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

Ref: IRDAI/CIR/MOT/10/2026 02 November 2026

ALL GENERAL INSURERS (OTHER THAN STAND-ALONE HEALTH INSURERS AND SPECIALISED INSURERS)

Subject: Implementation of directions of the Hon'ble Supreme Court of India in the matter CA No. 14369/2025 National Insurance Company Ltd. V. Smt. Thungala Dhana Laxmi & others- four layer structure of motor insurance cover for private vehicles (cars and two wheelers), option form and issuance of mandatory Customer Information Sheet

Attention is drawn to the directions of the Hon'ble Supreme Court, in CA No. 14369/2025 National Insurance Company Ltd. Vs. Smt. Thungala Dhana Laxmi & others); wherein it has directed to bring in a four-layer motor insurance policy structure offering insurance cover against i) Third Party liability, ii) Legal liability to occupants, iii) Personal accident, and iv) Own damage of the vehicle; with respect to private vehicles (4 wheelers and 2 wheelers). This is to bring clarity about availability of various policy options to the vehicle-owner so as to allow him/her to make an informed choice of purchasing suitable insurance protection. It has also stated that the IRDAI in consultation with General Insurance Council and insurance companies, shall formulate uniform policy wordings for the above optional covers.

2. Accordingly, based on the draft wordings submitted by the General Insurance Council in consultation with the industry, in accordance with the above directions of the Hon'ble Supreme Court, the Authority, in exercise of the powers conferred by Section 14(2) of Insurance Act 1938, hereby issues the uniform wordings for the policies issued under four-layer motor insurance policy structure and also customer option form for private vehicles given as **Annexure**. After the introduction of four-layer motor insurance policy structure for new cars and new two-wheelers, an insured may be given the following options:

I. SECTION I - LIABILITY TO THIRD PARTIES (MANDATORY)
II. SECTION II - LEGAL LIABILITY TO OCCUPANT(S) OR PILLION RIDER INCLUDING EMPLOYEES OF THE INSURED (OPTIONAL)

III. SECTION III - PERSONAL ACCIDENT COVER

(i) Mandatory Personal Accident Cover for Owner-Insured

(ii) Personal Accident Cover for Occupants / Pillion Rider including any driver other than owner-driver (Optional)

IV. SECTION IV - LOSS OF OR DAMAGE TO THE VEHILCLE INSURED (OPTIONAL).

3. All General Insurers carrying on motor insurance business, shall provide the cover vide a policy as per four-layer motor insurance policy structure adopting uniform wordings along with mandatory option form and customer information sheet for all private vehicles including new cars and new two wheelers. Obtaining the duly completed option form from customers is mandatory for all insurance policies issued to this category of vehicles.
4. For existing policies also, if cover under section II is sought during the currency of the policy, the same shall be made available upon the payment of an additional premium. However, the risk shall start from the date and time mentioned in the endorsement issued thereupon. This option can only be availed from the insurer who has issued the Third Party insurance policy. No existing Motor Third Party Insurance need to be cancelled by either the insurer or the insured for opting the additional covers.
5. The schedule shall reflect the actual coverage offered along with premium charged against each section in a transparent manner and the certificate of insurance shall be issued in compliance with the provisions of CMV Rules, 1989. In addition, the option form duly completed by insured should form part of the policy.
6. Every customer, at the time of purchase of insurance, to be issued customer option form informing about the four-layer motor insurance policy structure, whereby, they can opt in by tick whether offline or online. It is also mandatory to issue Customer Information Sheet at the point of sale.
7. The policies issued by the insurance company, the Policy and Schedule shall be read together and any word or expression to which a specific meaning has been attached in any part of this Policy or of the Schedule shall bear the same meaning wherever it may appear.

8. Insurance companies may continue to innovate the coverage and determine the pricing of the Own Damage covers, in consonance with market forces. The insurer is free to add/delete General exclusions and conditions based on the coverage opted, standard exclusions, conditions etc., provided there is no restriction to the basic coverage under four-layer motor insurance policy structure offered to the insured.
9. The four-layer motor insurance policy structure and standard wordings along with option form shall come into force from December 15, 2026. All policies issued w.e.f. December 15, 2026 shall conform to the above.
10. Insurers are also directed to ensure that integration of the four layer motor insurance policy structure with Bima Sugam is completed simultaneously, so that their policies are available from Bima Sugam from the same date.

This is issued with the approval of the Competent Authority

Sd/-

(KGPL Ramadevi)

Chief General Manager (Non-Life)

Encl: **Annexure**