LOK SABHA
UNSTARRED QUESTION NO. 1350
TO BE ANSWERED ON MONDAY, JULY 01, 2019/ASHADHA 10, 1941 (SAKA)
VEHICLE INSURANCE

1350. SHRI BHAGWANTH KHUBA:

Will the Minister of FINANCE be pleased to state:-

(a) whether the Government has increased the third party premium for cars and bikes in the country;
(b) if so, the details thereof;
(c) whether the Government has fixed any criteria for old vehicles or CC of the vehicles for the said premium hike; and
(d) if so, the details thereof?

ANSWER

THE FINANCE MINISTER
(SMT. NIRMALA SITHARAMAN)

(a) to (d): The Insurance Regulatory and Development Authority of India (IRDAI) vide order ref" IRDAINL/NL/NTFN/MOTP/91/06/2018 dated 04.06.2019 has changed the Motor Third Party premium rates for private cars and two-wheelers as compared to previous financial year (FY). The details of change in Motor third party premium rates are as under:

Vehicle Category	Motor TP Premium Rates (Rs.)	
	2018-2019	**2019-2020**
Private Cars		
Not exceeding 1000 cc	1,850	2,072
Exceeding 1000 cc but not exceeding 1500 cc	2,863	3,221
Exceeding 1500 cc	7,890	7,890
Two Wheelers		
Not exceeding 75 cc	427	482
Exceeding 75 cc but not exceeding 150 cc	720	752
Exceeding 150 cc but not exceeding 350 cc	985	1,193
Exceeding 350 cc	2,323	2,323

As per the order of the Hon'ble Supreme Court of India, dated 20th July,2018, IRDAI directed all General insurers (barring the stand-alone health insurers and the specialized insurers) to issue mandatory Long-Term Motor Third Party insurance covers for new cars and new two wheelers (3-year for new cars and 5-year for new two-wheelers) with effect from 1st September, 2018 along with the premium rates to be charged for these policies for the FY 2018-19 vide its circular ref "IRDAI/NL/CIR/MOT/137/08/2018" dated 28th August 2018.

In respect of new cars and new two-wheelers, there is no change in the aforesaid long-term Motor TP premium rates in the FY 2019-20 as compared to FY 2018-19.

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