

# Eco-Friendly Evolution: Electric Vehicle adoption and its impact on Motor Insurance.

By Hansa Research

# Research Objective & Methodology

**Objective** - To understand the impact of the rise in Electric Vehicle (EV) adoption on the motor insurance industry, specifically focusing on changes in consumer behaviour, risk factors, and market dynamics.

## **Research Methodology**

### **Target Audience**

- Age: 25 to 55 years old
- Gender: Males and Females
- Metro Cities: Mumbai, Delhi, Chennai, Bangalore, Kolkata, Hyderabad
- EV owners: Car or Bike
- NCCS-A

### **Methodology**

- Surveys were collected through **Hansa Cheetah Panel**
- Interviews duration : **10-15** minutes
  - Time period : **14th May 2024 to 17th May 2024**
  - Total Sample achieved- **539**

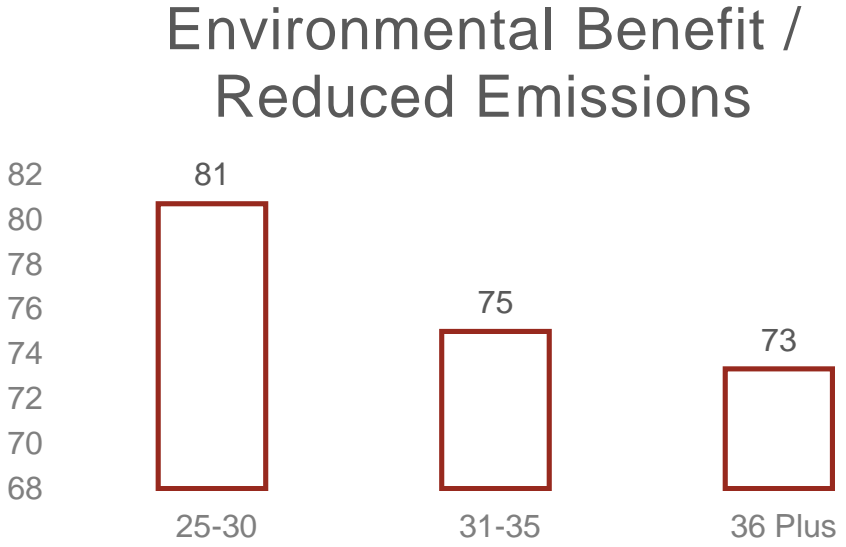
### **Questionnaire & other details**

Questionnaire was developed by Hansa Research team in conjunction with the inputs of the ICICI Lombard team, and was approved

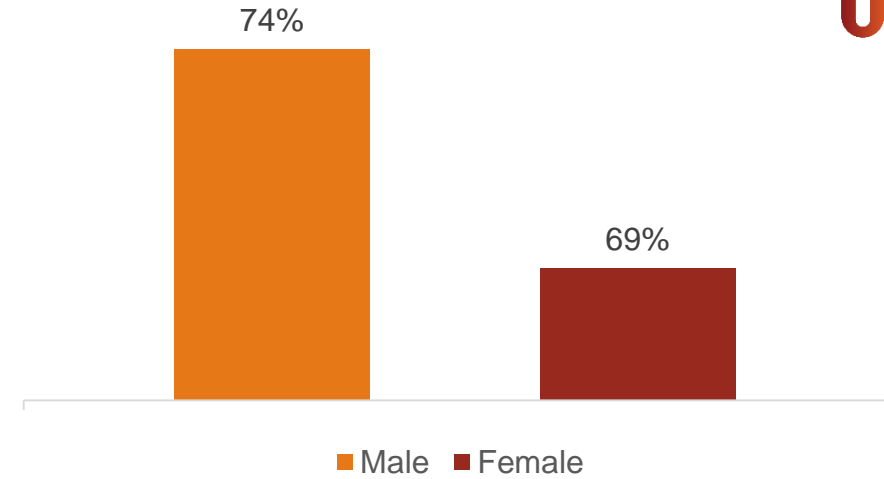
**Environmental benefit / reduced emissions and reduced fuel cost are the top 2 reasons that made people switch from fuel to electric vehicle, followed by low maintenance cost and latest trends.**

**Younger generation is more likely to be motivated by ecological advantages of EV’s in their decision making process.**

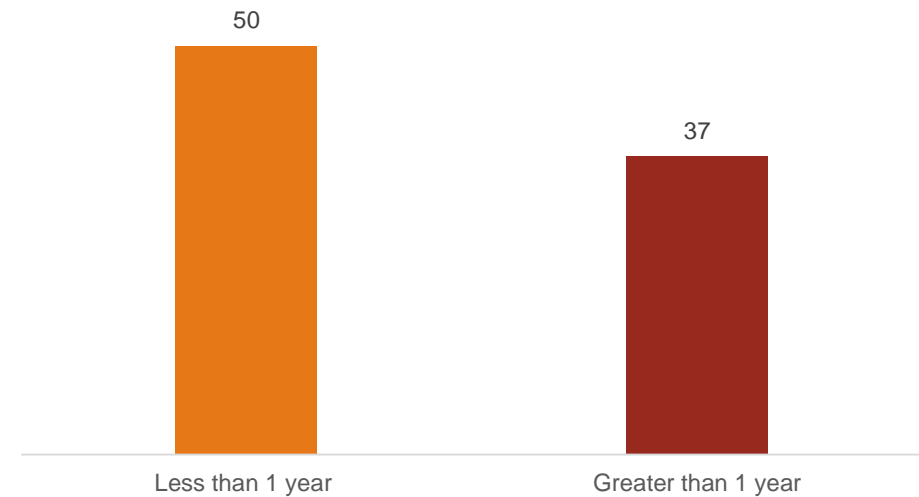
	Overall	Mumbai	Hyderabad	Delhi	Chennai	Bangalore	Kolkata
ALL	539	91	84	93	90	92	89
Environmental Benefit / Reduced Emissions	77	70	85	78	66	80	85
Fuel cost reduction	73	66	74	74	77	79	65
Low maintenance cost	53	48	58	45	41	72	53
Latest Trend/ Technologically Advanced	50	48	48	56	46	52	47
Good mileage	46	44	43	49	46	53	39
Ease of charging stations availability around your residence/work/ Convenience	42	45	45	42	42	45	36



Male owners are more inclined towards **Fuel cost reduction** than Female owners as the reason to switch



**Ease of charging stations** is a big factor for a recent buyer compared to those purchased beyond a year (for car owners)

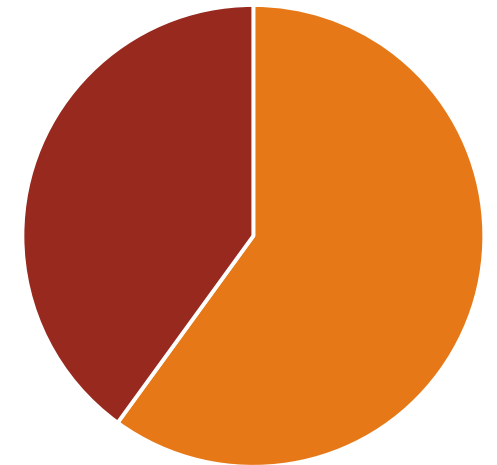


# Battery charging time, limited driving range and charging infrastructure are the top 3 improvement areas across EV owners

While users in Mumbai, Chennai and Bangalore are more concerned about **battery charging time**, **Limited driving range** is a common issue observed in Delhi and Hyderabad.

	Overall	Mumbai	Hyderabad	Delhi	Chennai	Bangalore	Kolkata
ALL	539	91	84	93	90	92	89
Charging time	61	64	60	57	69	66	48
Limited driving range	54	46	61	60	42	57	60
Limiting charging infrastructure	52	44	52	51	50	60	54
Battery Degradation	49	41	49	56	40	62	47
High initial cost	48	46	49	43	51	58	42

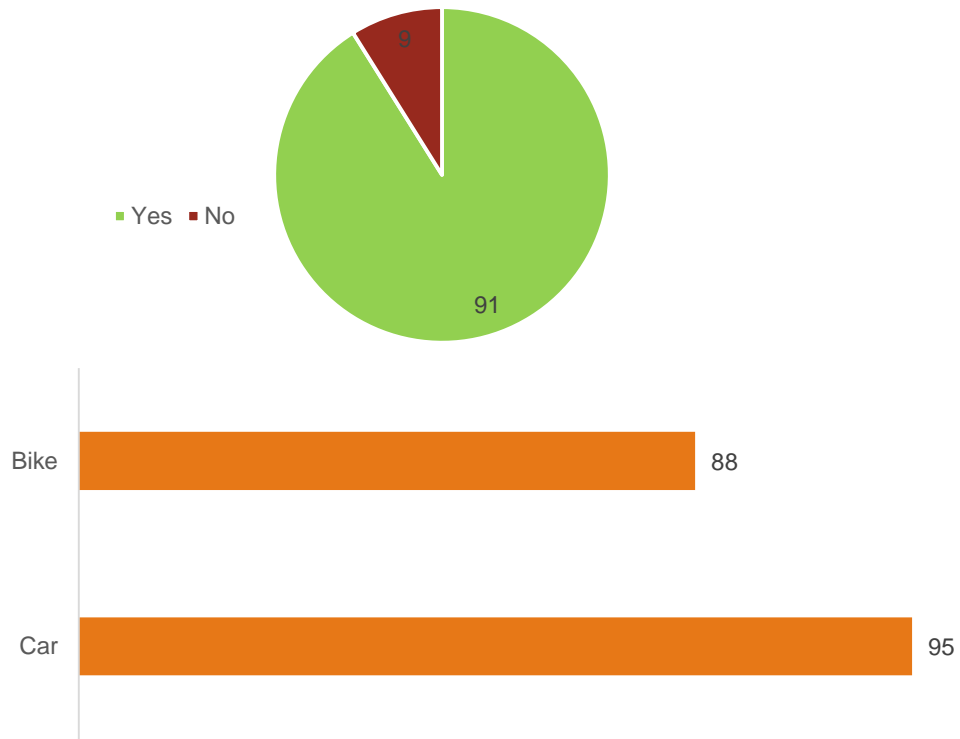
High initial cost is a big concern for car buyers and specially the first time buyers.



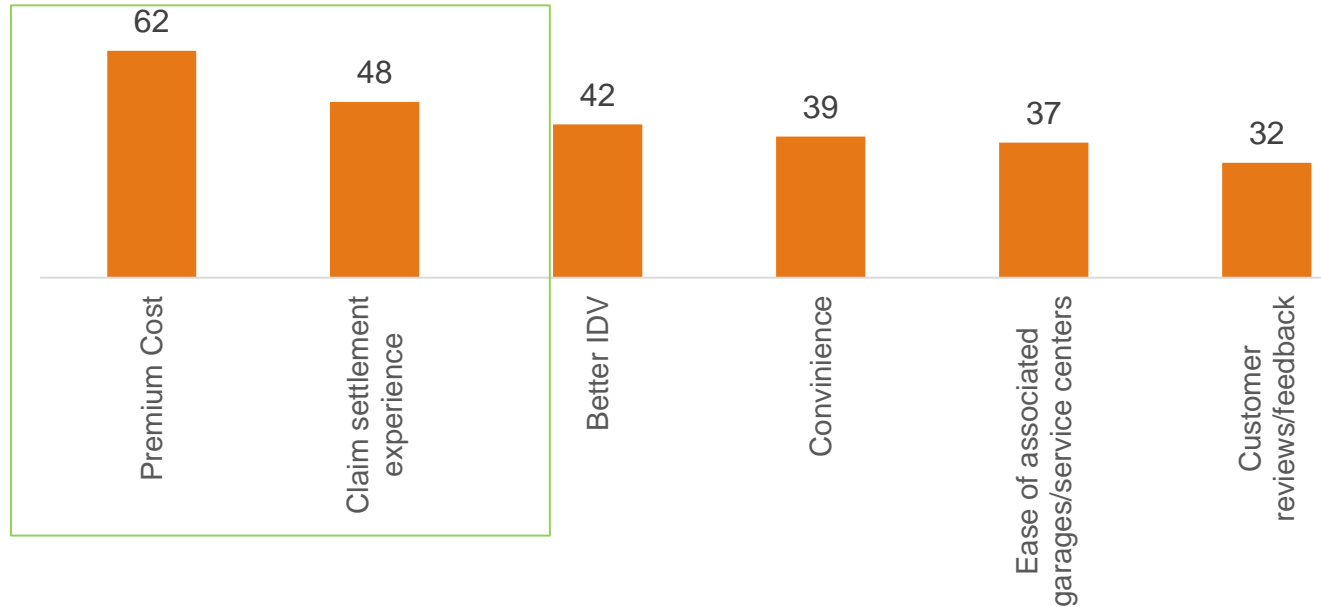
■ Less than 1 year ■ Greater than 1 year

**91% consumers claim to be aware of EV specific motor insurance policy; the score is significantly higher among Car owners v/s bike owners.**

Awareness



**Premium cost and claim settlement experience are the top 2 factors considered for purchase of EV insurance**



As the tenure of the insurance increases, the awareness of the EV related terms increases. Hence there is an opportunity to educate the consumers at an early stage.

Q7.1 : Are you aware about the EV specific motor insurance?

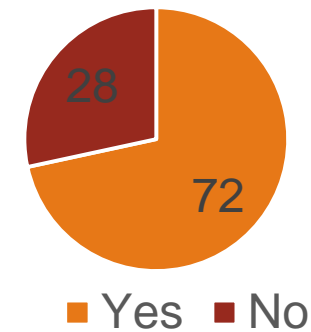
Q4 : Which among these are the Top 5 most important factors while considering EV Insurance ?

**24\*7 Roadside assistance for EV-related issues and Coverage for battery replacement is what most of the people want to be covered in the insurance, and people are even ready to pay extra premium for the same.**

**Awareness of the charging station damage coverage is the least among EV users**

	Awareness	Opted	Want	Willing to Pay
Base	539	385	539	536
Coverage for battery replacement	74	55	73	59
Charging station damage	53	35	60	55
24*7 Roadside assistance for EV-related issues	63	57	76	67
Software breakdown coverage	65	32	53	40

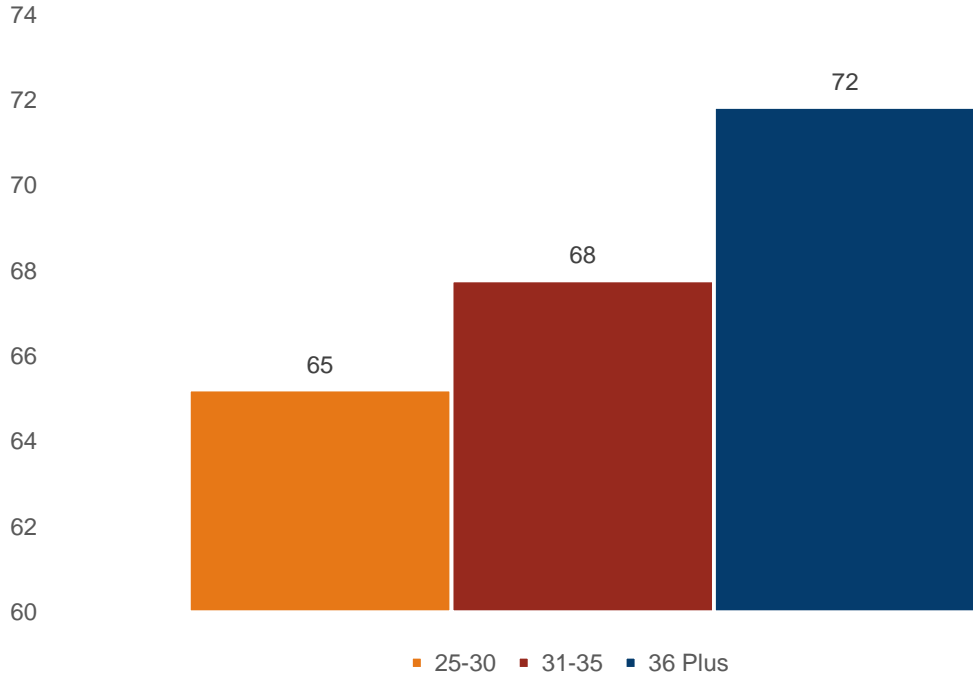
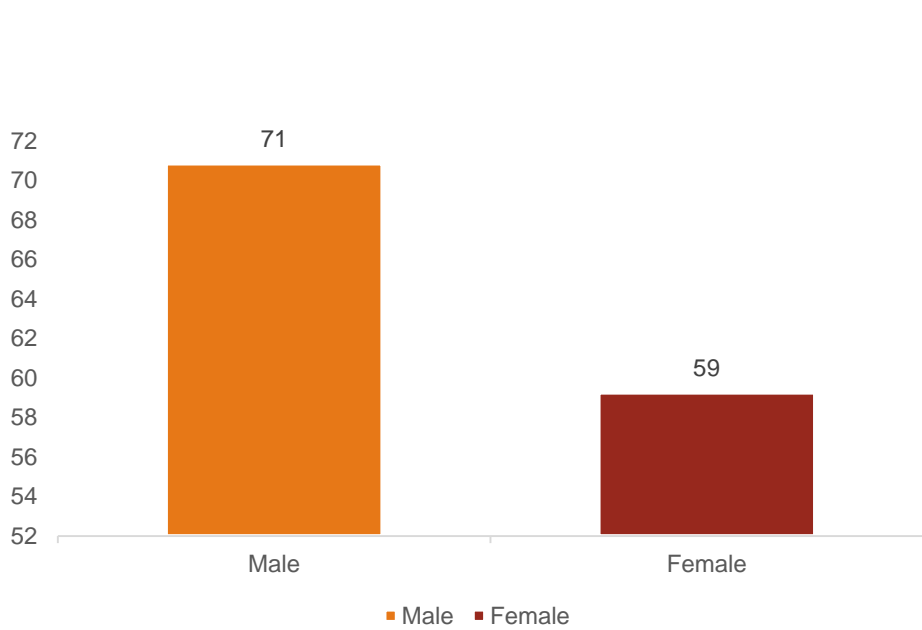
Almost 3/4th of the people have opted for add-ons.



Q5.1 : Which of the following terms are you aware of for EV insurance?

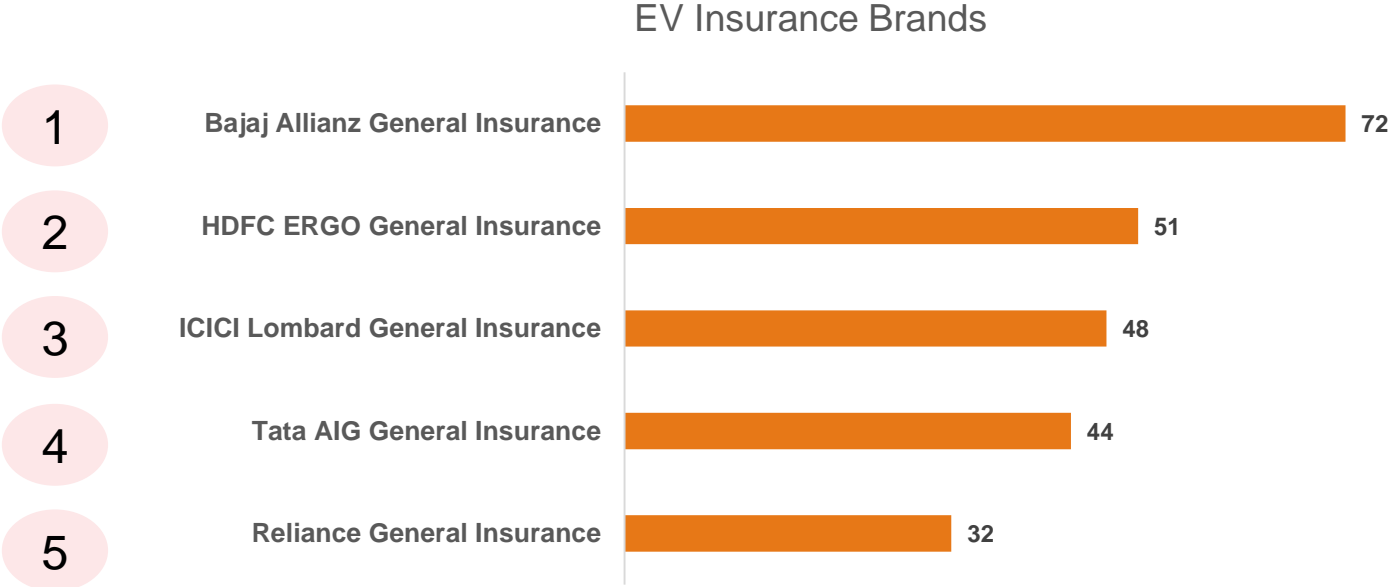
Q6.1 : Which of following add-ons did you opt for?

# Males & older customer are willing to pay extra premium for 24\*7 Roadside assistance





# ICICI Lombard is rated among the top 3 EV Insurance brands by consumers



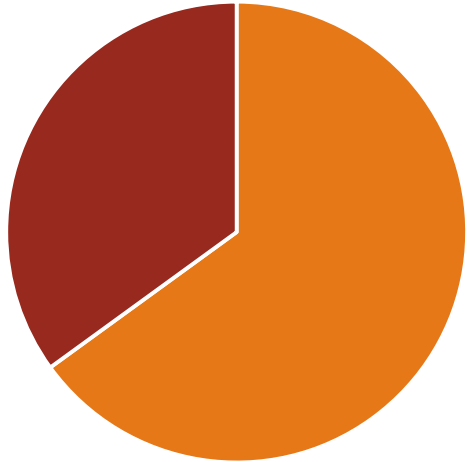
# Around 90% ICICI Lombard EV insurance owners are happy with the ICICI Lombard.

More than 75% of the ICICI Lombard users are happy with the features of their EV motor policy

65% of the consumers have experienced the claim process, out of which 80% are highly satisfied with the overall claim settlement process and 77% find the surveyor to be extremely good.

	Base	Top 2 Box	Bottom 2 Box
Overall experience	68	93	3
Features of your current policy	68	78	3
Claim settlement	44	80	2
Surveyor	44	77	9

Experienced Claim



■ Yes ■ No

# Summary (1/3)

## Reason to switch to EV

- 77% of the EV users claim that Environmental Benefit / Reduced Emissions is the top most reason for them to switch from Fuel-powered to Electric vehicle.
  - This motivation is especially prevalent among younger generation(81%)
- 73% users find Reduced Fuel Costs as an another major driver for the shift to electric vehicles

## Areas of Improvement for Election Vehicle

- Battery Charging Time: 61% of the EV owners find Battery Charging Time as one of the primary concerns for electric vehicle. Improving charging times would enhance convenience and usability.
- Limited driving range and charging infrastructure are another common issues faced by electric vehicles owners.
- High initial cost is also a big concern observed among car buyers and specially the first time buyers(60%).

# Summary (2/3)

## Awareness & Factors influencing EV Motor Insurance

- 91% consumers claim to be aware of EV specific motor insurance policy; the score is significantly higher among Car owners v/s bike owners.
- Premium and Claim settlement experience are the top 2 factors for influencing consideration for EV insurance.
- Only 53% of consumers are aware of coverage regarding Charging Station Damage, thus highlighting the need for better communication on the aspect.
- As the tenure of the insurance increases, the awareness of the EV related terms increases. Hence there is a potential to educate the consumers at an early stage.

# Summary (3/3)

## Consumer preference on EV insurance coverage

- Consumers prioritize coverage options such as 24\*7 roadside assistance for EVs and coverage for battery replacement, indicating their willingness to pay extra premiums for these benefits.
- Almost 3/4<sup>th</sup> of the people have opted for add-ons in EV insurance policy. 24\*7 Road assistance is the most opted cover among EV owners.
- Despite concerns about high premiums, consumers are willing to pay extra for coverage that meets their specific needs, though preferences may vary based on factors such as gender and age.

## Brand Preference & Customer experience

- ICICI Lombard is among the top 3 EV Insurance provider as per the customer rating.
- 90 % ICICI Lombard EV insurance owners are happy with the ICICI Lombard.
- More than 2/3rd of the people are happy with the claim settlement process and the surveyor for ICICI Lombard EV insurance

**Thank You**