

# **INDIA MOTOR TARIFF**

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**THE TARIFF ADVISORY COMMITTEE (HEREINAFTER CALLED TAC) HAVE LAID DOWN RULES, REGULATIONS, RATES, ADVANTAGES, TERMS AND CONDITIONS AS CONTAINED HEREIN, FOR TRANSACTION OF MOTOR INSURANCE IN INDIA IN ACCORDANCE WITH THE PROVISIONS OF PART II B OF THE INSURANCE ACT, 1938.**

**THIS TARIFF SUPERSEDES THE PROVISIONS OF THE INDIA MOTOR TARIFF IN EXISTENCE UPTO 30<sup>th</sup> JUNE 2002.**

**THE PROVISIONS OF THIS TARIFF ARE BINDING ON ALL CONCERNED AND ANY BREACH OF THE TARIFF SHALL BE A BREACH OF THE PROVISIONS OF THE INSURANCE ACT, 1938.**

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## GENERAL REGULATIONS

### GR.1. Insurance not provided for:

Motor Insurance in India cannot be transacted outside the purview of the India Motor Tariff unless specifically authorized by the TAC. For risks which have not been provided for in the tariff, reference should be made to TAC for advice thereon.

Motor Insurance includes Private Cars, Motorized Two Wheelers and Commercial Vehicles excluding vehicles running on rails.

### GR.2. Proposal Forms:

Proposal Form as specified in **Section 5 of the INDIA MOTOR TARIFF** is required to be submitted by the insured to the insurer before the commencement of cover and at renewal in case of material alteration. For change of IDV at each renewal, however, a **fresh proposal is not necessary**. Such changes may be advised by the insured to the insurer by a letter signed by the insured / insured's authorized signatory (for companies / body corporate) and sent to the insurer by recorded delivery. In case of change of insurer, a fresh proposal is required to be submitted to the new insurer. The insurers may include additional questions in the proposal form for their information and use.

### GR.3. Policy Forms:

Policies insuring Motor Vehicles are to be issued only as per the Standard Form(s) given in **Section 6 of the INDIA MOTOR TARIFF**.

#### A. *Types of Policies*

There are two types of Policies :

- (i) **Liability Only Policy:** This covers Third Party Liability for bodily injury and/ or death and Property Damage .Personal Accident Cover for Owner-Driver is also included.
- (ii) **Package Policy:** This covers loss or damage to the vehicle insured in addition to (i) above.

Restricting the scope of cover under **Section-I (loss of or damage to the vehicle insured)** of the Package policy without any reduction in Tariff rates is permitted. Excepting this, no alteration or extension of any of the Covers, Terms, Conditions, Exclusions, etc. of any of the Policies/Endorsements laid down in this tariff is permitted without prior approval of the TAC.

**B. Rating:**

Rates provided under this Tariff are minimum rates. Loading on tariff premium rates by 100% may be applied for adverse claims experience of the vehicle insured and individual risk perception as per the insurer's assessment. If the experience continues to be adverse, a further loading of 100% on the expiring premium may be applied. No further loading shall apply.

**GR.4. Extension of Geographical Area**

The Geographical Area of Motor Policies may be extended to include

- a) Bangladesh
- b) Bhutan
- c) Nepal
- d) Pakistan
- e) Sri Lanka
- f) Maldives

as the case may be, by charging a flat additional premium, as stated below for a period not exceeding 12 months:

|  |  |
|--|--|
| For Package Policy.....                | Rs.500/ per vehicle, irrespective of the class of vehicle. |
| For policies other than Package Policy | Rs.100/ per vehicle, irrespective of the class of vehicle. |

For such extensions *Endorsement IMT 1 is to be used.*

**Such geographical extensions, however, specifically exclude cover for damage to the vehicle/ injury to its occupants/ TP liability in respect of the vehicle during air passage/ sea voyage for the purpose of ferrying the vehicle to the extended Geographical Area.**

**GR.5. Vintage Cars**

Any car manufactured prior to 31-12-1940 and duly certified by the **Vintage and Classic Car Club of India** can be considered a Vintage car for the purpose of this tariff.

**GR.6. Classic Cars**

Any car manufactured after 31-12-1940, but before 31-12-1970, is considered as a Classic Car by the **Vintage and Classic Car Club of India**. **There is however, no provision for special rating or cover for such vehicles under this tariff.**

**GR.7. Valued Policies**

Under an **Agreed Value Policy** a specified sum agreed as the **insured value of the vehicle** is paid as compensation in case of Total Loss/Constructive Total Loss of the vehicle without any deduction for depreciation.

It is **not** permitted to issue **Agreed Value Policies** under this tariff excepting for policies covering **vintage cars** as defined under 5 above.

For such policies, *Endorsement IMT- 2 is to be used.*

**GR.8. Insured's Declared Value (IDV)**

The **Insured's Declared Value (IDV)** of the vehicle will be deemed to be the 'SUM INSURED' for the purpose of this tariff and it will be fixed at the commencement of each policy period for each insured vehicle.

The IDV of the vehicle is to be fixed on the basis of manufacturer's listed selling price of the brand and model as the vehicle proposed for insurance at the commencement of insurance /renewal and adjusted for depreciation (as per schedule specified below). The IDV of the side car(s) and / or accessories, if any, fitted to the vehicle but not included in the manufacturer's listed selling price of the vehicle is also likewise to be fixed.

The schedule of age-wise depreciation as shown below is applicable for the purpose of Total Loss/ Constructive Total Loss (**TL/ CTL**) claims only. A vehicle will be considered to be a **CTL**, where the aggregate cost of retrieval and / or repair of the vehicle subject to terms and conditions of the policy exceeds 75% of the IDV.

The depreciation for replacement of parts in partial loss claims will be as per a separate schedule specified under **GR.9.**

**SCHEDULE OF DEPRECIATION FOR ARRIVING AT IDV**

| <b>AGE OF THE VEHICLE</b>                          | <b>% OF DEPRECIATION FOR FIXING IDV</b> |
|--|---|
| <b>Not exceeding 6 months</b>                      | <b>5%</b>                               |
| <b>Exceeding 6 months but not exceeding 1 year</b> | <b>15%</b>                              |
| <b>Exceeding 1 year but not exceeding 2 years</b>  | <b>20%</b>                              |
| <b>Exceeding 2 years but not exceeding 3 years</b> | <b>30%</b>                              |
| <b>Exceeding 3 years but not exceeding 4 years</b> | <b>40%</b>                              |
| <b>Exceeding 4 years but not exceeding 5 years</b> | <b>50%</b>                              |



**NOTE:** IDV of vehicles beyond 5 years of age and of obsolete models of the vehicles ( i.e. models which the manufacturers have discontinued to manufacture) is to be determined on the basis of an understanding between the insurer and the insured.

For the purpose of TL/CTL claim settlement, this IDV will not change during the currency of the policy period in question. It is clearly understood that the liability of the insurer shall in no case exceed the IDV as specified in the policy schedule less the value of the wreck, in 'as is where is' condition.

**GR.9. Depreciation on Parts for Partial Loss Claims**

The following rates of depreciation shall apply for replacement of parts for partial loss claims in respect of all categories of vehicles / accessories.

1. Rate of depreciation for all rubber nylon/ plastic parts, tyres and tubes, batteries and air bags 50%
2. Rate of depreciation for all fibre glass components 30%
3. Rate of depreciation for all parts made of glass Nil
4. Rate of depreciation for all other parts including wooden parts is to be as per the following schedule

| AGE OF THE VEHICLE                           | % OF DEPRECIATION |
|--|-------------------|
| Not exceeding 6 months                       | Nil               |
| Exceeding 6 months but not exceeding 1 year  | 5%                |
| Exceeding 1 year but not exceeding 2 years   | 10%               |
| Exceeding 2 years but not exceeding 3 years  | 15%               |
| Exceeding 3 years but not exceeding 4 years  | 25%               |
| Exceeding 4 years but not exceeding 5 years  | 35%               |
| Exceeding 5 years but not exceeding 10 years | 40%               |
| Exceeding 10 years                           | 50%               |