



बीमा विनियामक और विकास प्राधिकरण  
**INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY**

Ref: IRDA/NL/CIR/F&U/073/11/2009

November 16, 2009

To  
CEOs of all General Insurance Companies

**Re: Liability of Insurance Companies in respect of Occupant of a  
Private Car and Pillion Rider in a Two-Wheeler under Standard  
Motor Package Policy [also called Comprehensive Policy]**

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Insurers' attention is drawn to wordings of Section (II) 1 (i) of Standard Motor Package Policy (also called Comprehensive Policy) for Private Car and Two-Wheeler under the (erstwhile) India Motor Tariff. For convenience the relevant provisions are reproduced hereunder:

**“Section II – Liability to Third Parties**

1. Subject to the limits of liability as laid down in the Schedule hereto the Company will indemnify the insured in the event of an accident caused by or arising out of the use of the insured vehicle against all sums which the insured shall become legally liable to pay in respect of –

- (i) death or bodily injury to any person including occupants carried in the vehicle (provided such occupants are not carried for hire or reward) but except so far as it is necessary to meet the requirements of Motor Vehicles Act, the Company shall not be liable where such death or injury arises out of and in the course of employment of such person by the insured.”

It is further brought to the attention of insurers that the above provisions are in line with the following circulars earlier issued by the Tariff Advisory Committee on the subject:

- (i) Circular M.V. No. 1 of 1978 – dated 18<sup>th</sup> March 1978 [regarding occupants carried in Private Car] effective from 25<sup>th</sup> March 1977.
- (ii) MOT/GEN/10 dated 2<sup>nd</sup> June 1986 [regarding Pillion Riders in a Two-Wheeler] effective from the date of the circular.

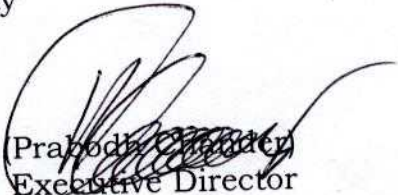
The above circulars make it clear that the Insured's liability in respect of Occupant(s) carried in a Private Car and Pillion Rider carried on Two-

wheeler is covered under the Standard Motor Package Policy. A copy each of the above circulars is enclosed for ready reference.

The Authority vide circular no. 066/IRDA/F&U/Mar-08 dated March 26, 2008 issued under File & Use Guidelines has reiterated that pending further orders the insurers shall not vary the coverage, terms and conditions, wordings, warranties, clauses and endorsements in respect of covers that were under the erstwhile tariffs. Further the Authority, vide circular no. 019/IRDA/NL/F&U/Oct-08 dated November 6, 2008 has mandated that insurers are not permitted to abridge the scope of standard covers available under the erstwhile tariffs beyond the options permitted in the erstwhile tariffs.

All General Insurers are advised to adhere to the aforementioned circulars and any non-compliance of the same would be viewed seriously by the Authority.

This is issued with the approval of Competent Authority

  
Prabodh Chandra  
Executive Director

Copy to:

- 1) Mr. Swaraj Krishnan, CEO  
Bajaj Allianz General Insurance Co. Ltd.
- 2) Mr. Bhargav Das Gupta, CEO  
ICICI Lombard General Insurance Co. Ltd.
- 3) Mr. S. Narayanan, CEO  
IFFCO Tokio General Insurance Co. Ltd.
- 4) Mr. K. A. Somasekaran, CEO  
Reliance General Insurance Co. Ltd.
- 5) Mr. Ajay Singh Bimbhet, CEO  
Royal Sundaram Alliance Insurance Co. Ltd.
- 6) Mr. Gaurav Garg, CEO  
Tata AIG General Insurance Co. Ltd.
- 7) Mr. S. S. Gopalarathnam, CEO  
Cholamandalam MS General Insurance Co. Ltd.

- 8) Mr. Ritesh Kumar, CEO  
HDFC ERGO General Insurance Co. Ltd.
- 9) Mr. K. G. Krishnamoorthy Rao, CEO  
Future Generali India Insurance Company Limited
- 10) Mr. Koichi Hattori, CEO  
Universal Sompo General Insurance Co. Ltd.
- 11) Mr. J.S.Gujral, CEO  
Shriram General Insurance Company Limited,
- 12) Dr. Amarnath Ananthanarayanan, CEO  
Bharti AXA General Insurance Company Limited
- 13) Mr.Praveen Gupta, CEO  
Raheja QBE General Insurance Company Limited,
- 14) Mr. N. S. R. Chandraprasad, C&MD  
National Insurance Co. Ltd
- 15) Mr. A. R. Sekar, C&MD  
The New India Assurance Co. Ltd.
- 16) Mr. M. Ramadoss, C&MD  
The Oriental Insurance Co. Ltd.
- 17) Mr. G. Srinivasan, C&MD  
United India Insurance Co. Ltd.