

Motor TP: An Overview

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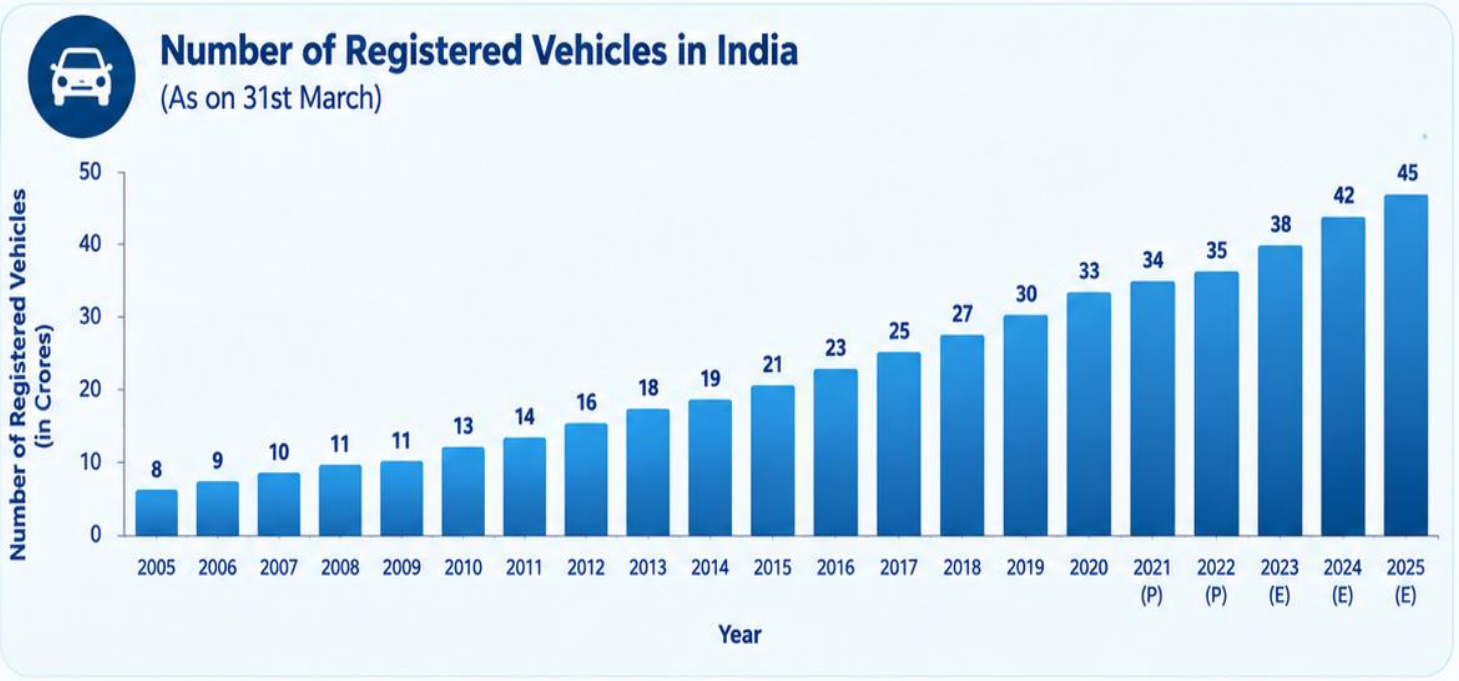


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MOTOR INSURANCE LANDSCAPE



STEADY GROWTH IN VEHICLES…



Total Registered Vehicles (2025, est.)

45 crore

(vs. 8 crore in 2005)

Growth (2005 → 2025)

+463%

(from 8 crore to 45 crore)

CAGR (2005 → 2025)

~9.4%

(in terms of total registered vehicles)

Vehicle Segments
(Registered in India)

- **Two-wheelers** (Scooters & Motorcycles)
- **Passenger Cars** (Hatchback, Sedan, SUV, etc.)
- **Commercial Vehicles** (LCV, MCV, HCV)
- **Buses** (Public & Private)
- **Three-wheelers** (Autos & E-rickshaws)
- **Others** (Tractors, etc.)

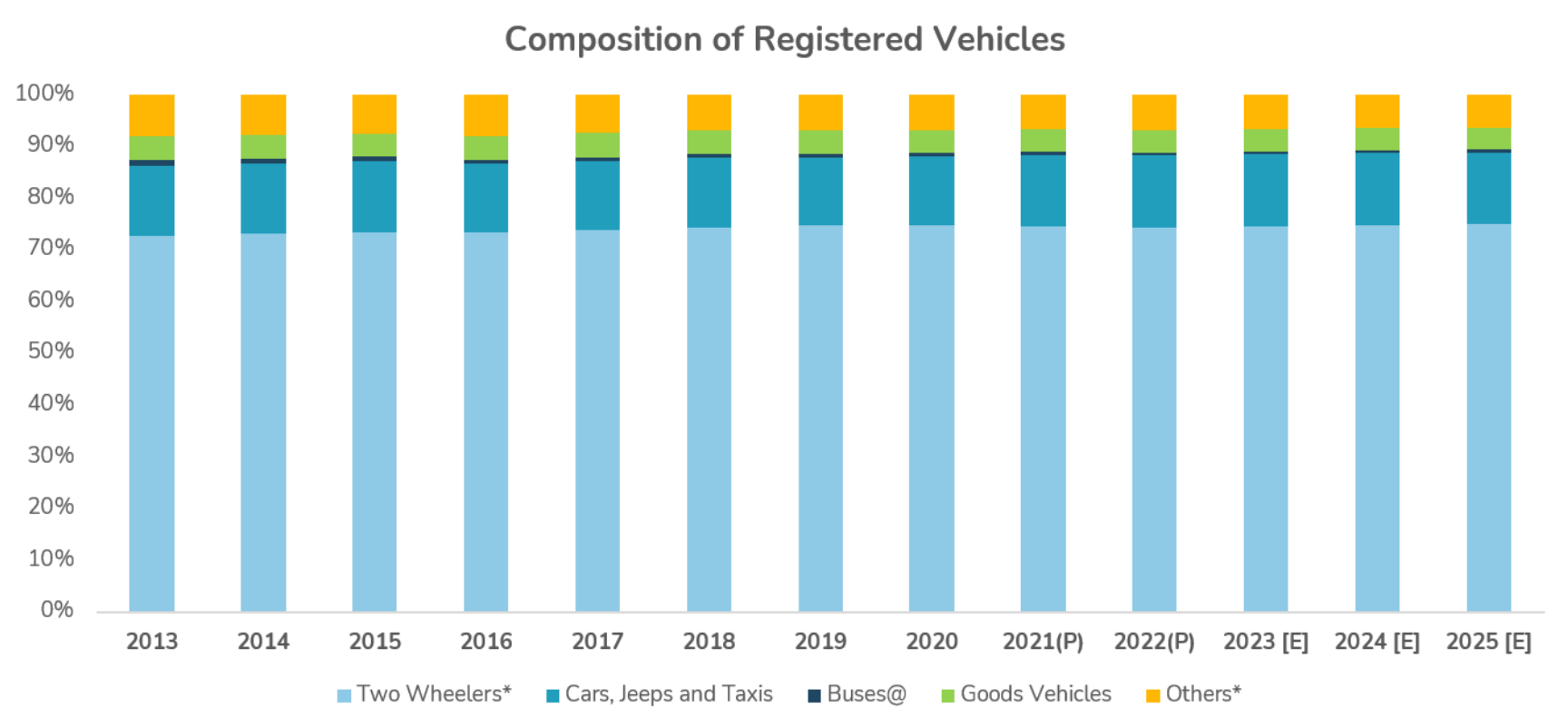


Source: Annual Report 2025-26, Ministry of Road Transport and Highways (MoRTH)

The number of vehicles for 2023, 2024, and 2025 has been projected based on the 10-year CAGR of 8.30% provided in the Annual Report 2025-26.

REGISTERED VEHICLES IN INDIA

Types of Vehicles



- Two Wheelers continued to be the highest in registered vehicle count (~74%) followed by Four Wheelers(~13%)
- Maximum growth over the past 10 years in these two segments
- 10-Year CAGR of Two Wheelers is observed to be 8.1% and Four Wheelers is 8.2%

*Others include tractors, trailers, three wheelers (passenger vehicles)/LMV and other miscellaneous vehicles

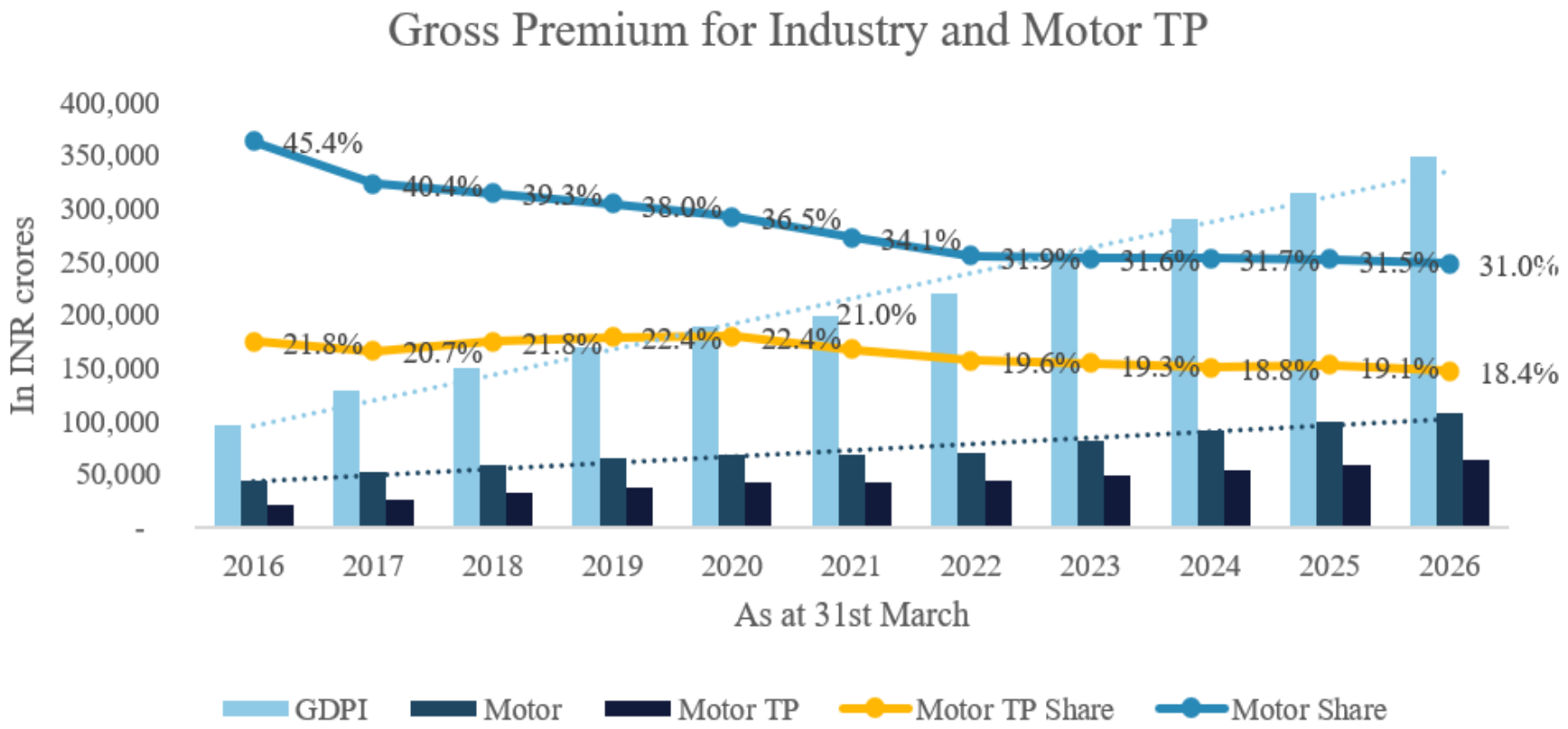
Source: Annual Report 2025-26, Ministry of Road Transport and Highways (MoRTH), The number of vehicles for 2023, 2024, and 2025 has been projected based on the 10-year CAGR provided in the Annual Report 2025-26.

MOTOR THIRD PARTY OVERVIEW



MOTOR THIRD PARTY OVERVIEW

Industry Statistics

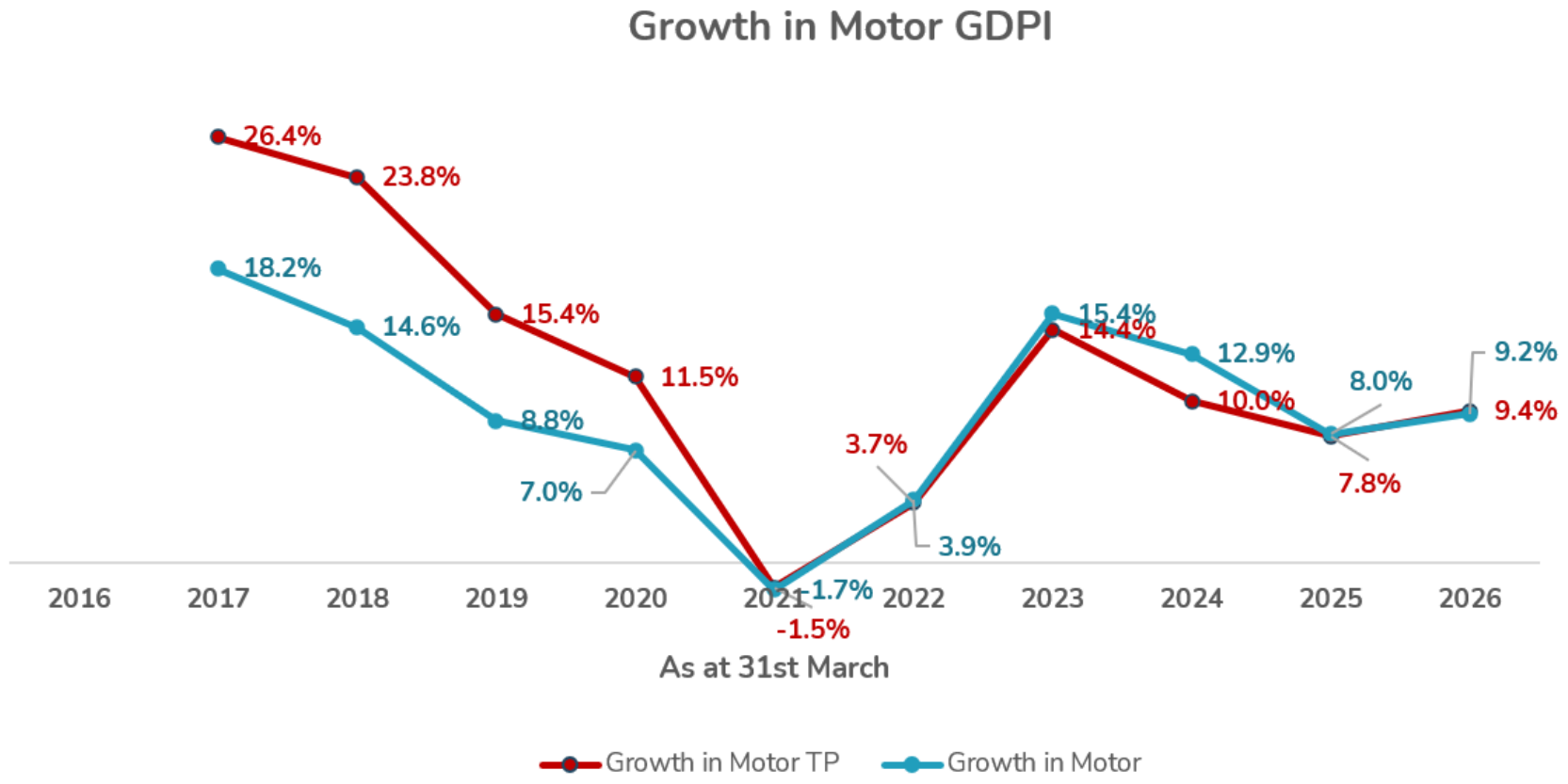


- GI Industry GDPI latest 10-year CAGR is 13.7%, similarly Motor CAGR is noted as 9.5% and Motor TP CAGR is noted as 11.8%
- Motor's industry GDPI share over 10 years is 35.6% and Motor TP's share alone is 20.5%

Source: GI Council Published Statistics

MOTOR THIRD PARTY OVERVIEW

Motor Premium Movements



- Average Motor GDPI grew at 9.6% over the 10 years, whereas Motor TP GDPI grew at 12.1%
- Motor TP premiums declined by 1.5% in 2020-2021 during covid and with no tariff changes
- Latest trends reflect changing vehicle types and average premiums

Source: GI Council Published Statistics

IMPACT OF EXTERNAL FACTORS

Latest Developments

1. Faster Reporting & Disposal

Section 166(3): Limitation for MACT applications
Section 168 (4): Timeframe for MACT disposal

2. Cashless treatment for Road Accident Victims

5 May 2025, The Golden Hour provisions under Section 162 of the Motor Vehicles Act have now been operationalized through the Cashless Treatment of Road Accident Victims Scheme, 2025, providing pan-India cashless treatment of up to ₹1.5 lakh per road-accident victim for up to seven days. The Motor Vehicle Accident Fund is funded by contributions from general insurers.



3. No Tariff Change

TP premiums are based on tariff and there have been no revisions since FY 2022-2023.

4. Court Awards

11 June 2026, Homemaker Ruling: In Shishu Pal v. Surjeet, the Court now recognizes the value of unpaid household and caregiving work as a separate head, 'Loss of Domestic Care'. It fixed this at ₹30,000 per month, rising 10% every three years. On the data we have so far, we estimate severity could rise by about 10 to 12%.

4 Aug 2026: In National Insurance v. Smt. Thungala Dhana Laxmi, the Supreme Court dealt with a claim involving the death of the owner while travelling in his insured vehicle and upheld the insurer's liability under the comprehensive/package policy. The Court distinguished statutory third-party insurance from occupant coverage and endorsed a four-layer policy structure comprising third-party, optional occupant/pillion, personal accident and own-damage covers. Accordingly, the judgment is significant for the scope of motor insurance coverage.

TRENDS FROM PUBLICLY AVAILABLE INFORMATION



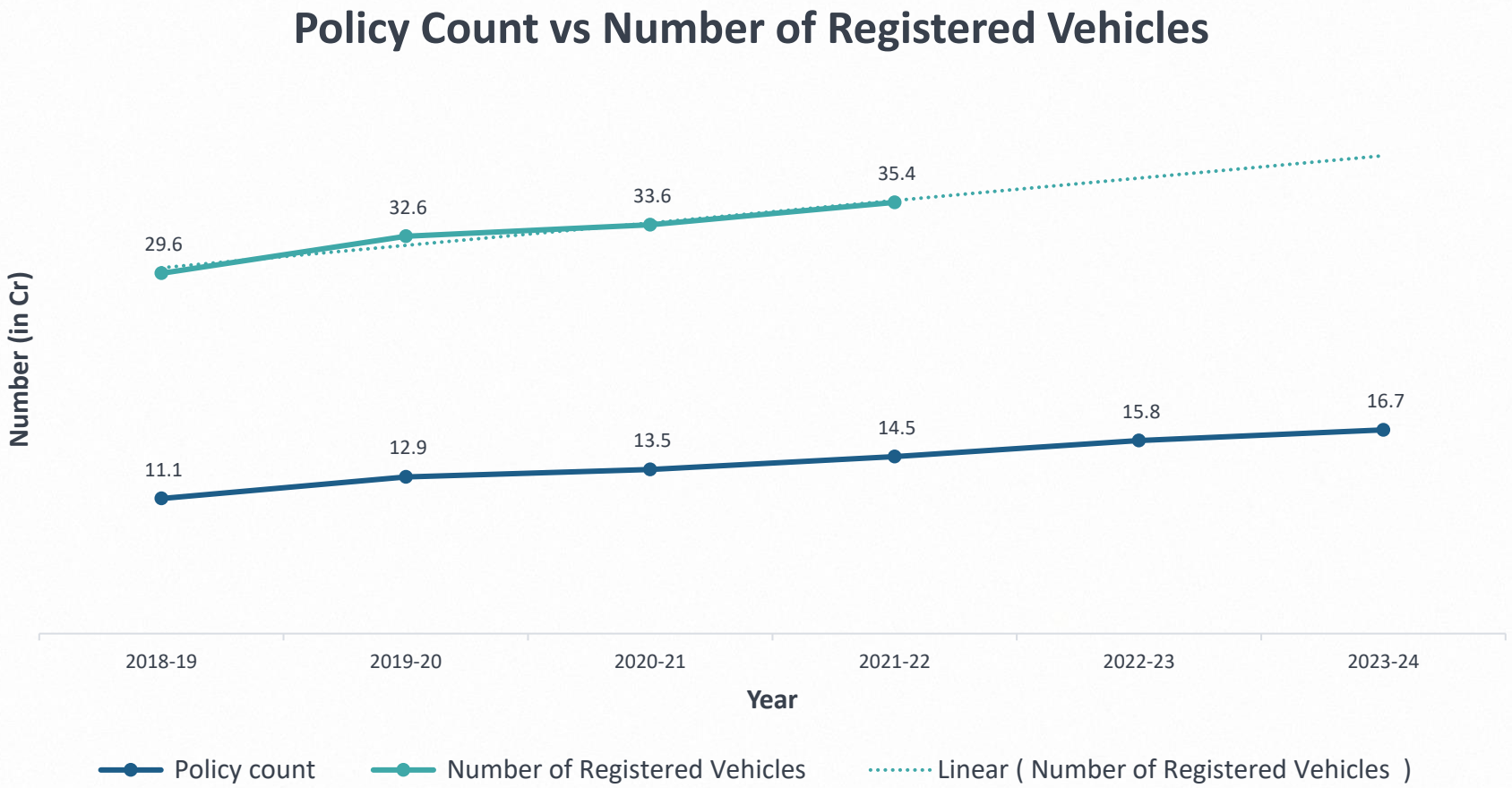
AT A GLANCE…

Motor Third Party Statistics as per NL4/5/6						
Financial Year	**2020-21**	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
Gross Direct Premium	41,709	43,261	49,508	54,456	58,756	64,240
Change in GDP	**-1.5%**	**3.7%**	**14.4%**	**10.0%**	**7.9%**	**9.3%**
Ceded Proportion	**10.9%**	**9.8%**	**10.0%**	**9.6%**	**9.4%**	**11.6%**
Net Earned Premium	36,060	38,690	42,490	47,572	51,460	55,211
Change in NEP	**0.2%**	**7.3%**	**9.8%**	**12.0%**	**8.2%**	**7.3%**
Net Incurred Claims	27,409	31,434	34,801	38,429	45,070	47,693
Change in NIC	**-13.5%**	**14.7%**	**10.7%**	**10.4%**	**17.3%**	**5.8%**
Net Incurred Claims Ratio	**76.0%**	**81.2%**	**81.9%**	**80.8%**	**87.6%**	**86.4%**
Gross Commission Ratio	**1.9%**	**1.8%**	**2.0%**	**16.0%**	**19.7%**	**23.2%**
Net Commission Ratio	**0.2%**	**0.5%**	**0.7%**	**15.5%**	**20.2%**	**22.4%**
Net UW Ratio (Without Expenses)	**76.2%**	**81.7%**	**82.6%**	**96.3%**	**107.8%**	**108.8%**
All figures in INR crores						



Source: Published Disclosures

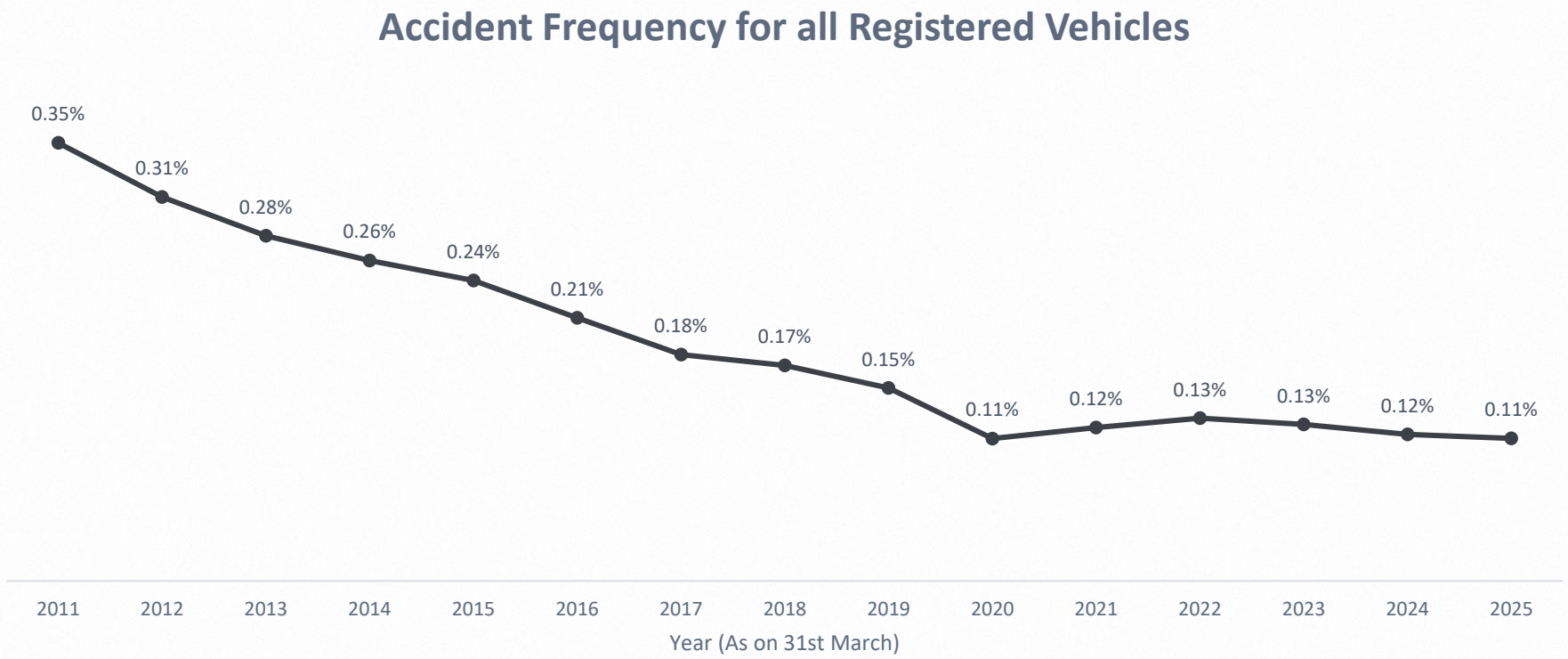
TRENDS FROM PUBLIC DISCLOSURES



- The number of policies and registered vehicles are showing similar increasing trend

Source: Annual Report 2025-2026 - Ministry of Road Transport and Highways (MoRTH) and GI Council Published Statistics.

TRENDS FROM MORTH REPORT

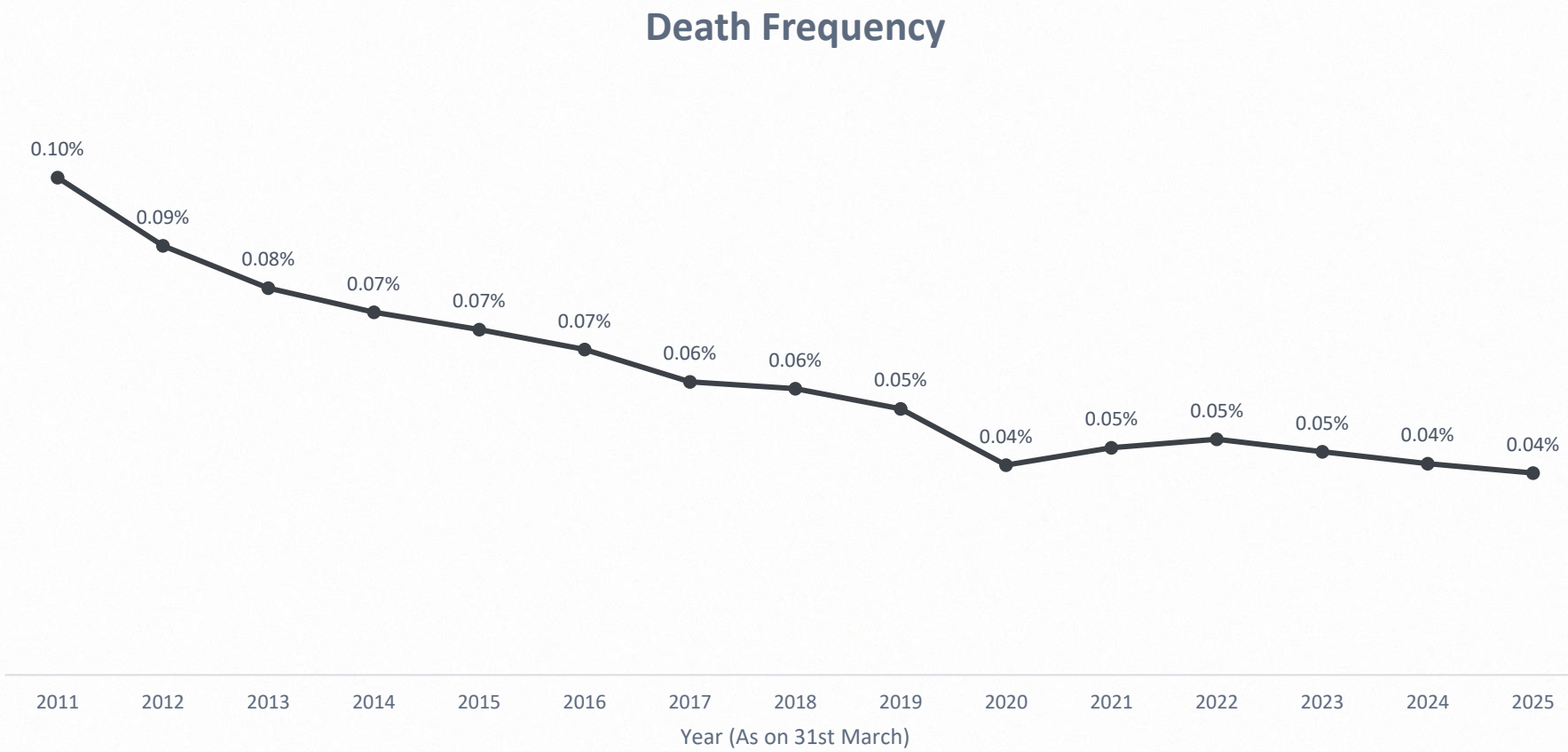


- Accident frequency showed decreasing trend but is on similar level for the last few years
- Similar trend observed in death frequency and injury frequency

Source: Annual Report 2025-26, Ministry of Road Transport and Highways (MoRTH).

The number of vehicles for 2023, 2024, and 2025 has been projected based on the CAGR provided in the Annual Report 2025-26. The figures for 2024 & 2025 accidents, fatalities, and injuries are based on the data presented by MoRTH in Parliament.

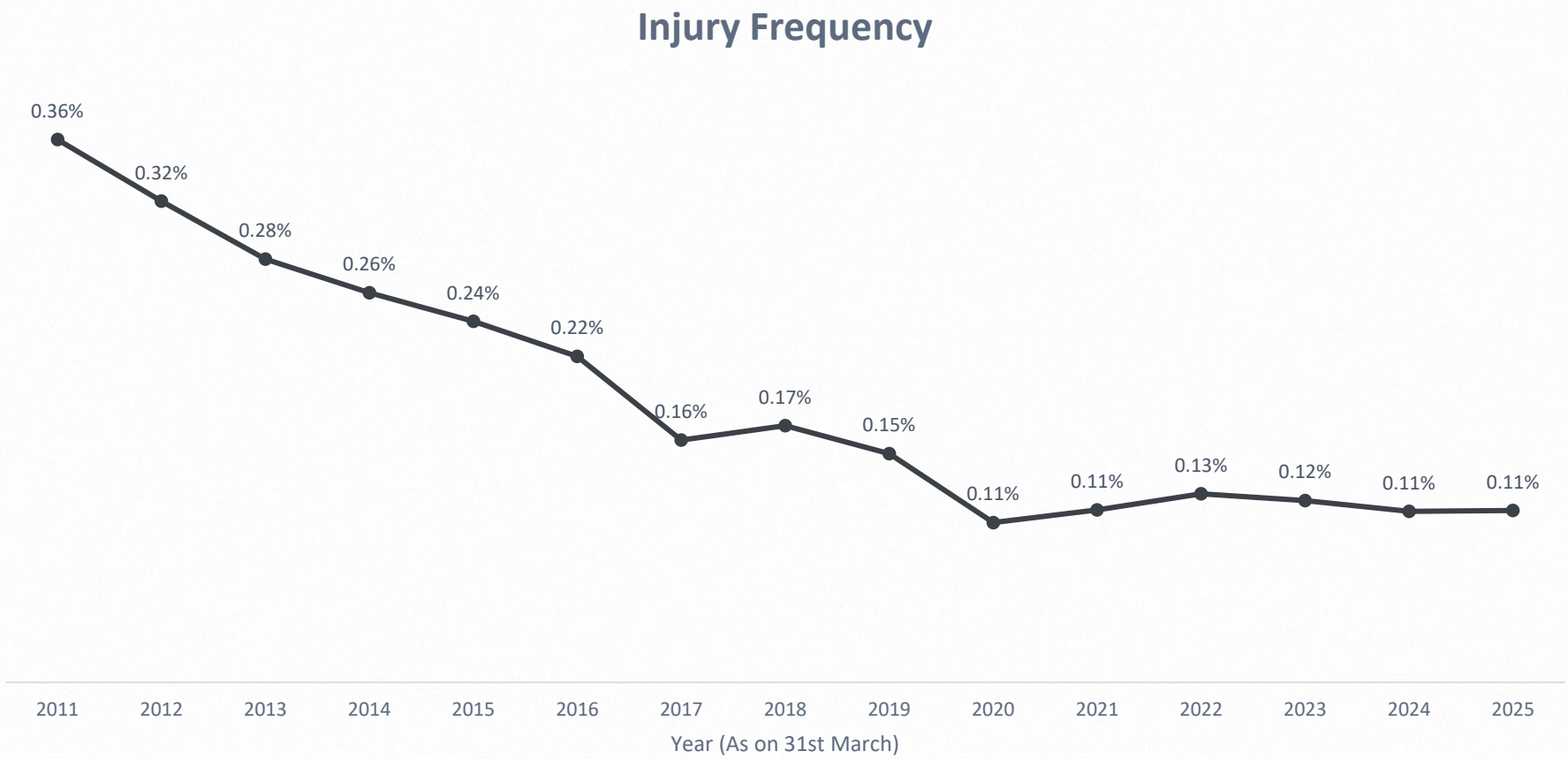
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KEY OBSERVATIONS



FORM NL-38-DEVELOPMENT OF LOSSES

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- This submission is required at enterprise level as well as long tailed lines. Motor TP Liability is assumed to be the entire long tailed lines.

- It provides Accident Year wise progression of Claims Paid and Ultimate Estimates.

- Diagonal wise figures (Financial Year basis) may not fully match with Net Claims Paid or Net incurred Claims from NL5 due to reasons such as:

(a) some insurers provide NL38 on Gross of RI basis,
(b) Treatment of RI accepted business / Pool (if any),
(c) ULAE may not be included in NL38

- For those insurers with NL38 matching more closely with Gross of RI figures or if the footnotes explicitly say so, we considered Earned Premium to be the average GDP for CY and PY.

FORM NL-37-CLAIMS DATA

- Provides Claim Counts and Claim Amounts on financial year basis.

- Information on settled claims can provide insight into claim size trends:
  If the number of “Claims settled during the period” is equal to the sum “Paid during the period” and “Claims closed without payment”, then the number of “Paid during the period” is considered instead of “Claims settled during the period”.

- Reported claim counts included reopened claims.

- Amounts are mostly on gross of RI basis. However, used Claims Paid (Direct) figures from NL5.

NL-38-DEVELOPMENT OF LOSSES

Accident Year (figures in Rs. Crore)	AY17-18	AY18-19	AY19-20	AY20-21	AY21-22	AY22-23	AY23-24	AY24-25	AY25-26
Original Ultimate Loss Estimate	23,808	28,325	31,782	29,275	33,009	37,082	43,338	47,502	51,025
Ultimate Movement during:									
FY2018-19	-234								
FY2019-20	-492	-752							
FY2020-21	-91	-282	-295						
FY2021-22	-324	-381	-345	-547					
FY2022-23	-225	-731	-1,623	-734	-582				
FY2023-24	-274	-760	-1,599	-1,084	-731	-261			
FY2024-25	-21	-434	-772	-717	-893	-213	-259		
FY2025-26	-18	-182	-677	-1,191	-1,258	-838	-641	-106	
Total Movement, till Mar'26	-1,679	-3,523	-5,311	-4,273	-3,463	-1,312	-901	-106	
Release from Original Estimate	**7.1%**	**12.4%**	**16.7%**	**14.6%**	**10.5%**	**3.5%**	**2.1%**	**0.2%**	

- Release observed in original estimate of ultimate Loss across all prior accident years
- NL38 figures are on gross basis for five companies and on net basis for others
- Data for two companies is not included above.

ACCIDENT YEAR WISE LOSS RATIO

Accident Year (figures in Rs. Crore)	AY20-21	AY21-22	AY22-23	AY23-24	AY24-25	AY25-26
Ultimate Net loss Cost - Original Estimate	29,275	33,009	37,082	43,338	47,502	51,025
Latest Estimate of Ultimate Loss	25,002	29,545	35,770	42,437	47,397	51,025
Year-on-Year AY wise increase in Ult Loss	-5.5%	18.2%	21.1%	18.6%	11.7%	7.7%
Earned Premium*	36,081	39,724	43,371	48,283	51,698	54,502
Initial ULR	81.1%	83.1%	85.5%	89.8%	91.9%	93.6%
Latest ULR	69.3%	74.4%	82.5%	87.9%	91.7%	93.6%

*Additional Assumptions:

- Net Earned Premium sourced as per NL4
- For the five companies which provided NL38 on Gross of RI basis, we assumed GEP to be the average of GDP for the current year and prior year
- Two insurers are not included in this exhibit as well

HIGH-LEVEL VIEW

Financial Year	FY2023-24	FY2024-25	FY2025-26
Claims Related – Gross of RI (Source: NL5, NL37)			
Number of Claims Settled in Lakhs	3.88	4.03	3.84
No. of Claims Reported (incl. reopened) in Lakhs	4.62	4.96	4.81
Amounts of Claims Paid (Direct) (in Rs. Crore)	27,467	32,120	33,541
Avg. Claim Size of Settled Claims (in Rs. Lakh)	7.07	7.97	8.73
Premiums Related (Source: NL4)			
GDP in Rs. Crore	54,459	58,756	64,239

- Avg. Settlement Size Trend: impacted by changes to claims mix, inflation (wage / medical) and landmark judgments.
- Reported Claim count trend can be impacted by operational changes.
- For policies written in FY2025-26, about half of their losses are yet to occur as of Mar'26. Losses from these policies will continue to get reported and settled over the years.

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Thank You