

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 per 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