

No. RT-11036/194/2021-MVL
Government of India
Ministry of Road Transport and Highways
(MVL Section)
Transport Bhawan, 1, Parliament Street, New Delhi-110001

Dated the 04 March, 2022

To,

All concerned Stakeholders

Subject: Draft notification of Motor Third Party Premium Rates for the Financial Year (FY) 2022-23 for stakeholder's consultation

Sir/Madam,

In exercise of the powers conferred by subsection (2) of Section 147 of the Motor Vehicles Act, 1988, as amended vide Section 51 of the Motor Vehicles (Amendment) Act, 2019, being operationalized from 1st April, 2022 vide S.O. 859 (E) dated 25th February, 2022, this Ministry has been mandated to prescribe base premium and liability of an insurer in relation to third party premium for Financial Year 2022-23 in consultation with IRDAI.

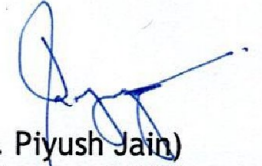
2. Accordingly, based on consultation with IRDAI and with the approval of competent authority, a draft notification to prescribe base premium for Motor Third Party Insurance Premium for the Financial Year 2022-23 has been prepared and attached as Annexure B, along with Basic methodology used for arriving at the Premium Rates for Motor Third Party Insurance Cover for the Financial Year 2022-23 (Annexure -A to this letter), for inviting objections and suggestions from all persons likely to be affected thereby, before the expiry of 10 days from the date the same is placed on the MoRTH & IRDAI website and made available to the public.

2. Objections or suggestions, if any, may be sent to Ministry of Road Transport and Highways, Transport Bhawan, Parliament Street, New Delhi-110 001 and/or, Email: comments-morth@gov.in and mtp-irdai@irdai.gov.in. Any objections or suggestions which may be received from any person with respect to the said draft notification

before the expiry of the period aforesaid i.e. by 14 March 2022, will be considered by the Central Government.

- Encl(s) - a. Basic methodology used for arriving at the Premium Rates for Motor Third Party Insurance Cover for the Financial Year 2022-23 (Annexure -A)
b. Draft notification (Annexure -B)

Yours faithfully,



(Dr. Piyush Jain)
Director (MVL)
Tel-23714974

E-mail: director-morth@gov.in

Copy to -

1. The Chairman, Insurance Regulatory and Development Authority of India (IRDAI) Sy.No-115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad, 500032

In reference to your letter dated 27th January, 2022 vide No. IRDAI/NL/MTP/2021-22/5 regarding recommendations of Motor Third Party premium rates to be prescribed for the various classes of vehicles for the Financial Year 2022-23, you are requested to place this letter and draft notification on your website for inviting comments from stakeholders/citizens before finalizing the notification.

2. Sh P K Jain , Sr Tech Director , NIC

: To place the letter along with annexures on the website of MoRTH for stakeholder consultation.

**Basic methodology used by IRDAI for arriving at the Premium Rates for Motor
Third Party Insurance Cover for the Financial Year 2022-23**

1. The Insurance Regulatory and Development Authority of India (IRDAI) vide order ref IRDAI/NL/ORD/MOTP/075/03/2020 dated 27th March, 2020 had extended the validity of the premium rates issued vide order Ref: IRDAI/NL/NTFN/MOTP/91/06/2018 dated 4th June, 2019 for FY 2019-20 till further orders. In other words, the rates were not revised for FY 2020-21 and FY 2021-22, and the rates laid down for FY 2019-20 were continued.
2. The recommended Motor Third Party Premium rates for the FY 2022-23 for various categories/sub-categories of vehicles have been arrived at as follows:
 - I. **Data source and Data used:**
 - a. The data provided by the Insurance Information Bureau of India (IIBI) has been used for arriving at the Motor TP premium rates.
 - b. The claims paid data in respect of each of the accident years starting from the year 2011-12 up to 2020-21 has been considered, taking into account the combination of 'Class Code' and 'Vehicle CC/PCC/GVW' Code.
 - c. Gross Written Premiums for the FYs 2011-12 to 2020-21 have been considered.
 - II. **Basic Methodology**
 - a. Paid claims data has been considered for construction of cumulative paid claims triangle for each homogenous subclass with Accident Year (AY) as origin year and Financial Year (FY) as development year.
 - b. In order to arrive at the premium rates, the ultimate claims cost of respective segment for each accident year has been estimated using the actuarial technique of Basic Chain Ladder Method.
 - III. As for the Vintage Cars segment, there is no substantial data relating to the past experience. A discounted price of 50% of the proposed rate based on the erstwhile Indian Motor Tariff (IMT) has been proposed for those private cars identified as Vintage Cars by the Vintage and Classic Car Club of India.
 - IV. A discount of 15% is proposed for Electric Private Cars, Electric Two Wheelers, Electric Goods carrying Commercial Vehicles and Electric Passenger carrying Vehicles. The proposed discount will incentivize usage of environmental friendly vehicles. The rates for the Electric Vehicles are given in Tables V, VI, VII & VIII of Annexure A.

- V. A discount of 7.5% on Motor TP premium rates for Hybrid Electric Vehicles is proposed. This will be an incentive to use environment friendly vehicles.
3. It may be noted that the following new categories of vehicles, which have newly come into the market, have been introduced in the rating schedule subsequent to the financial year 2018-19:
- a. Electric private cars and Electric two wheelers -introduced in the financial year 2019-20.
 - b. Quadricycles -introduced in the financial year 2019-20.
 - c. Electric Goods carrying Commercial vehicles and Electric Passenger carrying vehicles-proposed in the financial year 2020-21 but not published.
 - d. Hybrid Electric vehicles-proposed in the financial year 2020-21 but not published.

Government of India
Ministry of Road Transport and Highways
New Delhi,

dated the **March, 2022.**

NOTIFICATION

S.O....(E).— In exercise of the powers conferred by subsection (2) of section 147 of the Motor Vehicles, Act, 1988 (59 of 1989), the Central Government hereby issues the following order to state the premium rates for Motor Third Party Insurance Cover for the Financial Year 2022-23, namely: -

The details of Motor Third Party premium rates for the various classes of vehicles are tabulated below for the Financial Year 2022-23, effective 1st April, 2022:

Table I

| Category | Vehicle Type | Rates (Rs) |
|----------|---|------------|
| | Private Cars | |
| | Not exceeding 1000 cc | 2,094 |
| | Exceeding 1000 cc but not exceeding 1500 cc | 3,416 |
| | Exceeding 1500 cc | 7,897 |
| | Two Wheelers | |
| | Not exceeding 75 cc | 538 |
| | Exceeding 75 cc but not exceeding 150 cc | 714 |
| | Exceeding 150 cc but not exceeding 350 cc | 1,366 |
| | Exceeding 350 cc | 2,804 |
| A1 | Goods Carrying Commercial Vehicles (other than 3 wheelers) - Public | |
| | GVW not exceeding 7500 kgs | 16,049 |
| | Exceeding 7500 kgs but not exceeding 12000 kgs | 27,186 |
| | Exceeding 12000 kgs but not exceeding 20000 kgs | 35,313 |
| | Exceeding 20000 kgs but not exceeding 40000 kgs | 43,950 |
| | Exceeding 40000 kgs | 44,242 |
| A2 | Goods Carrying Commercial Vehicles (other than 3 wheelers) - Private | |
| | GVW not exceeding 7500 kgs | 8,510 |
| | Exceeding 7500 kgs but not exceeding 12000 kgs | 17,352 |

| | | |
|----|--|--------|
| | Exceeding 12000 kgs but not exceeding 20000 kgs | 10,969 |
| | Exceeding 20000 kgs but not exceeding 40000 kgs | 17,626 |
| | Exceeding 40000 kgs | 25,038 |
| A3 | Goods Carrying Motorized Three Wheelers and Motorized Pedal Cycles - Public Carriers | |
| | except e-carts | 4,492 |
| A4 | Goods Carrying Motorized Three Wheelers and Motorized Pedal Cycles - Private Carriers | |
| | except e-carts | 3,922 |
| B | Trailers | |
| | Agricultural Tractors upto 6 HP | 910 |
| | Other vehicles including Miscellaneous & Special Type of Vehicles (Class-C), (For each trailer, for more please multiply by no. of trailers) | 2,485 |

Table II

| Category | Vehicle Type | Rates (Rs.) | |
|----------|--|-------------|------------------------|
| | | Basic Rate | Per Licensed Passenger |
| C1a | Four wheeled vehicles used for carrying passengers for hire or reward with carrying capacity not exceeding 6 passengers | | |
| | Not exceeding 1000 cc | 6,040 | 1,162 |
| | Exceeding 1000 cc but not exceeding 1500 cc | 7,940 | 978 |
| | Exceeding 1500 cc | 10,523 | 1,117 |
| C1b | Three wheeled vehicles used for carrying passengers for hire or reward with carrying capacity not exceeding 6 passengers | | |
| | except e-rickshaw | 2,539 | 1,214 |
| C2 | Four or more wheeled vehicles used for carrying passengers with carrying capacity exceeding 6 passengers for hire or reward | | |
| | Educational institution bus | 13,729 | 839 |
| | Other than educational institution Bus | 14,343 | 877 |
| C3 | Motorized three wheeled passenger vehicles used for carrying passengers for hire or reward with carrying capacity exceeding 6 passengers but not exceeding 17 passengers | 6,763 | 1,349 |
| C2 | | 15,502 | 948 |

| | | | |
|----|---|-------|-----|
| | Motorized three wheeled passenger vehicles used for carrying passengers for hire or reward with carrying capacity exceeding 17 passengers | | |
| C4 | Motorized Two wheelers used for carrying passengers for hire or reward | | |
| | Not exceeding 75 cc | 861 | 580 |
| | Exceeding 75 cc but not exceeding 150 cc | 861 | 580 |
| | Exceeding 150 cc but not exceeding 350 cc | 861 | 580 |
| | Exceeding 350 cc | 2,254 | 580 |

Table III

| Category | Vehicle Type | Rates (Rs.) |
|----------|--|-------------|
| D | Special Types of Vehicles | |
| | Pedestrian controlled Agricultural Tractors with Horse Power rating not exceeding 6HP, Hearses and Plane Loaders | 1,645 |
| | Other Misc & Spl types of vehicles | 7,267 |
| E | Motor Trade (Road Transit Risks) | |
| | Distance not exceeding 2400 kms | 1,175 |
| | Distance exceeding 2400 kms | 1,412 |
| F | Motor Trade (Road Risks) (Excluding Motorized Two Wheelers) - (Named Driver or Trade Certificate) | |
| | 1st named driver or certificate | 1,498 |
| | For additional drivers/ certificates up to 5 (per driver/certificate) | 725 |
| | For additional Drivers/ Certificates exceeding 5 but not exceeding 10 (per driver/ certificate) | 467 |
| | For additional Drivers/ Certificates exceeding 10 but not exceeding 15 (per driver/ certificate) | 404 |
| F | Motor Trade (Road Risks) (Motorized Two Wheelers) - (Named Driver or Trade Certificate) | |
| | 1st named driver or certificate | 515 |
| | For each additional Driver/ Certificate | 257 |

Table IV

| Category of Vehicle | Rates (Rs.) |
|--|-------------|
| New Private Car - Three year single premium | |
| Not exceeding 1000 cc | 6,521 |
| Exceeding 1000 cc but not exceeding 1500 cc | 10,640 |
| Exceeding 1500 cc | 24,596 |
| New Two Wheeler - Five year single premium | |
| Not exceeding 75 cc | 2,901 |
| Exceeding 75 cc but not exceeding 150 cc | 3,851 |
| Exceeding 150 cc but not exceeding 350 cc | 7,365 |
| Exceeding 350 cc | 15,117 |

Table V

Rates for Electric vehicles - Non passenger carrying

| Category | Vehicle Type | Rates (Rs) |
|----------|---|------------|
| | Private Cars | |
| | Not exceeding 30 KW | 1,780 |
| | Exceeding 30 KW but not exceeding 65 KW | 2,904 |
| | Exceeding 65 KW | 6,712 |
| | Two Wheelers | |
| | Not exceeding 3 KW | 457 |
| | Exceeding 3 KW but not exceeding 7 KW | 607 |
| | Exceeding 7 KW but not exceeding 16 KW | 1,161 |
| | Exceeding 16 KW | 2,383 |
| A1 | Goods Carrying Commercial Vehicles (other than 3 wheelers) - Public | |
| | GVW not exceeding 7500 kgs | 13,642 |
| | Exceeding 7500 kgs but not exceeding 12000 kgs | 23,108 |
| | Exceeding 12000 kgs but not exceeding 20000 kgs | 30,016 |
| | Exceeding 20000 kgs but not exceeding 40000 kgs | 37,357 |
| | Exceeding 40000 kgs | 37,606 |
| A2 | Goods Carrying Commercial Vehicles (other than 3 wheelers) - Private | |
| | GVW not exceeding 7500 kgs | 7,233 |
| | Exceeding 7500 kgs but not exceeding 12000 kgs | 14,749 |
| | Exceeding 12000 kgs but not exceeding 20000 kgs | 9,324 |

| | | |
|----|--|--------|
| | Exceeding 20000 kgs but not exceeding 40000 kgs | 14,982 |
| | Exceeding 40000 kgs | 21,282 |
| A2 | Goods Carrying Motorized Three Wheelers and Motorized Pedal Cycles - Public Carriers | |
| | e-carts | 3,139 |
| A3 | Goods Carrying Motorized Three Wheelers and Motorized Pedal Cycles - Private Carriers | |
| | e-carts | 3,211 |

Table VI

Long term rates for electric vehicles - Private Cars and Two wheelers:

| Category of Vehicle | Rates (Rs.) |
|--|-------------|
| New Private Car - Three year single premium | |
| Not exceeding 30 KW | 5,543 |
| Exceeding 30 KW but not exceeding 65 KW | 9,044 |
| Exceeding 65 KW | 20,907 |
| New Two Wheeler - Five year single premium | |
| Not exceeding 3 KW | 2,466 |
| Exceeding 3 KW but not exceeding 7 KW | 3,273 |
| Exceeding 7 KW but not exceeding 16 KW | 6,260 |
| Exceeding 16 KW | 12,849 |

Table VII

Rates for Electric vehicles - Passenger carrying

| Vehicle type | KW Segments | Basic premium (Rs.) | TP Premium licensed passenger (Rs.) |
|---|---|---------------------|-------------------------------------|
| C1a (Four wheeled vehicles used for carrying passengers for hire or reward with carrying capacity not exceeding 6 passengers) | Not exceeding 30 KW | 5,134 | 988 |
| | Exceeding 30 KW but not exceeding 65 KW | 6,749 | 831 |
| | Exceeding 65 KW | 8,945 | 949 |
| C1b (Three wheeled vehicles used for carrying passengers with carrying capacity not exceeding 6 passengers) | e-rickshaw | 1,648 | 789 |

| | | | |
|---|--|--------|-------|
| C2 (Four or more wheeled vehicles used for carrying passengers with carrying capacity exceeding 6 passengers for hire and reward) | Educational institution bus | 11,670 | 713 |
| | Other than educational institution bus | 12,192 | 745 |
| C3 (Motorised three wheeled-passenger vehicles used for carrying passengers for hire or reward with carrying capacity exceeding 6 passengers but not exceeding 17 passengers) | | 5,749 | 1,147 |
| C2 (Three wheeled vehicles used for carrying passengers for hire and reward with carrying capacity exceeding 17 passengers) | | 13,177 | 806 |
| C4 (Motorised Two Wheelers used for carrying passengers for hire or reward) | Not exceeding 3 KW | 732 | 493 |
| | Exceeding 3 KW but not exceeding 7 KW | 732 | 493 |
| | Exceeding 7 KW but not exceeding 16 KW | 732 | 493 |
| | Exceeding 16 KW | 1916 | 493 |

Table VIII - Quadricycle

| Category | Vehicle Type | Rates (Rs.) | |
|-------------|--|-------------|------------------------|
| | | Basic Rate | Per Licensed Passenger |
| Quadricycle | Private Car | 2,094 | N/A |
| | Electric private Car (Not exceeding 30 KW) | 1,780 | N/A |
| | Commercial Vehicles not exceeding 500 CC | 2,539 | 1,214 |

Long term rates - Three years single premium:

| Category | Vehicle Type | Rates (Rs.) |
|-------------|--|-------------|
| Quadricycle | New Private Car | 6,521 |
| | New Electric private Car (Not exceeding 30 KW) | 5,543 |

Note:

- I. Educational institution bus means an omnibus, which is owned by a college, school or other educational institution and used solely for the purpose of transporting students or staff of the educational institution in connection with any of its activities.
- II. As for the Vintage Cars segment, a discounted price of 50% of the rate based on the erstwhile Indian Motor Tariff (IMT) is approved for those private cars registered as Vintage Cars.
- III. A discount of 15% on Motor TP premium rates for Electric Private Cars, Electric Two Wheelers, Electric Goods carrying Commercial Vehicles and Electric Passenger carrying vehicles is approved and the rates are given in the above Tables V, VI, VII & VIII.
- IV. A discount of 7.5% on Motor TP premium rates for Hybrid Electric Vehicles is accepted. All rates will be rounded off to the nearest rupee

[No. RT-11036/194/2021-MVL]

(Amit Varadan)

Joint Secretary to the Government of India