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Firms flooded with claims after bumpy rides, rainwater damage vehicles

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Pune: Vehicle insurance companies are inundated with claims because of the damage to cars, including electric vehicles (EVs), caused by potholed roads and floodwater in the city.

Waterlogging, potholes and accidents on rainy days have damaged several mid and small-sized vehicles and EVs. Operating a vehicle in heavy spells of rain has increased the risk of water entering the vehicles and accidents due to poor visibility, car owners said.

Engine breakdowns and electrical failures are common issues car owners face during the monsoon. "My car was damaged last week when it was parked in the lane outside my society and water that flowed on the road entered the car. The interiors and

electricals were damaged," Ravi Bhatia, who lives near Sinhagad Road, said.

The huge potholes in many parts of the city, including Wadgaon Bridge and Satara Road, damaged tyres and suspension systems of smaller hatchbacks.

"The potholes caused tyres to come rolling out in some cars, and the alloy wheels were partially damaged. Such vehicles halted on the spot and caused traffic jams," senior inspector Vijay Kumbhar of Sinhagad Road police station said. The police then helped these car owners with their accident reports to apply for insurance.

Kondhwa resident Sakshi Mehra said she was running late for her son's school and tried to speed over the potholes near Pune cantonment. "Unfortunately, the car got stuck in the pothole

EVs CORNER A BIG SLICE OF INSURANCE SETTLEMENT PIE

For June-July 2024 period, HDFC ERGO settled a total of 1,550 claims pertaining to electric vehicles amounting to ₹4.17 crore

➤ It includes both monsoon and non-monsoon related claims

➤ EV claims during the monsoon include high voltage battery issues due to flood water ingress, auxiliary battery impact due to

water inundation, high tension wiring coupler issues, and failure of electronic modules/sensors

➤ Insurance for cars is the second largest business in non-life, with nearly 32% market share



Swiss Re forecasts average annual premium growth of 8.5% for the motor sector in the 2024-25 period

and some sections on the underside were damaged. The paint also scraped off in some locations. I've sought an estimate for the repairs but will try to claim the damages via insurance," she added.

TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance, said

between June and September 2023, they received approximately 80 motor insurance claims, primarily because of the cloudburst calamity in Nagpur.

"However, from June to July 2024, the number of motor insurance claims in the state has nearly doubled

to 150. These claims came from Pune and Mumbai which experienced heavy rain and floods during this period," he added.

Nitin Kumar, head of motor insurance, Policybazaar.com, said that motor claims have increased by 20% this monsoon as compared to the

last year.

"We have seen a big chunk of claims for total loss which happens when the cost of repairing the vehicle exceeds its value. We have noticed a 25% hike in motor insurance plans bought this year. Over 50% of motor insurance consumers have opted for nil depreciation cover and over 25% of eligible customers have chosen engine and gearbox protection," he said.

HDFC ERGO received 476 flood-related claims in June-July 2024 as compared to 800 claims in the same period last year.

"We advice customers to combat such unprecedented incidents and take up a comprehensive motor insurance policy that offers coverage against damages caused due to natural calamities such as floods, cyclones, earthquakes, along with theft, etc."

Parthanil Ghosh, director and chief business officer, HDFC ERGO General Insurance Company said.

Car owners prefer to take add-on protection like roadside assistance, engine and gearbox protector, and return to invoice. Comprehensive car insurance policies provide cover for flood-related damages, subject to depreciation on the basis of the age of the car."

Hadapsar resident Sameer Desai said he gets anxious driving his electric vehicle in the rain. "However, we had to take the car out for some chores and were stuck on the road with a lot of water for some time. The car developed some issues in the battery. I will check if I can claim from the insurance company," he added.

(With inputs from Gitesh Shelke)