

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF FINANCIAL SERVICES  
**LOK SABHA**  
**UNSTARRED QUESTION No. 3652**

ANSWERED ON MONDAY, 11 AUGUST, 2025/SRAVANA 20, 1947 (SAKA)

**COMPULSORY PERSONAL ACCIDENT INSURANCE FOR OWNER-DRIVERS**

3652. SHRI RAJKUMAR CHAHAR:

Will the Minister of FINANCE be pleased to state:

- (a) the concept and objective of compulsory personal accident insurance for owner-drivers;
- (b) whether it is mandatory under IRDAI regulations and relevant legal provisions;
- (c) if so, the data for the last five years on such policies issued along with total registered motor vehicles, year-wise;
- (d) the minimum sum insured and date of last revision; and
- (e) whether insurers comply and offer it as bundled or standalone cover and if so, the details thereof?

**ANSWER**

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE  
(SHRI PANKAJ CHAUDHARY)

(a) The Compulsory Personal Accident (CPA) for owner-drivers provides financial protection to vehicle owners-drivers in the event of death or permanent disability due to accident whilst driving the vehicle (including mounting into/ dismounting from) or traveling in the insured vehicle as a co-driver. The owner of the insured vehicle who holds a driving license is termed as owner-driver for this purpose. The CPA cover is available with General insurance companies for motor vehicles including private cars, two wheelers and commercial vehicles.

(b) to (e): The erstwhile Tariff Advisory Committee (TAC) formed under Part IIB of the Insurance Act, 1938, laid down Indian Motor Tariff (IMT) 2002 which contained rules, terms and conditions etc. for transaction of motor insurance in India. The General Regulations 36 of the IMT 2002 mandated for CPA cover for owner-drivers of motor vehicles providing the sum insured as Rs 1 lakh for Motorized Two Wheelers and Rs 2 lakh for Private Cars and Commercial vehicles.

Later, in accordance with the judgment dated 26<sup>th</sup> October 2017 of the Hon'ble Madras High Court, the Insurance Regulatory and Development Authority of India (IRDAI) has issued various circulars on CPA insurance, most recent on 11<sup>th</sup> December 2018, stipulating that all General Insurers carrying on motor insurance business shall provide standalone CPA cover for owner-driver for a minimum sum insured of Rs 15 lakhs for policy period of one-year. Coverage under the stand-alone CPA will extend to all the vehicles owned by the owner-driver under the same policy.

However, the insured is permitted to opt out on the basis of certain exceptions such as where they have already covered themselves sufficiently (Rs.15 Lakh or above) in other life or personal accident insurance policies and/ or having multiple vehicles and already covered

under insurance of those vehicles, where a vehicle is owned by a company, a partnership firm or a similar body corporate etc.

W.e.f. 01<sup>st</sup> January 2019, IRDAI has permitted the insurance companies to issue stand-alone CPA cover for owner-driver. However, if a policyholder chooses to opt for the CPA cover as part of the Liability only policy or the Package policy, he/she can continue to do so.

The data for the last five years on such policies issued and total registered motor vehicles for last five years is enclosed at Annexure.

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**Annexure referred in reply of Lok Sabha Unstarred Question No. 3652 for 11.8.2025**

**Number of CPA policies issued in the last 5 FYs**

<b>Financial Year</b>	<b>No. of Owner-Driver PA Policies</b>
2019-20	7,74,98,362
2020-21	6,79,17,152
2021-22	6,80,31,126
2022-23	6,58,64,828
2023-24	7,20,58,557

Source: Insurance Information Bureau

**Total count of vehicle registered for the last 5 years**

<b>Calendar Year</b>	<b>Vehicles registered per year</b>
2020	1,863,3419
2021	1,891,0622
2022	2,157,7909
2023	2,400,8418
2024	2,620,9814
2025 (till 5.8.2025)	1,517,1261

Source: Ministry of Road Transport & Highways