



भारतीय बीमा विनियामक और विकास प्राधिकरण
INSURANCE REGULATORY AND
DEVELOPMENT AUTHORITY OF INDIA



Handbook on

e-Vahan Bima

(e-Motor Insurance Policies)

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1.About this handbook

This handbook is designed by the Insurance Regulatory and Development Authority of India (IRDAI) and the Insurance Information Bureau of India (IIB) as a guide on roll out of e-motor insurance policies (e-Vahan Bima).

2.Electronic Motor Insurance policies (e-Vahan Bima):

Driving a motor vehicle without insurance in a public place is a punishable offence under Motor Vehicle Act 1988 and Third Party Insurance is a statutory requirement. Motor insurance gives protection to the vehicle owner against damage to his/her vehicle and pays for legal liability in case of any injury or damage to any Third party life or property caused by the use of vehicle in a public place.

Issuance of electronic Motor policies can be seen in the light of compliance with the law, cost efficiency, faster delivery of insurance policies and arresting fraud. As a part of digital initiative, all the motor insurance policies, especially in the State of Telangana will be issued in electronic form with a quick response (QR) code for ease of the citizens as well as for verification by the enforcement agencies.

3.Frequently Asked Questions

i) What is an “e-Insurance policy”?

“e-insurance policy” is a digitally signed insurance contract issued in an electronic form by an Insurer either directly to the policyholder or through the platform of registered Insurance repository.

ii) Why do we need electronic policies for motor insurance?

Many times, the physical copy of the motor insurance policy are not carried in the vehicles plying on the road leading to avoidable problems to the citizen and the enforcement agencies. An electronic motor insurance policy will remove these difficulties as they can be available at any time.

iii) How do electronic motor insurance policies benefit the common citizen?

Despite mandatory requirement of Third party motor insurance, there are a number of uninsured vehicles plying on the road. This dilutes the safety net and has an impact on the compensation limits available to the common man in case of any grievous hurt or injury arising out of use of such uninsured vehicles. Electronic motor insurance policies help in issuance of insurance policies at the door steps of the vehicle owners thereby promoting compliance levels. These policies can be issued on-line across the country, thus, paving way for a host of benefits like faster issuance, reduction in fraud, higher customer satisfaction, elimination of revenue leakages, analytics and so on. Police/Transport personnel can seek the vehicle details from the Insurers' database or a central database maintained by Insurance Information Bureau of India (IIB) to check whether the vehicles plying on the roads are having insurance or not.

iv) Who will issue electronic policies?

There are two options for this. Insurers can issue the electronic policy through their portal or tie up with insurance repositories to manage the issuance. If insurers take this up on their own, they would still need to send the physical copy to the customer.

v) What is e-Vahan Bima?

e-Vahan Bima is an electronic motor insurance policy. It is a policy issued in digital form.

vi) When will it be implemented?

This will be implemented with effective from 2nd January, 2016 in the State of Telangana.

vii) How do traffic police verify the electronic motor insurance policies?

Once you take an electronic motor insurance policy, you will get a digital policy in your email. The said policy will have all details of motor insurance. Normally this should be sufficient as an evidence of insurance. However, it is also possible to verify the motor insurance policy details online and offline. Along with each policy, a QR code is also issued by the Insurer. When traffic police scans the QR code, all details of the motor insurance policy are fetched from the database of the Insurer or from the central database of IIB.

viii) I do not have an email. How do I get my e-policy?

Once a digital policy is issued, an SMS is sent to the policyholder. In due course, it is also proposed to issue a unique code by which the policy details can be obtained online. A mobile app will also be soon provided which can be downloaded with ease on your windows, android and apple phones wherein too, the policy details are available along with a QR Code.

ix) What is a QR code?

Quick Response Code (QR code) is a type of bar code that contains information about the item, in the instant case, the Motor Insurance Policy details.

x) How to read the QR code?

It is very simple using Smart phones.

Step 1: Download the application named 'QR Code Scanner' from the Play Store or App Store onto your Smart Phone.

Step 2: Scan the image of the QR Code present on the Policy Copy.

Step 3: Click on the Scan button to see the details of the policy.

xi) What if my area does not have internet connectivity?

No problem. The details are anyway available in the digital policy. Besides, the QR code can be stored in the instrument of the Traffic Police and details can be obtained later. The traffic police can also get the Insurance status through SMS facility from the central database.

xii) What if my phone does not work due to battery or other issue?

The mobile app will have a facility to view and even print the insurance policy and you can always keep a printout if you so wish. The print out will also have the QR code which can be scanned by the traffic police to verify the authenticity.

xiii) My dad drives a vehicle but he doesn't have a smart phone.

No problem. He can carry a print out of the policy and also paste a copy of the QR image on the vehicle.

xiv) My friend borrowed my vehicle. The Insurance details are in my Smart Phone -

No problem. Paste a copy of the QR image on the vehicle which can also be verified by Traffic police. However, please ensure that this QR image is well retained and not damaged.

xv) I have been checking with my friends and most of them seem to be unaware of this feature. What is the guarantee that all traffic police will be aware of this?

The Government of Telangana is issuing instructions to the Traffic Police and other enforcement agencies. Several awareness initiatives of all stakeholders including IRDAI, Police and Transport department of Telangana are being taken up. It is unlikely that traffic police would be unaware of the initiative. However, the option of keeping a hard copy of the policy for the initial period is always there.

xvi) I frequently shuttle between 2 to 4 states in my vehicle. What if the traffic police in other states do not recognize my electronic policy?

We may face this difficulty during the initial phase. To avoid any inconvenience, we recommend you to take the print out of the policy as a backup. Hopefully, by the time your policy comes up for renewal next year, we will have a country wide implementation.

xvii) What are the costs involved for the policy holder?

There is no extra cost involved for electronic motor insurance policy.

xviii) Can I get an electronic Insurance Account (eIA) using my electronic motor insurance policy?

An eIA will be provided if your policy is issued by the Insurer through Insurance Repository. You can also create an eIA with any of the registered Insurance Repository, even if the policy is directly issued by the Insurer. For details, please visit any of the websites of the registered Insurance Repositories.

xix) I learnt that KYC is necessary for creation of eIA. Is it necessary in this case too?

Since KYC is not mandatory while taking the motor insurance policy, the electronic motor insurance policies also follow the same practice. KYC check is also exempted from the e-Insurance Accounts for the purpose of holding electronic motor insurance policies. However, if other policies are to be held through eIA, KYC would be necessary.

xx) How to convert my existing physical policies into e-motor insurance policies (e-Vahan Bima)?

All insurers have been advised to provide a portal wherein the existing Motor Insurance policies can also be obtained in an electronic version along with a QR code.

xxi) What other benefits does an electronic motor insurance policy bring?

It is environment friendly initiative making small contribution by replacing paper based insurance policy through digital policy. In a way, we will be protecting the trees, which are other-wise required for making paper, to provide clean air for future generations.

xxii) What about safety of data and privacy?

Systems are in place with Insurance Repositories/Insurers/IIB to safeguard the privacy of the data maintained and adequate systems to prevent manipulation of records and transactions.

xxiii) What are the future possibilities?

The sale of motor insurance can also be made easy by expanding the base through usage of multiple channels such as ATMs, Common Service Centres and on line facilities. This is likely to expand the motor insurance reach.

There are about 15 crore motor vehicles in the country and electronic motor vehicle insurance policies will result in a large data base. This can be used to promote insurance in other areas too leading to greater financial inclusion thereby improving the social net.

Disclaimer:

This handbook is intended to provide you generic information only and is not exhaustive. It is an education initiative and does not seek to give any legal advice