

Bajaj Allianz General Insurance Company Limited

## Long Term Two Wheeler Package Policy

UIN : BAL-MO-P16-65-V01-15-16

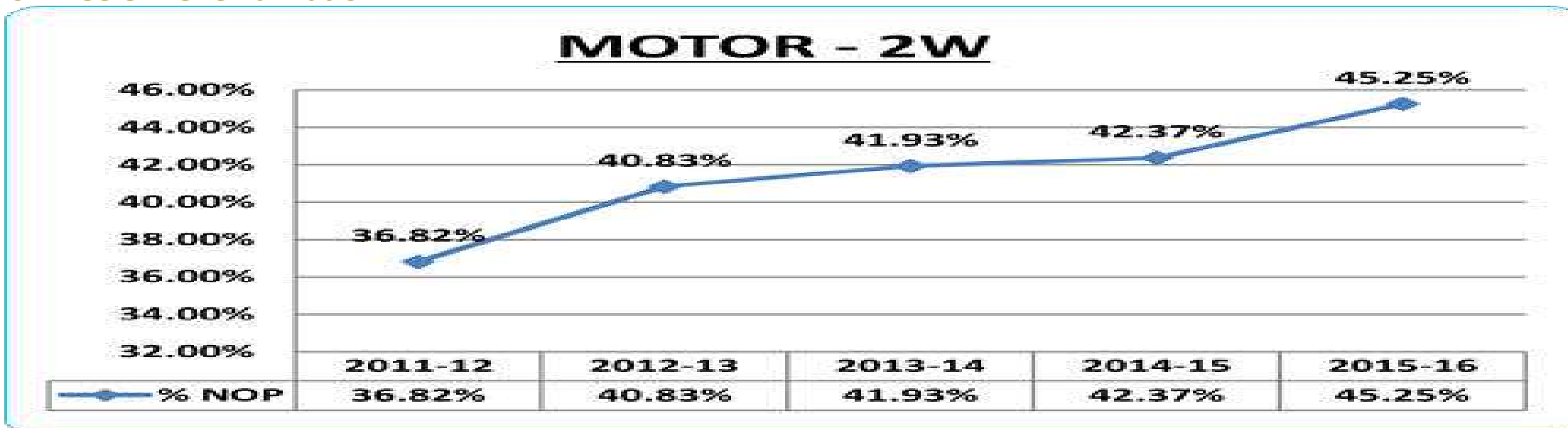


**One less thing to remember**


Circular Number : BJAZ/MOT/UW/ 16-17-0001



## Two wheeler Renewal Ratio



\*Above shown is PAN India Renewal Ratio. It vary from location to location from 15% to 60%



### Facts to worry

- 75% of two wheelers are in India are uninsured which is highest compared other class of vehicles
- Highest drop out in insurance after first year found in two wheeler due to lack of awareness of every year renewal

-FICCI reports Nov'2014

# Bajaj Allianz Long term Two wheeler package Policy- Benefits

- Insure once and remain insured for **3 consecutive years**
- Be **worry free from renewal efforts every year**
- **Safeguard** from **yearly Third Party premium hikes**
- **Safeguard** from **frequent service tax rate hikes**
- **Additional NCB benefit %** at the expiry of the long term policy period
- **Get NCB% benefit even in case of a claim** at the expiry of the long term policy period
- Higher the Voluntary deductible, **lower the premium**
- Get **NCB entitlement** in case of **ownership transfer**



## Benefit Comparison with One year Two Wheeler Package Policy

Feature	One Year Two Wheeler Package Policy	Long Term Two Wheeler Package Policy
Renewal frequency	Every Year	Once in three years
Coverage period	One year	Three year
Premium hikes	Every year pay increased TP premium	No effect in the TP premium during the policy period.
NCB benefit	As per tariff	Additional benefit at the time of renewal
NCB benefit after a claim	NCB become Zero after one claim	NCB gets reduced but does not become nil
Mid-Term Cancellation Refund	No refund in case of any Claim	Proportional Refund provision even after claim during Policy Period



# Bajaj Allianz Long term Two wheeler package Policy Vs. Annual Policy



- Every year renewal
- Inflation in premium every year
- NCB As per tariff
- No refund in claim



## Bajaj Allianz Long Term Two Wheeler Policy



- Non-stop journey of policy till 3 years
- Savings with No effect of increase in premium
- Extra NCB slab Benefit on renewal
- NCB benefit even in case of claim or ownership transfer at renewal (\*)
- Provision of additional discount with extra voluntary excess



## NCB provision In Long term two wheeler package policy

Applicability of NCB on policy issuance will be as per below:

✓ One year to Long term two wheeler package policy	
Eligible NCB	NCB on long term policy if No claim
0	0%
20%	20%
25%	25%
35%	35%
45%	45%
50%	50%

✓ Long term policy convert into Long term Policy or One year Annual Policy	
Eligible NCB	NCB on long term policy if No claim
0	0
0.01- 20.00	20
20.01 - 25.00	25
25.01-35.00	35
35.01-45.00	45
45.01-50.00	50

**Kindly Note: NCB as per above slab will be used for premium calculation of long term Package policy.**

**Illustration as below:**

Assuming OD premium for 3 years long term package policy-Rs.1000

NCB eligibility of customer as per above slabs – 20%

OD Premium after NCB :  $1000 - 200 = \text{Rs.}800$

## BAGIC Long Term TW Package Policy Vs. Competitors Long Term TW Package Policy

Features		BAGIC	Competitor-1	Competitor-2
NCB Benefit at the expiry of long term policy period		10%* more NCB benefit as compared to NCB benefits provided in India Motor Tariff, up to Max 50% (**)	5%* more NCB benefit as compared to NCB benefits provided in India Motor Tariff, up to Max 50% (**)	As per India Motor Tariff
NCB benefit at the expiry of long term policy period even on a claim during policy		No claim - 50% One claim - 45% Two claims - 35% <b>Three claim - 25%</b>  (above slabs assuming 20% NCB at the inception of policy)	No claim - 50% One claim - 40% Two claims - 30% <b>Three claim - 0%</b>  (above slabs assuming 20% NCB at the inception of policy)	As per India Motor Tariff
Voluntary Deductible Discount	Voluntary deductible Slabs	Available up to Rs. 15000  (vehicles having IDV needs more than Rs. 75000 for above 3000 Voluntary deductible)	Only up to Rs. 3000/-	Only up to Rs. 3000/-
	Maximum Rs. Capping on discount	No any Maximum Rupees capping	Capping of maximum Rs 250 discount	Capping of maximum Rs 250 discount
Refund of Premium on cancellation of policy with partial claim		Proportional refund provision	No refund	No refund

## No claim Bonus benefit at expiry of long term policy period :

✓ **More NCB benefit** : Illustration - If a long term policy is issued of new vehicle for with 0% NCB

Claim Count	NCB With Bajaj Allianz	NCB With Competitor-1	NCB with competitor-2
No Claim	✓ 45%	40%	As per India Motor Tariff similar to annual policy (IMT-2002 GR.27)
One claim	35%	30%	
Two claim	25%	20%	
Three Claim	0%	0%	

## ✓ NCB benefit at expiry of long term policy period even on a claim during policy

Illustration : If a long term policy is issued of vehicle with 20% NCB available at inception

Claim Count	NCB With Bajaj Allianz	NCB With ICICI Lombard	NCB with New India assurance
No Claim	✓ 50%	50%	As per India Motor Tariff similar to annual policy (IMT-2002 GR.27)
One claim	45%	40%	
Two claim	35%	30%	
Three Claim	✓ 25%	0%	
Fourth Claim	0%	0%	



# Bajaj Allianz Long term Two wheeler package Policy benefit (Zone- A)

## ✓ Premium Benefit:

Premium Comparison						Benefit
Annual Policy premium for 3 years(Rs.)	5148			Bajaj Long term two wheeler Policy premium for 3 years(Rs.)	4042	Rs.1106/-
Age	New	1 year	2 year	Age	New	21%
IDV	50000	40000	36000	IDV	50000	
OD	854	683	615	OD	1523	
TP	669	762	869	TP	2007	
OD + TP	1523	1445	1484	OD + TP	3530	
Service Tax	221	226	250	Service Tax	512	
Final Premium	1744	1671	1734	Final Premium	4042	

### The above figures Based on following assumptions:

1. Two wheeler is brand new costing Rs. 50000/-
2. Two wheeler's engine capacity does not exceed 150 cc. and registered in "Class - A"
3. It is assumed there has been one claim on every annual policy
4. All above calculations are based on tariff premium rates
5. Annual policy calculations are taken with assumptions of increase in third party premium at 14.7% based on past 3 years experience
6. Annual policy calculations are taken with assumptions of increase in Service tax at 7.8% based on past 3 years experience



## Mr. A

purchased annual policies every year for 3 year and takes 2 claim first 2 years

Annual Policy premium for 3 years(Rs.)	4377		
Age	1st year	2nd year	3rd year
IDV	50000	40000	36000
OD	854	683	615
NCB(20%)	-683	0	0
TP	669	762	869
OD + TP	840	1445	1484
Service Tax	122	231	255.5
Final Premium	962	1676	1739



## Mr. Smart

purchased Bajaj Allianz long term package policy of 3 year and takes 2 claim during policy period

Bajaj Long term two wheeler Policy premium for 3 years(Rs.)	4175
Age	New
IDV	50000
OD after 20% NCB	1297
TP	2007
OD + TP	3304
Service Tax	479
Final Premium	3783

### ✓ Benefit Comparison

- Expensive by 15% premium with tension of remembering renewal every year
- Only 20% NCB eligibility at the end of 3 year
- If claim in last year worry of losing NCB

The above figures Based on following assumptions:

1. Two wheeler is brand new costing Rs. 50000/-
2. Two wheeler's engine capacity does not exceed 150 cc. and registered in "Zone- A"
3. All above calculations are based on tariff premium rates
4. Annual policy calculations are taken with assumptions of increase in third party premium at 14.7% based on past 3 years experience
5. Annual policy calculations are taken with assumptions of increase in Service tax at 7.8% based on past 3 years experience

- ✓ Saving of **15%** in Premium with insurance coverage for consecutive 3 years compared to Mr.A
- ✓ **35% NCB entitlement even 2 claim benefit**
- ✓ **No worry of losing NCB if claim made in last year**

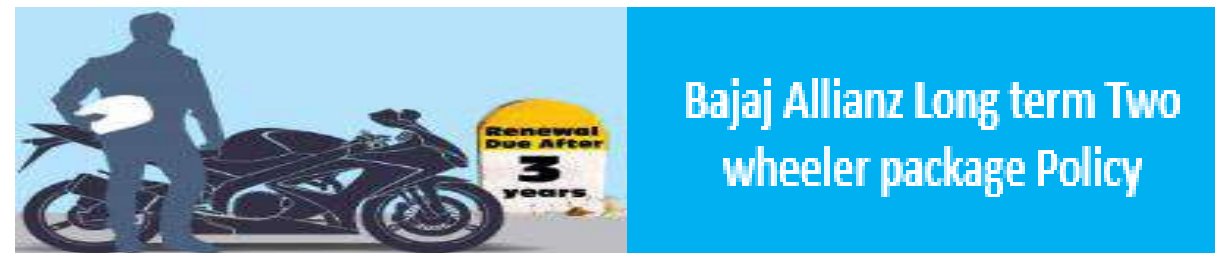
## ✓ Increased Premium Size

Bajaj Long term two wheeler package policy also provides incentive to channel partners due to its premium size.



Make	Maruti
Model	Alto
Variant	LX
Age	2005
NCB	25%
IDV	105700
OD Premium	1732
Third party premium	2055
Net Premium	3787
Service tax	549
<b>Final Premium</b>	<b>4336</b>

Vs.



(Zone- Class A)

<b>Bajaj Long term two wheeler Policy premium for 3 years(Rs.)</b>	<b>4175</b>
Age	One year old
IDV	50000
OD	2050
NCB(20%)	-410
TP	2007
OD + TP	3647
Service Tax	528.769
<b>Final Premium</b>	<b>4175</b>

## ✓ Higher the Voluntary Deductible, Lower the premium

### Need and Features

With the increasing trend of high end two wheelers in Indian Market , Current available voluntary excess slabs becomes insufficient to provide customer reasonable savings in premium due to fixed premium discount capping in Rupees as per existing motor tariff

In **Bajaj Allianz Long term Two wheeler package Policy** , customer gets the option of additional savings by opting **higher slabs of voluntary excess and without any fixed premium discount capping**

As of June'15 compared to June'14

Two-Wheelers	Growth (%)
Bajaj Auto	4.68%
Harley-Davidson India	43.30%
Hero MotoCorp	-2.88%
HMSI	7.26%
India Kawasaki Motors	-3.39%
India Yamaha Motor	26.47%
Mahindra Two Wheelers	-39.47%
Piaggio Vehicles	12.97%
Royal Enfield	49.26%
Suzuki Motorcycle India	22.44%
Triumph Motorcycles India	9.91%
TVS Motor Co	5.48%
<b>Total</b>	<b>3.66%</b>

Source: [www.autocarpro.in](http://www.autocarpro.in)

### Additional voluntary deductible slabs

Voluntary Deductible	Discount on OD Premium	Applicability SUM INSURED	
		UP TO 75000	> 75000
Rs. 500	5% on the OD premium	Y	Y
Rs. 750	10% on the OD premium	Y	Y
Rs. 1000	15% on the OD premium	Y	Y
Rs. 1500	20% on the OD premium	Y	Y
Rs. 3000	25% on the OD premium	Y	Y
Rs. 4000	30% on the OD premium	N	Y
Rs. 6500	35% on the OD premium	N	Y
Rs. 10000	40% on the OD premium	N	Y
Rs. 15000	45% on the OD premium	N	Y

## Voluntary Deductible :

✓ No any Capping in terms of rupees for all voluntary deductible discounts  
 Indian Market Two wheeler trend



1990's



2000



2010 onwards

### Benefit Illustration:

Voluntary Deductible	Discounting slabs	DISCOUNT IN Rs.		
		Annual Policy	Other Insurance companies With capping in terms of Rs.	Bajaj Allianz Long term Two wheeler package Policy
		Existing maximum capping of discounting in Rs. New Bajaj Pulsar 220 DTS-Fi  IDV-Rs.84000	New Bajaj Pulsar 220 DTS-Fi  IDV-Rs.84000	New Bajaj Pulsar 220 DTS-Fi  IDV-Rs.84000/-
Rs.500	5% on the OD premium	Rs. 50	150	Rs.189/-
Rs. 750	10% on the OD premium	Rs.75	Rs. 225/-	Rs. 378
Rs. 1000	15% on the OD premium	Rs. 125	Rs. 375/-	Rs. 567
Rs. 1500	20% on the OD premium	Rs. 200	Rs. 600/-	Rs. 756
Rs. 3000	25% on the OD premium	Rs. 250/-	Rs. 750/-	Rs. 945
Rs. 4000	30% on the OD premium	Not allowed	Not allowed	Rs. 1134
Rs. 6500	35% on the OD premium	Not allowed	Not allowed	Rs. 1323
Rs. 10000	40% on the OD premium	Not allowed	Not allowed	Rs. 1512
Rs. 15000	45% on the OD premium	Not allowed	Not allowed	Rs. 1701



# Bajaj Allianz - Long term Two wheeler package Policy benefits : Refund

## ✓ Refund

### In case of Partial loss:

Policy Period	Policy period in which cancellation request received	Refund rate		
		Bajaj Allianz Long term Two wheeler package Policy	With ICICI LOMBARD	New India Assurance
3 years	Not exceeding 12 months	50% of premium	No refund provision in case of Partial Claim	No refund provision in case of Partial Claim
	Exceeding 12 months but not exceeding 24 months	10% of premium		
	Exceeding 24 months	No premium refund		

### In case of total loss:

Policy Period	Policy period in which cancellation request received	Refund Rate					
		Bajaj Allianz Long term Two wheeler package Policy		With ICICI LOMBARD		New India Assurance	
		OD Refund	TP Refund	OD Refund	TP Refund	OD Refund	TP Refund
3 years	Not exceeding 12 months	60%	Full TP PREMIUM OF REMAINING 2 YEARS	60%	Full TP PREMIUM OF REMAINING 2 YEARS	No Refund	Full TP PREMIUM OF REMAINING 2 YEARS
	Exceeding 12 months but not exceeding 24 months	30%	Full TP PREMIUM OF REMAINING 1 YEAR	30%	Full TP PREMIUM OF REMAINING 1 YEAR		Full TP PREMIUM OF REMAINING 1 YEAR
	Exceeding 24 months	0%	0%	0%	0%		0%

## Cancellation of Policy:

### Cancellation by Insured

The policy may be cancelled at any time by the insured on seven days' notice by recorded delivery and provided

#### In case of no Claim:

The insured shall be entitled for premium refund at the Company's Short Period Scale provided in table below

Where the ownership of the vehicle is transferred, the policy cannot be cancelled unless evidence that the vehicle is insured elsewhere is produced

### Short Period Scale

% of Premium to be refunded	Two Years Policy	Three Years Policy
<b>80%</b>	Not exceeding 4 months	Not exceeding 6 months
<b>70%</b>	Exceeding 4 months but not exceeding 6 months	Exceeding 6 months but not exceeding 9 months
<b>60%</b>	Exceeding 6 months but not exceeding 8 months	Exceeding 9 months but not exceeding 12 months
<b>50%</b>	Exceeding 8 months but not exceeding 10 months	Exceeding 12 months but not exceeding 15 months
<b>40%</b>	Exceeding 10 months but not exceeding 12 months	Exceeding 15 months but not exceeding 18 months
<b>30%</b>	Exceeding 12 months but not exceeding 14 months	Exceeding 18 months but not exceeding 21 months
<b>20%</b>	Exceeding 14 months but not exceeding 16 months	Exceeding 21 months but not exceeding 24 months
<b>10%</b>	Exceeding 16 months but not exceeding 18 months	Exceeding 24 months but not exceeding 27 months
<b>0%</b>	Exceeding 18 months	Exceeding 27 months

## Motor Underwriting Guidelines

Parameter	Details
Product code	1843
Pre-requisite	2W2M
Age	No limit
Commercial Discount, IDV Variation, Break in policy acceptance	All terms will be similar to existing terms of 1802 product code
Backdation	Not allowed
Cover note	Not allowed

## Policy Features

- ✓ **UIN number of IRDA approval** will be displayed on Policy PDF as **UIN : BAL-MO-P16-65-V01-15-16**



**BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED**  
Long Term Two Wheeler Package Certificate of Insurance  
UIN: BAL-MO-P16-65-V01-15-16

- ✓ **Period of insurance** is displayed basis policy period declared in the proposal for 3 years.



**Effective date of commencement of Insurance for the purpose of act:**  
 Policy Inception Date: From 00:01 O' Clock on 13-APR-2016  
 Policy Expiry Date: Midnight on 12-APR-2019

- ✓ **The Insured's Declared Value (IDV) of the vehicle** :will be fixed at the commencement of the policy period for each year of the policy.

- IDV of the vehicle will be fixed based on age wise depreciation applicable provided in India Motor Tariff
- User ID IDV variation rights will be applicable on first year IDV and same % variation will be applied on 2<sup>nd</sup> year and 3<sup>rd</sup> year IDV
- The policy schedule will show Insured Declared Value Policy year wise



Policy Year	Tenure		Total SI
	From	To	
1	13-APR-16	12-APR-17	33824
2	13-APR-17	12-APR-18	29051
3	13-APR-18	12-APR-19	24901

# Bajaj Allianz Long term Two wheeler package Policy

✓ **The Insured's Declared Value (IDV) of the vehicle** :will be fixed at the commencement of the policy period for each year of the policy.

- IDV of the vehicle will be fixed based on age wise depreciation applicable provided in India Motor Tariff
- As shown below with Selection of vehicle details system will automatically populate IDV of vehicle as per current depreciation slabs defined by IMT

**Vehicle Details**

Policy Period	3 Years	Risk Inception Date*	16-APR-2016	Model-Sub Type*	ACTIVA-STD
Cubic Capacity *	102	Fuel Type *	PETROL	Pincode*	411006
Registration City*	PUNE	Registration Date *	01-APR-2015	Manufacturing Year *	2015
Additional Excess		IDV *	33824	Engine No.*	TRGWRTGTGRTG
Chassis No.*	FVDFVSVSGV	Sub Intermediary	--Not Selected--	Hire/Hypo/Lease With	--Not Selected--
Vehicle Registration No*	MH 12 AS 3434	<input type="checkbox"/> Other Format			
Re-Enter Reg No*	MH12AS3434				

- IDV of the vehicle will be printed on policy copy policy period wise as per age wise depreciation applicable provided in India Motor Tariff

Policy Year	Tenure		Total SI
	From	To	
1	13-APR-16	12-APR-17	33824
2	13-APR-17	12-APR-18	29051
3	13-APR-18	12-APR-19	24901

- If IMD having existing -10% IDV variation rights IDV will be printed on Policy as per below considering -10% variation on every year as shown below:

Policy Year	Tenure		Total SI
	From	To	
1	13-APR-16	12-APR-17	30442
2	13-APR-17	12-APR-18	26146
3	13-APR-18	12-APR-19	22411



## ✓ Claim implications

- If IDV on the Policy as below

Policy Year	Tenure		Total SI
	From	To	
1	13-APR-16	12-APR-17	33824
2	13-APR-17	12-APR-18	29051
3	13-APR-18	12-APR-19	24901

### In case of Total Loss/Theft claim

If Total loss/theft claim lodged during first year during period 13 April'16 to 12<sup>th</sup> April'17 – IDV 33824 taken into consideration

If Total loss/theft claim lodged during second year during period 13 April'17 to 12<sup>th</sup> April'18 – IDV 29051 taken into consideration

If Total loss/theft claim lodged during third year during period 13 April'18 to 12<sup>th</sup> April'19 – IDV 24901 taken into consideration

### In case of Partial Loss: Depreciation will be remain same as per current depreciation slabs on parts of vehicle as below

Depreciation on Parts for Partial Loss Claims	
Rate of depreciation for all rubber nylon/ plastic parts, tyres and tubes, batteries and air bags	50%
Rate of depreciation for all fibre glass components	30%
Rate of depreciation for all parts made of glass	Nil

Rate of depreciation for all other parts including wooden parts	
AGE OF THE VEHICLE	% OF DEPRECIATION
Not exceeding 6 months	Nil
Exceeding 6 months but not exceeding 1 year	5%
Exceeding 1 year but not exceeding 2 years	10%
Exceeding 2 years but not exceeding 3 years	15%
Exceeding 3 years but not exceeding 4 years	25%
Exceeding 4 years but not exceeding 5 years	35%
Exceeding 5 years but not exceeding 10 years	40%
Exceeding 10 years	50%

# Bajaj Allianz Long term Two wheeler package Policy

## ✓ Policy Issuance system – Added features

### ✓ Launch in 2W2M

Eproposal Module

One Year Two Wheeler Package Policy

Long Term Two Wheeler Package Policy

View Policy

Float Replenishment Option

### ✓ Option of policy period 2 and 3 year first time in motor

Vehicle Details

Policy Period

3 Years

3 Years

2 Years

### ✓ Voluntary deductible first time above Rs. 3000 available in system\*

Voluntary deductible 0

0

500

750

1000

1500

3000

4000

6500

10000

15000

\*Above Rs. 3000 slabs applicable for vehicles with IDV above 75000

✓ Policy Issuance – flow

## Fill Vehicle details

Product Code - 1843 Long Term Two Wheeler Package Policy

### Vehicle Details

Policy Period	3 Years	Risk Inception Date*	14-APR-2016
Cubic Capacity *	135	Model-Sub Type*	PULSAR 135 DTSI-ELECTF
Pincode*	380006	Fuel Type *	PETROL
Registration Date *	14-APR-2016	Registration City*	AHMEDABAD
Additional Excess		Manufacturing Year *	2016
Engine No.*	TRGTGETYGEHY	IDV *	60929
Sub Intermediary	--Not Selected--	Chassis No.*	WTRGEHETYHRYJ
Vehicle Registration No*	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	Hire/Hypo/Lease With	--Not Selected--
Re-Enter Reg No*	NEW <input type="checkbox"/> Other Format		

## Calculate Premium

### Own Damage Section

Description	Value
Basic Own Damage	2617
Long Term Discount	-298
<b>Total OD Premium (A)</b>	<b>2319</b>

### Liability Section

Description	Value
Basic Third Party Liability	1857
PA Cover For Owner-Driver	150
<b>Total Liability Premium (B)</b>	<b>2007</b>

Loading

Swachh

Bharat/Edu. Cess

+

=

Net Premium

**Final Premium**

+

+

Service Tax

## Fill customer Details

<b>Customer Details</b>			
Partner Type	Person <input type="text"/>		
First Name	TEST <input type="text"/>	Middle Name	TEST <input type="text"/>
		Sur Name	TEST <input type="text"/>
<b>Contact Details</b>			
Mobile No	<input type="text"/>	Telephone #1	<input type="text"/>
Telephone #2	<input type="text"/>	Email ID	<input type="text"/>
<b>Permanent Address</b>		<b>Mailing Address - Same as permanent Address</b> <input checked="" type="checkbox"/>	
Pin Code	380006 <input type="text"/>	Pin Code	380006 <input type="text"/>
State	GUJARAT <input type="text"/>	State	GUJARAT <input type="text"/>
City	AHMEDABAD <input type="text"/>	City	AHMEDABAD <input type="text"/>
PO Area	AMBAWADI (AHME) <input type="text"/>	PO Area	AMBAWADI (AHME) <input type="text"/>
Address Line 1*	TEST ADDRESS <input type="text"/>	Address Line 1*	TEST ADDRESS <input type="text"/>
Address Line 2	TEST ADRESS <input type="text"/>	Address Line 2	TEST ADDRESS <input type="text"/>



## Issue Policy



Thank You

### Confirmation

Contract ID: 73548647  
Customer Name: TEST TEST TEST  
Policy No.: OG-17-2202-1843-00000003

Select check Box to Issue SankatMochan Policy

Upload Docs for Policy

Back to Main

Issue New Policy

Send Email

**\*For more detail kindly refer SOP**

# Thank You...

**Regards,**

**Motor Underwriting Team**

**Bajaj Allianz General Insurance Company Limited**

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