → CNG/LPG bi-fuel kit must be declared + insured.
 - **IMT-47** → Fibre-glass fuel tanks coverage.
 - **IMT-5** → Electrical/electronic accessories cover.
-

9. Exclusions (OD Section)

- Normal wear & tear, ageing.
- Consequential loss (e.g., engine seizure after oil leakage).
- Mechanical/electrical breakdowns.
- Depreciation losses.
- Damage to tyres/tubes unless vehicle itself damaged (then 50% paid).
- Loss under influence of liquor/drugs.
- Loss when vehicle driven without valid DL.
- Loss when vehicle used outside limitations as to use.
- War, nuclear perils.

10. Claim Procedure (OD Claims)

- Insured must **notify insurer immediately** after accident.
 - Must not admit liability, negotiate, or repair without insurer's consent.
 - **Spot repairs** allowed up to tariff limits (₹500 all vehicles, ₹150 two-wheelers).
 - **Surveyor appointment** mandatory for OD claims > ₹20,000 (IRDAI norm).
 - Final settlement based on surveyor's report + bills.
 - Settlement deduction: depreciation + compulsory/voluntary excess + salvage value.
-

11. Important Practical Notes

- IDV not = Market Value; it's a tariff-based figure.
 - Even if market price > IDV, claim limited to IDV.
 - Depreciation protects insurer against betterment of vehicle after repair.
 - In CTL cases → insurer insists on RC cancellation before payout.
 - Add-ons like Zero Dep remove depreciation deductions, but only if specifically purchased.
-

Liability (Third Party)

1. Legal Basis

- Compulsory as per **Sec. 146 of MV Act, 1988** – no vehicle shall be used without insurance against third-party risks.
 - **Sec. 147** → prescribes requirements of policies and limits of liability.
 - **Sec. 149** → insurer's duty to satisfy judgments and limited defences available.
-

2. Scope of Liability Cover (Act Only Policy)

- Covers:
 - Death of any person.

- Bodily injury to any person.
 - Third-Party Property Damage (TPPD).
 - Liability towards paid driver (under WC Act).
 - Excludes:
 - Contractual liability.
 - Damage to insured's property/vehicle.
 - Liability for occupants of private car/pillion rider of motorcycle (under Act Only).
-

3. Scope of Liability Cover (Package Policy Liability Section)

- Same as Act Policy + extended covers:
 - Occupants of private cars (not for hire/reward).
 - Pillion riders of two-wheelers (not for hire/reward).
 - Owner of goods/representative in goods vehicle.
 - Loading/unloading-related liability.
-

4. Limits of Liability

- **Death/Bodily Injury** → Unlimited liability.
 - **Third-Party Property Damage** → ₹7.5 lakh (as per current tariff/IRDAI circular).
 - Can be increased by paying extra premium.
 - **PA Cover for Owner-Driver:**
 - Compulsory in all motor policies.
 - Sum Insured = ₹15 lakh.
 - Applies while: driving, travelling, mounting/dismounting.
-

5. Persons Covered

- Any person driving with insured's consent (holding valid DL).
- Occupants of private cars (Package only).
- Pillion riders on 2-wheelers (Package only).
- Owner of goods or representative in goods vehicles.
- Passengers in PCV as per seating capacity in permit.

- Paid driver, conductor, cleaner (under WC liability).
-

6. Persons Not Covered

- Insured himself (except PA Owner-Driver).
 - Employees not covered under WC unless endorsed.
 - Passengers carried for hire/reward without permit.
 - Occupants of private cars/pillion riders under Act Only Policy.
-

7. Endorsements Related to Liability Section

- **IMT-28** → Legal liability to paid driver, conductor, cleaner.
 - **IMT-29** → Legal liability to employees (other than driver/cleaner/conductor).
 - **IMT-32** → Legal liability to passengers not covered automatically.
 - **IMT-20** → Restriction of geographical use (special liability clause).
-

8. Defences Available to Insurer (Sec. 149, MV Act)

- Insurer can defend claim only on limited grounds:
 - Breach of specified conditions – e.g., unlicensed driver, disqualified driver.
 - Vehicle used for unauthorised purpose (hire/reward without permit).
 - Vehicle used outside geographical area.
 - Vehicle used for racing, speed testing.
 - Even then → Court may order insurer to pay third party first, then **recover from insured** (“pay and recover principle”).
-

9. No Fault Liability (Sec. 140, MV Act)

- Compensation payable on **no-fault basis**:
 - Death → ₹50,000.
 - Permanent Disablement → ₹25,000.
- Claimant need not prove negligence.

10. Hit & Run Liability (Sec. 161, MV Act)

- In hit & run accidents:
 - Death → ₹2 lakh compensation.
 - Grievous injury → ₹50,000 compensation.
- Payable from government fund, not insurer.

11. Contractual Liability

- Excluded from cover.
- Example: If transporter promises delivery by a deadline & pays penalty for delay, insurer not liable.

12. Liability while Towing Disabled Vehicle

- Section II of policy extends to liability while towing a disabled vehicle.
- Applies only for **non-reward towing**.
- No OD cover for towed vehicle unless insured separately.

13. IRDAI Role in TP Premiums

- TP premium is **not de-tariffed**.
- IRDAI notifies slab-wise premiums annually.
- Basis: Engine CC (for cars & 2-wheelers), GVW/LCC (for commercial vehicles).
- OD premium = market-driven; TP premium = regulated.

14. Key Exam Pointers (Frequently Asked)

- **Act Policy:** Only 3rd party liability.
- **Package Policy:** OD + TP + extended liability (occupants, pillion).
- **Limits:** Death/injury unlimited, property damage capped.

- **PA Cover for Owner-Driver:** ₹15 lakh compulsory.
- **Pay & Recover principle:** Even if insured at fault, insurer may have to pay TP first.
- **Court awards:** Can override insurer's defences for victim protection.

Personal Accident (PA) Covers

1. Compulsory PA Cover for Owner-Driver

- Applies to both **Liability Only** and **Package Policies**.
- **Mandatory** inclusion under India Motor Tariff.
- **Sum Insured:** ₹15 lakh (fixed).
- Covers **death** and **permanent disablement** caused by accident while:
 - Driving the insured vehicle.
 - Travelling in the insured vehicle.
 - Mounting/dismounting the insured vehicle.
- **Eligibility conditions:**
 - Insured must be the **registered owner** in RC.
 - Insured must hold a **valid & effective Driving Licence**.
- Not applicable to:
 - Company-owned vehicles unless specific director/employee nominated.
 - Family members unless they are co-owners in RC.

2. PA Cover for Passengers in Private Cars

- Available **only under Package Policy** (not Act Policy).
- Covers **unnamed occupants** in the vehicle, provided:
 - Not carried for hire/reward.
 - Number does not exceed seating capacity as per RC/permit.
- Premium: charged **per passenger**, based on seating capacity (excluding driver).
- Sum Insured: fixed per person in policy schedule.

3. PA Cover for Pillion Riders (Two-Wheelers)

- Automatically available under Package Policy if opted.
 - Not available under Liability Only Policy.
 - Premium charged separately per pillion rider.
 - Cover void if:
 - More than one pillion rider carried.
 - Vehicle used in contravention of law/permit.
-

4. PA Cover for Paid Driver, Conductor, Cleaner

- Insurer liable under **Workmen's Compensation Act (WC Act)** if included.
 - Can be extended to cover liability under **Fatal Accidents Act / Common Law**.
 - Requires **IMT-28 endorsement**.
 - Premium charged per person as per tariff.
-

5. PA Cover for Employees Other than Driver/Cleaner/Conductor

- Example: Clerk, Supervisor, Loader/Unloader travelling in insured vehicle.
 - Not automatically covered.
 - Cover can be extended via **IMT-29 endorsement**.
 - Covers liability under:
 - Workmen's Compensation Act.
 - Fatal Accidents Act.
 - Common Law.
-

6. Endorsements Relating to PA Cover

- **IMT-28**: Legal liability to paid driver, conductor, cleaner.
- **IMT-29**: Legal liability to employees other than driver/conductor/cleaner.
- **IMT-32**: Legal liability to passengers not automatically covered.
- **IMT-15**: Cover for drivers of demonstration vehicles (motor trade).

7. Exclusions Applicable to PA Cover

- No cover if:
 - Owner-driver does not hold valid DL.
 - Vehicle used outside geographical area (India, Nepal, Bhutan).
 - Vehicle used for hire/reward without permit.
 - Vehicle used in breach of limitations (racing, speed testing, reliability trial).
 - Injury/death caused by **suicide or self-inflicted injury**.
 - Injury/death while under **intoxication (liquor/drugs)**.
 - Injury/death due to **war, nuclear risk, civil commotion**.

8. Compensation Structure under PA Cover

- **100% of SI** payable for:
 - Death.
 - Loss of 2 limbs.
 - Loss of 2 eyes.
 - Loss of 1 limb + 1 eye.
 - Permanent Total Disablement (PTD).
- **50% of SI** payable for:
 - Loss of 1 limb.
 - Loss of 1 eye.
- No compensation for temporary disablement under compulsory PA.



9. Claim Settlement Process (PA Section)

- Insured/nominee must submit:
 - Claim form.
 - FIR/Police report.
 - Post-Mortem Report (in case of death).
 - Disability certificate (in case of disablement).
- Insurer pays fixed sum irrespective of earning capacity.
- Compensation paid directly to insured/nominee/legal heirs.

10. Important Practice Points for Exams

- PA cover for Owner-Driver → **compulsory** in all policies.
- Sum Insured fixed at ₹15 lakh – cannot be reduced or increased.
- Occupants of car/pillion riders → covered only in Package, not in Act Only.
- Paid driver/conductor/cleaner → liability via **IMT-28**.
- Other employees → liability via **IMT-29**.
- PA cover is **benefit basis**, not indemnity basis.
- PA cover ceases if insured sells vehicle and does not transfer policy.
- Insurer must verify RC + DL before settlement.

Motor Insurance Add-On Covers

1. Zero Depreciation Cover (Nil Dep Cover)

- Removes deduction of depreciation in OD claims.
- **Without add-on** → metal, rubber, plastic, fibre parts depreciated as per tariff.
- **With Nil Dep** → full replacement cost paid (except tyres, tubes, batteries, glass – depreciation still applies).
- Applies to **new/private vehicles** only, usually up to 5 years of age.
- Allowed limited number of claims in policy period.
- Premium loading ~15–20% extra on OD.
- Particularly useful for expensive spare parts (plastic bumpers, headlights, airbags).

2. Return to Invoice (RTI) Cover

- Applicable only in **TL, CTL, or Theft** cases.
- Payout = **Original Invoice Value** of new vehicle + registration charges + road tax.
- Prevents loss due to depreciation under IDV rules.
- Only available for **first owner** and within **3–5 years of vehicle age**.

- Not available for commercial vehicles.
-

3. Engine Protect / Hydrostatic Lock Cover

- Covers engine damage due to:
 - Water ingress (floods).
 - Hydrostatic lock (starting vehicle in water-logged condition).
 - Lubricating oil leakage.
 - Gearbox damage due to oil/fluid leakage.
 - Normally excluded from OD policy.
 - Critical for **monsoon-prone regions** (Mumbai, Chennai, Assam).
-

4. NCB Protection Cover

- Allows insured to **retain NCB benefit** even if a claim is made.
 - Valid only if:
 - Only one claim in policy year.
 - Claim below a threshold (e.g., <20% of IDV).
 - All terms of policy complied with.
 - Helps maintain premium discount (20% to 50%).
 - Not available if TL/CTL claim made.
-

5. Key Protection Cover

- Covers cost of:
 - Replacement of lost/damaged vehicle keys.
 - Reprogramming of key-lock set in modern cars.
 - Usually covers both mechanical and electronic keys.
 - Excludes lost house keys or negligence in safeguarding.
 - Sum Insured → fixed in schedule (₹10,000–₹50,000).
-

6. Consumables Cover

- Pays for consumables normally excluded under OD:
 - Engine/gear oil, brake oil, lubricants.
 - Coolants, grease.
 - Nuts, bolts, screws, clips, bearings, washers.
 - Applicable only for **accidental damage repairs**.
 - Excludes normal servicing.
-

7. Roadside Assistance (RSA) Cover

- Provides 24x7 breakdown assistance:
 - Towing to nearest workshop.
 - Jump-start for battery.
 - Spare key assistance.
 - Flat tyre replacement.
 - Fuel delivery (usually up to 5 litres).
 - Minor mechanical adjustments on the spot.
 - Peace-of-mind cover, especially for highway use.
-

8. Daily Allowance / Loss of Use Cover

- Pays **daily allowance** for alternate vehicle while insured car is in workshop due to accident.
 - Typical payout: ₹500–₹1,000 per day.
 - Limit: 10–15 days depending on cover.
 - Not applicable if vehicle in garage for regular servicing.
-

9. Personal Belongings Cover

- Covers loss/damage to personal belongings inside vehicle.
- Two options:
 - Non-electronic belongings (bags, clothes, shoes, etc.).
 - Electronic belongings (laptops, mobile phones – sub-limits apply).
- Excludes jewellery, cash, credit cards.

- Coverage limit fixed in schedule.
-

10. Tyre Protection Cover

- Pays for repair/replacement of tyres damaged due to:
 - Impact with potholes, kerbs, debris.
 - Bursting, bulging.
 - Normally tyre damage excluded unless vehicle also damaged.
 - Excludes normal wear & tear.
-

11. Rim Protection Cover

- Covers damage to alloy wheels/rims.
 - Particularly important in luxury vehicles where rim replacement is costly.
-

12. EMI Protection Cover

- In TL/CTL → insurer reimburses **loan EMIs** for a specified period.
 - Provides financial relief until claim settlement.
 - Useful for customers with long-term auto loans.
-

13. Loan Protection Cover

- On death of insured due to accident → insurer repays **outstanding vehicle loan**.
 - Protects insured's family from financial burden.
 - Works as life protection linked to vehicle.
-

14. GAP Value Cover (Guaranteed Asset Protection)

- If loan outstanding > claim settlement (IDV), insurer pays the **gap**.
- Bridges difference between market settlement and bank dues.

- Very relevant in first 2 years of loan when loan balance > depreciated value.

15. Windshield / Glass Protection Cover

- Pays for cost of windshield/glass replacement.
- Claim does not affect NCB.
- Available only for specified number of replacements per year.

16. Practice Notes for Add-On Covers

- Add-ons can only be introduced under **IRDAI File & Use system**.
- Available only with **Package Policies**, not Act Only.
- Each add-on attracts **separate premium**.
- Premium depends on vehicle type, age, IDV, geography.
- Add-ons make policies more customer-friendly but also more expensive.
- For exam: **Zero Dep, RTI, Engine Protect, NCB Protect** are the most frequently tested.

Motor Claims

1. Classification of Motor Claims

- **Own Damage (OD)** → Claim for loss/damage to insured's own vehicle.
- **Third Party (TP)** → Claim for death, bodily injury, or property damage of third parties.
- **Personal Accident (PA)** → Claim for Owner-Driver, passengers, paid driver, cleaner, conductor.

2. Duties of Insured After Accident

- Intimate insurer **immediately** with accident details.
- Protect vehicle from further damage → **duty to mitigate loss**.
- Do not admit liability, make payments, or negotiate without insurer's consent.

- Lodge **FIR** in case of: death, injury, theft, major accident.
 - Submit **claim form with supporting documents** (RC, DL, FIR, policy, estimate, etc.).
-

3. Own Damage (OD) Claim Procedure

- Step 1: Accident occurs → insured informs insurer.
 - Step 2: Surveyor appointed (mandatory if claim > ₹20,000).
 - Step 3: Vehicle inspected, repair estimate prepared.
 - Step 4: Insurer approves repair and settlement mode.
 - Step 5: Claim settled as: repair/replacement/cash payment.
 - Deductions: depreciation, compulsory excess, voluntary excess, salvage value.
-

4. Third Party (TP) Claim Procedure

- TP claims filed in **Motor Accident Claims Tribunal (MACT)**.
 - Claimant may apply under:
 - **Sec. 140 – No-Fault Liability.**
 - **Sec. 166 – Fault Liability.**
 - Tribunal awards compensation using **multiplier method** (income × age factor).
 - Insurer may contest only on limited grounds (Sec. 149 defences).
 - Often insurer pays victim first, then recovers from insured (**pay & recover principle**).
-

5. PA (Personal Accident) Claim Procedure

- For **Owner-Driver**: Nominee/legal heir submits claim with FIR, PM report, DL.
 - For **Paid Driver/Conductor/Cleaner**: WC liability settled by insurer.
 - For **Passengers/Pillion Riders**: Claim paid as per opted PA cover endorsement.
-

6. Loss Minimisation & Duty to Safeguard Vehicle

- Insured must act as if uninsured → protect vehicle from further loss.
 - Examples: towing to safe place, covering exposed engine parts, securing damaged vehicle.
 - Negligence in safeguarding = ground for reduction in claim.
-

7. Salvage Handling

- Salvage = remains of damaged vehicle after accident.
 - Belongs to insurer after claim payout.
 - If insured retains salvage → salvage value deducted.
 - In TL/CTL cases → RC must be surrendered & cancelled within 14 days before final settlement.
-

8. Spot Repairs Facility

- Allowed for **minor repairs without prior surveyor approval**.
 - Claim limit: ₹500 (all vehicles), ₹150 (two-wheelers).
 - Bills to be produced for reimbursement.
-

9. Towing Charges (Maximum Reimbursement)

- Two-Wheelers → ₹300.
 - Three-Wheelers → ₹750.
 - Private Cars → ₹1,500.
 - Commercial Vehicles → ₹2,500.
 - Applicable only if accident covered under policy.
-

10. Cashless Claims Facility

- Available at insurer's **network garages**.

- Insurer settles repair bill directly with garage.
 - Insured pays only compulsory excess, voluntary excess, depreciation (if Zero Dep not taken).
 - Benefits: faster settlement, reduced out-of-pocket costs.
-

11. Knock-for-Knock Agreement

- Inter-company arrangement → each insurer pays for its own policyholder's OD loss.
 - Recovery rights against other insurer waived.
 - Applies only to OD claims, not TP claims.
 - Purpose → reduce litigation, speed up settlement.
 - Insurers still subrogate against uninsured third parties.
-

12. TP Compensation Provisions under MV Act

- **No-Fault Liability (Sec. 140):**
 - Death = ₹50,000.
 - Permanent Disablement = ₹25,000.
 - **Hit & Run Liability (Sec. 161):**
 - Death = ₹2,00,000.
 - Grievous Injury = ₹50,000.
 - Paid from government "Solatium Fund".
 - **Fault Liability (Sec. 166):** Tribunal decides compensation based on income & age.
-

13. Role of Surveyor in OD Claims

- Mandatory appointment if claim > ₹20,000 (as per IRDAI).
- Duties: inspect vehicle, verify cause of loss, estimate cost, check DL/RC validity.
- Must submit report within **30 days of appointment**.
- Survey report forms basis of insurer's liability.

14. Documents Required for Claims

A. OD Claims

- Claim Form.
- RC (Registration Certificate).
- DL (Driving Licence).
- Policy copy.
- Estimate & final bills.
- FIR for theft/major accident.

B. TP Claims

- Petition in MACT.
- Policy, RC, DL.
- FIR, charge sheet, medical/post-mortem reports.
- Tribunal award.

C. PA Claims

- Claim form.
- FIR, Post-mortem/Medical certificate.
- Driving Licence of insured.
- Policy & RC.



15. IRDAI Guidelines on Claims Handling

- Surveyor must submit report within **30 days**.
- Insurer must settle claim within **30 days of survey report**.
- Delay beyond this → insurer must pay **interest** on claim amount.
- Cashless garage arrangements to be encouraged for faster settlements.

16. Practical Exam Notes

- Insured must **not admit liability** in TP cases – insurer's prerogative.
- RC cancellation mandatory in TL/CTL before payout.
- Knock-for-Knock → OD only, not TP.
- No-Fault = fixed compensation, Fault = Tribunal-calculated compensation.
- Salvage disposal → essential to prevent RC misuse/fraud.

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IRDAI Guidelines & MISP Rules

1. IRDAI – Apex Regulator

- Established under **IRDA Act, 1999**.
- Controls and regulates all aspects of insurance business in India.
- Specific to Motor:
 - Prescribes **policy wordings** (tariff-based, uniform).
 - Regulates **premium for Third Party Liability**.
 - Approves **add-ons** under **File & Use system**.
 - Ensures **timely settlement of claims**.
 - Protects **policyholder interest** against mis-selling.

2. Regulation of Premiums

- **Own Damage (OD):**
 - Detariffed from **1.1.2007** → insurers free to set OD premium.
 - Insurers can offer **discounts/loadings** based on underwriting.
 - Add-ons allowed with prior IRDAI approval.

- **Third Party Liability (TP):**
 - Premiums are **still regulated** by IRDAI.
 - Revised **annually** through official circulars.
 - Premium depends on:
 - Engine CC (cars, 2-wheelers).
 - GVW (Goods Vehicles).
 - Licensed Carrying Capacity (Passenger Vehicles).
 - Rationale: Protects public from excessive TP premiums, ensures uniformity.
-

3. Detariffing in Motor Insurance (2007)

- Before 2007: Tariff Advisory Committee (TAC) fixed all premiums, discounts, conditions.
 - After 1.1.2007:
 - **Rates & discounts de-tariffed.**
 - **Policy wording, GRs, endorsements still tariff-based** (2002 Motor Tariff remains).
 - Liability premium continues to be regulated.
 - Insurers compete on OD rates + add-ons.
-

4. MISP – Motor Insurance Service Provider (Introduced 2017)

- Concept introduced under **IRDAI (MISP) Guidelines, 2017.**
 - MISP = Automobile dealers, OEMs, service centres, who distribute motor insurance policies.
 - Purpose: regulate insurance sales through auto-dealer channel (earlier unorganised).
-

5. Structure of MISP Model

- MISPs must tie up with an **Insurance Broker**, not directly with insurer.
- Broker = principal entity responsible for:
 - Training MISP staff.
 - Monitoring compliance with IRDAI rules.
 - Reporting MISPs' activities to IRDAI.
- MISPs act as **extended arms of brokers** for selling policies.

- **Direct insurer–dealer tie-ups banned.**
-

6. Remuneration & Expense Control under MISP

- Dealers/MISPs cannot receive **commission** directly.
 - Commission first flows to **broker** (as per IRDAI cap).
 - Broker can pass part of it to MISPs under **permitted expenses**.
 - Prevents excessive payouts/unfair trade practices.
-

7. Compliance & Conduct of MISPs

- Must follow **Code of Conduct** prescribed by IRDAI.
 - Customer's **choice of insurer** must be preserved – no coercion by dealers.
 - All transactions must be **recorded, auditable, transparent**.
 - Broker liable for misconduct of MISP.
 - Penalties for mis-selling include **cancellation of tie-up** and disciplinary action.
-

8. Consumer Protection by IRDAI

- MISPs must **disclose all insurers' offerings** to customers.
 - IRDAI prevents bundling of insurance with vehicle sale.
 - TP cover must be offered at regulated rates – no overcharging allowed.
 - Customers should have **freedom to renew with any insurer**.
-

9. IRDAI Claims Handling Guidelines

- Surveyor must be appointed **immediately** (within 72 hours).
- Surveyor report to be submitted within **30 days**.
- Insurer must settle claim within **30 days of survey report**.
- If delayed → interest @ **2% above bank rate** payable.

- TP awards by MACT must be satisfied **promptly**.
-

10. Add-On Covers & File & Use System

- Insurers may design add-ons (Zero Dep, RTI, RSA, Engine Protect).
 - Must be filed with IRDAI under **File & Use procedure** before launch.
 - Cannot alter core wording of Package Policy.
 - Add-ons = main area of competition post-detariffing.
-

11. Exam Pointers

- OD → Detariffed; TP → Regulated by IRDAI.
 - MISG Guidelines (2017) → regulate dealer/OEM insurance sales via brokers.
 - Broker = principal entity responsible, not MISG.
 - Surveyor timeline = 30 days; claim settlement timeline = 30 days.
 - Add-ons require File & Use approval.
 - IRDAI's key role = protect policyholder, regulate premiums, streamline distribution.
-

Special Clauses & Agreements

1. Subrogation

- **Definition:** After claim payment, insurer acquires the insured's rights to recover from third party responsible for loss.
 - Purpose → prevents insured from getting **double compensation**.
 - Example: If another vehicle causes accident → insurer pays insured, then recovers from negligent party.
 - In motor insurance, subrogation rights often restricted under **Knock-for-Knock agreement**.
-

2. Contribution

- Arises when more than one policy covers same vehicle/risk.
 - Insured cannot recover more than actual loss.
 - Each insurer contributes **rateably** in proportion to sum insured.
 - Ensures insured does not make profit from claim.
-

3. Arbitration Clause

- Present in motor policies.
 - Applicable only for **quantum disputes**, not liability disputes.
 - If disagreement on claim amount → matter referred to arbitration under Arbitration & Conciliation Act.
-

4. Salvage

- Salvage = remains of damaged vehicle after accident.
- Belongs to insurer once claim paid.
- If insured retains salvage → salvage value deducted from claim.

- In TL/CTL cases → insurer must ensure **RC cancellation within 14 days** before final settlement to prevent misuse.
-

5. Knock-for-Knock Agreement (KFK)

- Inter-company arrangement among insurers.
 - Each insurer pays for its own policyholder's OD claims, **without pursuing recovery** from the other vehicle's insurer.
 - **Applies only to OD claims**, not TP claims.
 - Subrogation rights waived between insurers.
 - Benefits:
 - Faster settlement.
 - Reduced litigation.
 - Better relations among insurers.
-

6. No Fault Liability (MV Act Sec. 140)

- Compensation payable on no-fault basis:
 - ₹50,000 for death.
 - ₹25,000 for permanent disablement.
 - Claimant not required to prove negligence.
 - Liability is absolute.
-

7. Hit & Run Liability (MV Act Sec. 161)

- For accidents where identity of vehicle/driver not known.
 - Compensation payable from Government Solatium Fund:
 - ₹2,00,000 for death.
 - ₹50,000 for grievous injury.
-

8. Pay & Recover Principle (MV Act Sec. 149)

- Even if insurer has valid defence (no DL, permit breach), court may direct insurer to **pay victim first** and later **recover from insured**.
 - Protects innocent third parties.
-

9. Excess (Deductibles)

- Compulsory Excess:
 - ₹1,000 for Private Cars ≤1500 cc.
 - ₹2,000 for Private Cars >1500 cc.
 - ₹100 for Two-Wheelers.
 - CVs → based on GVW.
 - Voluntary Excess: Additional deductible opted by insured → reduces premium.
-

10. Contribution Clause (Fleet & Double Insurance Cases)

- Example: Vehicle insured with two insurers for OD.
 - In case of claim → both insurers share loss in ratio of sums insured.
 - Prevents insured from collecting **more than actual loss**.
-

11. Limitation as to Use

- Vehicle covered only for:
 - Social, Domestic, Pleasure use.
 - Insured's Business/Profession.
 - Excludes:
 - Hire or Reward.
 - Carriage of goods (except samples/luggage).
 - Racing, speed testing.
 - Use in connection with Motor Trade.
-

12. Driver's Clause

- Policy covers any driver including insured, provided:
 - Driver holds valid DL.

- Driver not disqualified.
 - Learner's Licence holder allowed only if Rule 3 CMVR 1989 conditions followed (L plate, instructor present).
-

13. General Exceptions in Motor Policy

- Loss outside geographical area.
 - Consequential losses.
 - War, nuclear risks.
 - Contractual liability.
 - Use of vehicle in contravention of policy (limitations/driver clause).
-

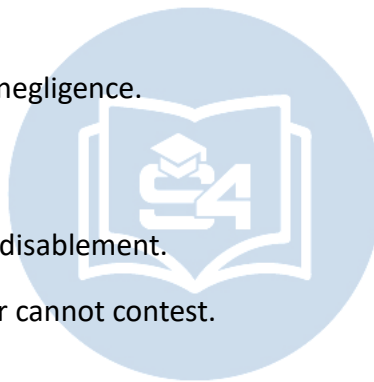


1. Motor Accident Claims Tribunal (MACT)

- Constituted under **Sec. 165 of MV Act, 1988.**
 - Exclusive jurisdiction to decide motor accident claims.
 - Covers claims for:
 - Death of persons.
 - Bodily injury to persons.
 - Damage to property of third party.
 - Tribunal empowered to award **compensation under no-fault and fault liability.**
 - Appeals from MACT → High Court.
-

2. No Fault Liability (Sec. 140)

- Claimant need not prove negligence.
- Compensation fixed:
 - ₹50,000 for death.
 - ₹25,000 for permanent disablement.
- Liability absolute – insurer cannot contest.



3. Hit & Run Cases (Sec. 161)

- Compensation payable from Solatium Fund.
 - Amount fixed:
 - ₹2,00,000 for death.
 - ₹50,000 for grievous injury.
 - Fund maintained by Government of India.
-

4. Structured Formula Compensation (Sec. 163A)

- Provides for compensation on **no-fault basis** using structured formula.

- Based on:
 - Age of deceased.
 - Annual income.
 - Multiplier table.
 - Claimant does not need to prove negligence.
-

5. Fault Liability Claims (Sec. 166)

- Claimant must prove negligence of driver/owner.
 - Compensation decided by MACT using **multiplier method**.
 - Includes pecuniary + non-pecuniary damages.
-

6. Pay & Recover Principle (Sec. 149)

- Even if insurer has valid defence (e.g., no DL, no permit), court may direct insurer to **pay compensation first and recover later** from insured.
 - Ensures protection of third-party victims.
-

7. Important Case Laws (Frequently Quoted in Exams)

- **Skandia Insurance Co. vs. Kokilaben Chandravadan (1987)** → Insurer cannot avoid liability towards third parties unless breach fundamental.
 - **Sohan Lal Passi vs. P. Sesh Reddy (1996)** → Insurer liable to third party even if there is breach of permit conditions.
 - **National Insurance Co. vs. Swaran Singh (2004)** → Insurer liable even if driver had fake/invalid licence; remedy is pay & recover.
 - **Kaushnuma Begum vs. New India Assurance (2001)** → Even mechanical failure (not negligence) attracts liability under MV Act.
 - **United India vs. Lehu (2003)** → Owner not liable if he checked DL in good faith and it was later found fake.
-

8. Multiplier Method (Compensation Calculation)

- Formula: **Annual Income × Multiplier × % of dependency.**
 - Multiplier based on age of deceased (given in schedule).
 - Non-pecuniary damages (pain & suffering, loss of consortium, funeral expenses) also awarded.
-

9. Interim Compensation (Sec. 140)

- Immediate relief to victims under no-fault liability.
 - Paid before final award.
 - Non-refundable even if claim later dismissed.
-

10. Rights of Appeal

- Appeal against MACT award → High Court.
 - Must be filed within **90 days** of award.
 - Insurer can appeal only if it had right to defend in MACT proceedings.
-

11. Role of Insurance Company in MACT

- Insurer has right to contest only on **limited statutory grounds**:
 - Driver without valid DL.
 - Vehicle without permit.
 - Vehicle used outside policy limitations.
 - Otherwise, insurer must satisfy award.
-

12. Solatium Fund (Hit & Run Cases)

- Established by Central Government.
 - Funded through levy on insurers.
 - Used exclusively for hit & run compensation.
-

13. Key Exam Notes

- **MACT** = exclusive forum for motor accident claims.
- **No-fault liability** = ₹50k death, ₹25k disablement.
- **Hit & Run** = ₹2 lakh death, ₹50k injury.
- **Pay & Recover principle** = protects third parties.
- **Swaran Singh case** → fake DL still binds insurer.
- **Lehru case** → owner not liable if DL checked in good faith.
- **Kaushnuma Begum case** → liability even without negligence.

Miscellaneous Topics

1. Fleet Policies

- Fleet = **2 or more vehicles insured under one policy** (corporates, government fleets, transporters).
- Covers all vehicles under **single policy document** with common renewal date.
- Premium = based on **claims experience of fleet as a whole**, not individual vehicles.
- **NCB not applied per vehicle** → applied at fleet level.
- Good claims record → discount.
- Poor claims record → **malus loading** applied (premium increase).
- Simplifies **policy administration** for big organisations.
- Suitable for bus operators, transport companies, taxi fleets.

2. Long-Term Motor Policies (as per IRDAI directions)

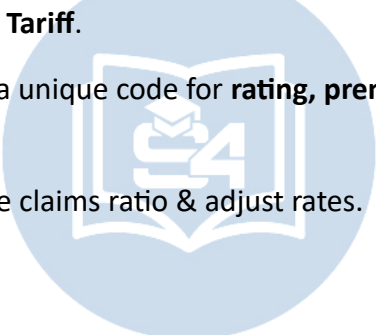
Two-Wheelers (New only):

- 5-Year Standalone Liability Only Policy.
- 5-Year Standalone Package Policy.
- Bundled: 1 Year OD + 5 Years TP.

Private Cars (New only):

- 3-Year Standalone Liability Only Policy.
 - 3-Year Standalone Package Policy.
 - Bundled: 1 Year OD + 3 Years TP.
 - Purpose: Reduce number of uninsured vehicles on road.
 - Liability premium collected upfront for full term.
 - OD portion may remain 1 year (in bundled policy) → to allow competition between insurers.
 - Mandated by **Supreme Court directive (2018)** and enforced by IRDAI.
-

3. Tariff Statistical Codes (TSC)

- Introduced in **2002 Motor Tariff**.
 - Each motor risk allocated a unique code for **rating, premium, claims, and statistical reporting**.
 - Helps IRDAI/TAC to analyse claims ratio & adjust rates.
 - Codes exist for:
 - Private Car.
 - Two-Wheeler.
 - Goods Vehicles (Public/Private, GVW slabs).
 - Passenger Vehicles (3W, 4W, buses – based on seating).
 - Trailers.
 - Motor Trade Policies.
 - Miscellaneous Special Vehicles.
- 
-

4. Important IRDAI Circulars & Directions (Motor)

- **2007 – Detariffing:** OD rating freed, TP still regulated.
- **2018 – Long-Term TP mandatory** for new cars (3 yrs) & 2-wheelers (5 yrs).
- **TP Premium Revision:** Annual notification issued by IRDAI, effective 1st April each year.

- **NCB Rules:**
 - Transferable across insurers.
 - Valid for 90 days after policy expiry.
 - **CNG/LPG Kit Cover:** Must be declared separately, IMT-6 compulsory.
 - **Digital Policy Issuance:** E-policy, e-cover note, and e-certificate allowed.
-

5. Vintage Cars

- Defined: Cars **≥35 years old**, certified by Vintage Car Club/Association.
 - Benefits:
 - Eligible for **OD premium discount**.
 - Can be insured on **Agreed Value basis** (via IMT-17 endorsement).
 - Popular among collectors; claims usually settled at agreed value (not IDV).
-

6. Imported Vehicles

- Require **special rating** – not standard tariff.
 - Higher risk due to:
 - Expensive repairs.
 - Scarcity of spare parts.
 - Left-hand drive sometimes.
 - Premium loading applied.
 - Proposal form must disclose **year of manufacture & year of import**.
 - IDV often decided by mutual agreement.
-

7. Trailers (Reminder)

- Must be **separately insured** in addition to towing vehicle.
- Premium charged per trailer.
- Liability extends to both towing unit and trailer.

- Trailers carrying hazardous goods → special permit + hazardous endorsement mandatory.
-

8. Motor Trade Policies (Reminder)

- Specially designed for dealers, garages, service workshops.
 - Types:
 - **Road Transit Risk Policy.**
 - **Road Risk Policy.**
 - **Internal Risk Policy.**
 - Covers vehicles in **care, custody, control** of trade.
 - Standard IMT endorsements (13, 15, 16, 29) applicable.
-

9. Add-On Covers (Reminder)

- Most popular:
 - Zero Dep.
 - Return to Invoice.
 - Engine Protect.
 - NCB Protect.
 - RSA (Roadside Assistance).
 - Key Cover.
 - Consumables Cover.
- Add-ons only with Package Policy, not Act Policy.
- Must be filed with IRDAI under **File & Use**.



10. Key Exam Notes (Miscellaneous Section)

- Fleet → malus/discount based on **fleet loss ratio**, not individual NCB.
- Long-Term TP → compulsory for new vehicles since 2018.
- TSC → ensures proper statistical coding & uniformity.
- Vintage Cars → Agreed Value basis (IMT-17).

- Imported Cars → special rating, disclosure of manufacture/import year compulsory.
- Trailers → must be separately insured.
- Motor Trade Policies → internal, road risk, road transit risk.

Ready Reckoner Tables

1. Driving Licence (DL) – Minimum Age & Validity

- **M/Cycle ≤ 50cc:** Min age 16 yrs; validity →
 - <30 yrs → till 40 yrs.
 - 30–50 yrs → 10 yrs.
 - 50–55 yrs → till 60 yrs.
 - >55 yrs → 5 yrs.
- **M/Cycle with gear / LMV:** Min age 18 yrs; validity same slabs.
- **Transport Vehicle:** Min age 20 yrs; must hold LMV licence for 1 yr; validity 5 yrs.
- **Road Roller:** Min age 20 yrs; validity 3 yrs; medical certificate compulsory.
- **Learner's Licence:** Valid 6 months only.

2. Registration Certificate (RC)

- Mandatory under **Sec. 39 MV Act.**
- Validity:
 - Non-transport vehicles → 15 yrs, renewable.
 - Transport vehicles → linked to Fitness Certificate validity.
- Temporary Registration → 1 month.
- Transfer:
 - Seller → report within 14 days (same state) / 45 days (other state).
 - Buyer → apply within 30 days.
- RC must be cancelled in TL/CTL within 14 days.

3. Fitness Certificate

- **Sec. 56 MV Act** → Without fitness, vehicle deemed unregistered.
 - Validity:
 - New transport vehicle → 2 yrs.
 - Renewal thereafter → 1 yr.
 - Issued/renewed by RTO/authorised testing centre.
-

4. Permit (Sec. 66 MV Act)

- Required for all transport vehicles.
 - Validity: 5 yrs (renewable).
 - Exemptions: Govt vehicles, police, ambulance, fire brigade, funeral, towing, empty for repair, GVW ≤3000 kg.
 - On permit holder's death → legal heir can use for 3 months (must inform within 30 days).
-

5. No Claim Bonus (NCB) – Scale

- 1 claim-free year → 20%.
 - 2 claim-free years → 25%.
 - 3 claim-free years → 35%.
 - 4 claim-free years → 45%.
 - 5 or more claim-free years → 50% (max).
 - NCB belongs to insured, not vehicle.
 - Transferable to new vehicle.
 - Valid for 90 days post expiry.
-

6. Depreciation on Parts (OD Claims)

- Rubber/Plastic/Nylon/Tyres/Tubes/Batteries → 50%.
- Fibreglass → 30%.

- Glass → Nil.
 - Metal parts (by age):
 - <6 months → Nil.
 - 6mo–1yr → 5%.
 - 1–2 yrs → 10%.
 - 2–3 yrs → 15%.
 - 3–4 yrs → 25%.
 - 4–5 yrs → 35%.
 - 5–10 yrs → 40%.
 - >10 yrs → 50%.
-

7. Compulsory Deductibles (Excess)

- Private Car ≤1500cc → ₹1,000.
 - Private Car >1500cc → ₹2,000.
 - Two-Wheeler → ₹100.
 - Commercial vehicles → based on GVW.
 - Voluntary Deductible → chosen by insured for premium discount.
-

8. Compensation under PA Cover

- **100% SI:** Death, loss of 2 limbs/eyes, loss of 1 limb + 1 eye, Permanent Total Disablement.
 - **50% SI:** Loss of 1 limb or 1 eye.
 - SI for Owner-Driver = ₹15 lakh compulsory.
-

9. TP Compensation under MV Act

- **No Fault Liability (Sec. 140):**
 - Death → ₹50,000.
 - Permanent Disablement → ₹25,000.

- **Hit & Run (Sec. 161):**

- Death → ₹2,00,000.
 - Injury → ₹50,000.
-

10. Towing Charges (OD Cover)

- Two-Wheelers → ₹300.
 - Three-Wheelers → ₹750.
 - Private Cars → ₹1,500.
 - Commercial Vehicles → ₹2,500.
-

11. Spot Repairs (OD Claims)

- Allowed without surveyor approval.
 - Limits: ₹500 (all vehicles), ₹150 (two-wheelers).
-

12. Salvage

- Belongs to insurer after claim settlement.
 - If retained by insured → salvage value deducted.
 - RC must be cancelled in TL/CTL cases.
-

13. Add-On Covers (Quick Checklist)

- Zero Dep → No depreciation on parts.
- RTI → Invoice value paid in TL/CTL.
- Engine Protect → Covers water/hydrostatic loss.
- NCB Protect → NCB intact despite claim.
- Key Cover → Replacement/reprogramming cost.
- Consumables → Oils, bolts, nuts, etc.

- RSA → Roadside assistance.
 - Daily Allowance → Alternate car allowance.
-

"The future belongs to those who believe in the beauty of their dreams." – Eleanor Roosevelt

