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From February, buy motor insurance only for the distance you plan to drive

IRDAI gives nod to 37 products under Regulatory Sandbox

G NAGASRIDHAR

Hyderabad, January 16

How about getting an insurance cover for just the number of kilometres you wish to travel or for the exact number of days of your itinerary?

From February, you can do just that as health and motor insurance will be available with many features that are unheard of till date.

In a first-of-its-kind move, the Insurance Regulatory and Development Authority of India (IRDA) has approved 37 products/applications under health, motor and intermediary categories.

According to IRDAI Chairman Subhash C Khuntia, the objective of the Regulatory Sandbox approach is to identify innovative ideas to foster growth in the sector.

Regulatory Sandbox refers to live testing of new, innovative policies in controlled regulatory environment backed by relaxation of norms. A panel formed by IRDAI had scrutinised over 125 proposals in December.

The insurers will try out the newly-approved products for six

months from February 1. The IRDAI can also extend the time of validity, if necessary.

New products

The approved products include usage-based/pay-as-you drive motor insurance, health profile-based pricing, wearable fitness tracker, need-based health insurance and co-pay model, app-monitored diabetes and dyslipidemia management programmes. Artificial Intelligence-based applications have been also approved.

Referring to the approvals received by his company for co-pay under health insurance and 'pay-as-you-consume' motor insurance, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance, told BusinessLine: "We are hoping that with these innovations, we will be able to create a better society to live in encouraging good driving behaviour and a healthy lifestyle."

At present, premium for a motor insurance policy for the Own Damage part is based on the age, make and model of the vehicle.

"The pay-as-you-consume model will help us change this and charge premium based on kilometres utilised by the insured or the amount of time they intend to drive the car," he added.