



Class: FY BSc

Subject : Non-Life Insurance – Products, Principles and Practice

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Chapter: Chapter 5

Chapter Name: Personal Accident Insurance

Today's Agenda

1. What is Personal Accident Insurance?
 1. Common terms used
 2. Why to buy
 3. Accidents in India
 4. Inclusions
 5. Exclusions
2. Types of Personal Accident Insurance
3. Accidental Insurance Coverage
4. Benefits of Personal Accident Insurance Policy
 1. Additional benefits
5. How is premium calculated?
6. How to File an Accidental Insurance Claim?

1 What is Personal Accident Insurance?



Personal Accident Insurance policy provides complete financial protection to the insured members against uncertainties such as accidental death, accidental bodily injuries, and partial/total disabilities, permanent as well as temporary disabilities resulting from an accident.



1.1 Common terms used:

Accident: an undesirable or unfortunate happening that occurs unintentionally and usually results in harm, injury, damage, or loss; casualty; mishap.

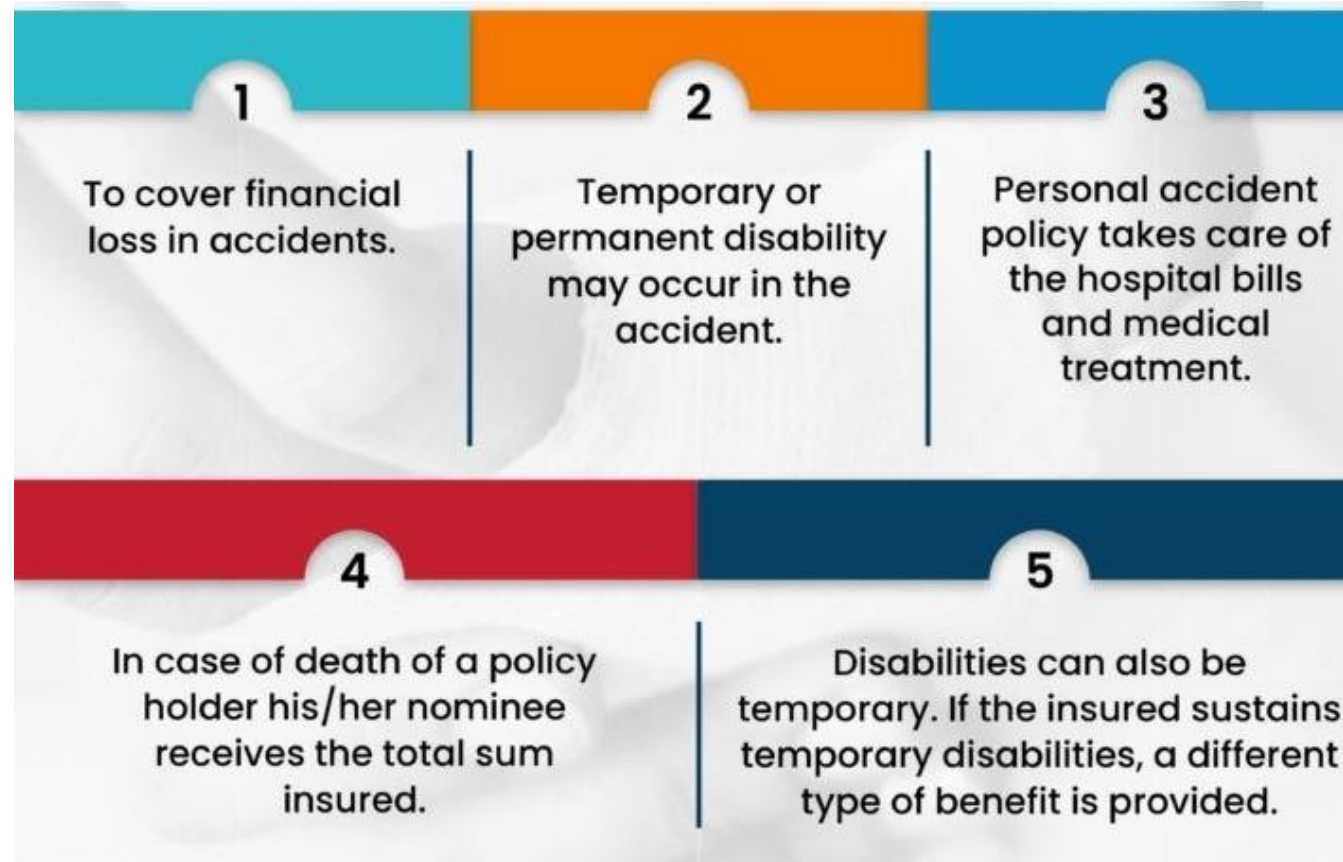
Accidental death : An event that strictly occurs as a result of an accident like from car crashes, and any other situations that can't be controlled are deemed accidental.

Bodily injury : it means physical bodily injury directly caused by external, violent visible cause.

Permanent disability : A condition in which an individual is no longer able to work due to injuries or may never be able to work again.

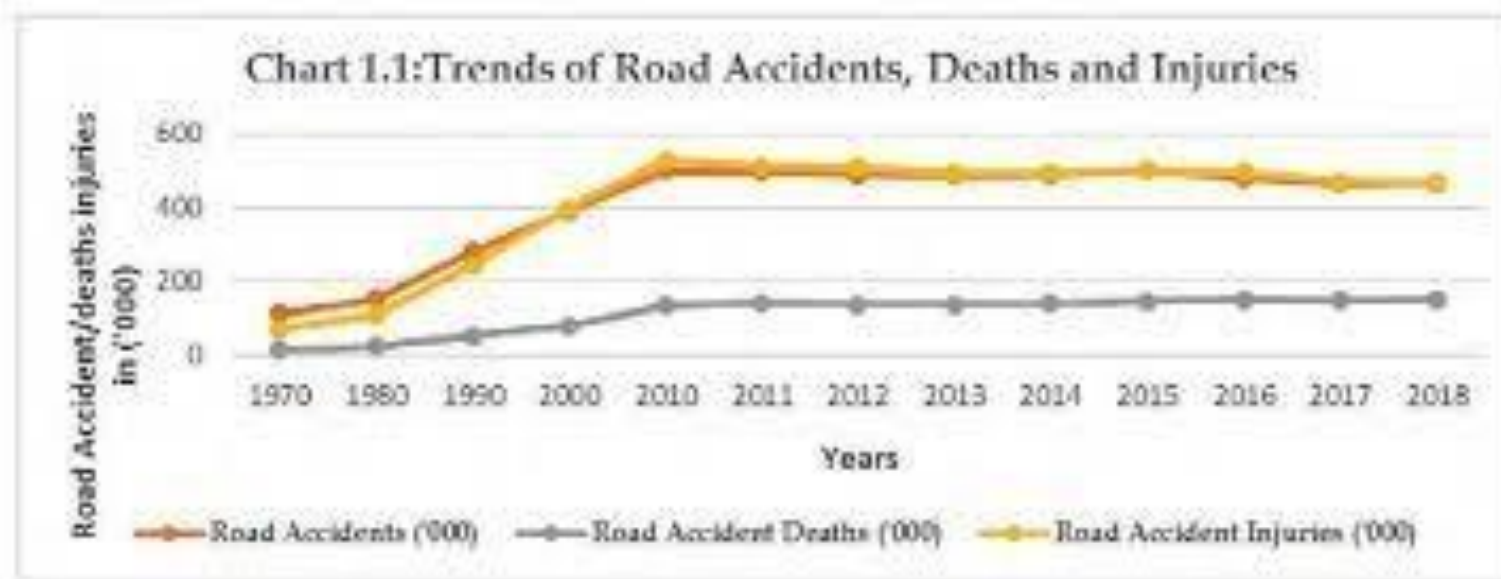
Temporary disability : The injury that prevents you from engaging in your occupation for a period not exceeding 104 weeks since the day of injury .

1.2 Why do we need Personal Accident Insurance?



1.3 Accidents in India

Road accidents have been a major cause for concern across the Indian subcontinent. In 2019 alone, the country reported over 151 thousand fatalities due to road accidents. Each year, about three to five percent of the country's GDP was invested in road accidents. Notably, while India has about one percent of the world's vehicle population, it also accounted for about six percent of the global road traffic incidents. Almost 70 percent of the accidents involved young Indians.



1.4 Inclusions

- Accidental death
- Permanent total/partial disability
- Accidental dismemberment
- Medical expenses/ hospitalization charges
- Child education support
- Life support benefit
- Burns, broken bones and Ambulance
- Daily allowance

1.5 Exclusions

- Natural death
- Pre-existing disability or injury
- Self-inflicted injuries sustained due to suicide attempt is not covered
- Non-allopathic treatments
- Driving under the influence of drugs or alcohol is not covered.
- Committing a criminal act or being involved in war activities, suffering from a mental disorder
- Participating in the naval, military, air force, adventurous or sports activities

2 Types of Personal Accident Insurance

Individual Accident Insurance:

This type of policy guards an individual in case of any accidental damage. It covers accidental death, loss of limbs or sight, or other permanent disabilities resulting due to an accident.

Group Accident Insurance:

Group Accident Insurance is taken by employers to get coverage for their employees. Depending on the group size, some insurers also provided a discount on the premium. It is a good incentive/ value-added advantage for small organizations as it is available at low cost. However, this is a very basic plan and may offer limited benefits compared to an individual plan.

3 Accidental Insurance Coverage

Accidental Death Cover

An accident can be both emotionally and financially devastating for the dependent family members. In case of fatal injuries, the entire sum assured is paid to the nominee as mentioned in the policy document.

Permanent/Total Disability Cover

In case an accident results in permanent disabilities or lifelong total impairment such as loss of both the limbs, then a specified sum insured amount is paid to the policyholder.

Permanent Partial Disability Cover

If bodily injuries, resulting in permanent partial disabilities, then a certain percentage (up to 100%) of the benefit is paid to the insured.

Temporary Total Disability

In case the insured meets with temporary total disabilities and is bedridden, then the insurer will provide a weekly allowance to recompense the loss of income. The insured can also utilize this claim amount to pay the EMIs, in case there is a loss of earnings.

4 Benefits of Personal Accident Insurance Policy

- Provides financial security to your family and loved ones.
- There no external tests and documents needed over and above the current condition.
- Extensive coverage at much affordable rates.
- Plans available in two categories, self and family.
- It offers worldwide coverage.
- Easy and seamless claim process.
- Support centres available on all days and around the clock.
- You can customise the policy to suit your specific needs.

4.1 Additional Benefits

- Expenses incurred for carriage of dead body of insured (death due to accident only) to place of residence subject to a maximum of 2% of capital sum insured or Rs. 1,000/- , whichever is lower.
- Medical expenses arising out of an accident upto 10% of Capital Sum Insured or 40% of the admissible claim whichever is lower at an additional premium of 20% of basic premium.
- Education fund for the dependent children of the insured following death or permanent total disablement as detailed below :
 - a) If the insured has one dependent child below the age of 23 years, an amount equal to 10% of the Capital Sum Insured subject to a maximum of Rs.5,000/-
 - b) If the insured has more than one dependent child below the age of 23 years, an amount equal to 10% of Capital Sum Insured subject to a maximum of Rs.10,000/-

5 Who Should Buy Personal Accident Insurance?



Should you buy personal accident insurance ? Discuss

5 How is Premium Calculated?

In case of personal accident policies, coverage and premium depends on the current level of income and nature of the applicant's occupation. If you are a teacher living in Delhi, then your chance of meeting an accident is less than a miner.

Risk Level I (Low Risk)	Risk Level II (Medium Risk)
Administrative / managing functions	Machine Operator
Doctors	Garage mechanic
Accountants	Manual labor
Teachers	Builder
Architects	Veterinary Doctor
Lawyers	Contractor

6 How to File an Accidental Insurance Claim?

To initiate the claim process, you need to inform the insurance provider within the specified time frame. You might be provided with a claim reference number. The following information is required to be submitted to the provider while intimating a claim-

1. Your contact number
2. Policy number
3. Date and time of the accident
4. Name and contact details of the insured person who is injured
5. Location of the incident
6. A brief description of how the accident/ loss took place with its location details
7. Extent of the loss

6 How to File an Accidental Insurance Claim?

In case of an Accidental death/ impairment claim, following documents are required to be submitted-

1. Death certificate
2. Post-mortem report
3. FIR report
4. Medical certificate
5. Medicine bills