

Circular	
Ref: IRDAI/NL/CIR/MOT/081/04/2020	Date: 03-04-2020
Premium payment for renewal of Motor Third Party Insurance policies falling due during the lockdown period (25th March, 2020 to 14th April, 2020) as a result of COVID 19 situation	
<p>The Authority is in receipt of a few queries in respect of Circular Ref.IRDAI/NL/CIR/MOT/079/04/2020 dated 2nd April, 2020 on the captioned matter.</p> <p>The queries and the responses thereto are given hereunder:</p> <p>Q1. How is the relaxation in payment of premium to be applied for Motor Package policies?</p> <p>A.1. As regards Motor package policies, the relaxation is applicable only for the TP Liability component. For the Own Damage component there is no relaxation.</p> <p>Q.2. Is the relaxation in payment of premium only for Stand Alone Motor Third Party Insurance policies or is it for the TP portion of Motor Package policies also?</p> <p>A.2.The relaxation is for both Stand Alone Motor Third Party Insurance policies and the TP portion (alone) of Motor Package policies.</p> <p>Q3. How should the premium collected for the renewal of Motor TP policies that fell during the lockdown period from 25th March, 2020 to 31st March, 2020 be accounted?</p> <p>A3. Premium for renewals that fell from 25th March to 31st March, 2020 shall be recognised as income during the FY 2019-20 by debiting Outstanding Premium. Further, corresponding liabilities on such premium such as UPR, Claims provisioning etc shall also be provided for in FY 2019-20.</p> <p>(T.L. ALAMELU) MEMBER (NON-LIFE)</p>	
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