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ELECTRIC VEHICLE INSURANCE

Avoid non-OEM battery to prevent triggering exclusion at claim time

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Electric vehicles (EVs) accounted for 3.95 per cent of passenger vehicle sales in 2025, according to data from the Federation of Automobile Dealers Associations. Adding momentum to the shift, India's largest carmaker, Maruti Suzuki, entered the EV market with the launch of the e-VITARA on February 17, 2026.

Must-have covers for EV owners

Essential covers remain the same for EVs and internal combustion engine vehicles. Third-party liability and personal accident cover for the owner-driver are mandatory under the Motor Vehicles Act, 1988. Buyers should also opt for own-damage cover.

"A comprehensive policy is necessary to provide protection for damages incurred by accidents, theft, fire, natural disasters, and liability to other people, as required by law," says Dinesh Mosamkar, senior vice president, consumer underwriting, Tata AIG General Insurance.

Personal accident cover protects the owner-driver against death or disability up to ₹15 lakh. Buyers can also opt for cover for co-passengers and add-ons such as depreciation shield, consumable expenses cover, roadside assistance, and more.

EV-specific add-ons

An EV's battery and related systems should be well protected. "Cover for the traction battery, battery management system, and EV drive system is crucial," says Rakesh Kaul, chief distribution officer, retail business, Bajaj General Insurance. Owners must also guard against battery depreciation. "Battery can form 50 per cent of an EV's value. This add-on prevents costs during claims due to depreciation," says Mosamkar. He also suggests buying Electric Surge Secure to guard against charging-related risks such as short circuits, arcing, electricity leakage, and water ingress.

"Battery charger should be covered against the risk of theft and damage," says Arti Mulik, chief technical officer, Universal

Sompo General Insurance.

Battery cover: Inclusions and exclusions

Battery cover indemnifies repair or replacement costs for damage arising from water ingress or damage to the battery, battery management system, and electric drive system. "A battery-cover claim can be triggered by unexpected power surges during charging, electrochemical reactions that cause explosion, flames, or smoke, and short circuits during mounting, dismantling, or charging," says Kaul.

Sameer Samdani, director, Insurance Brokers Association of India (IBAI) adds that it can also be triggered by mechanical shocks due to external impact or power surge. Several things are typically excluded. "This add-on does not cover damage due to normal wear and tear. It also excludes damage due to tampering or usage of non-OEM chargers," says Mulik.

Other exclusions include dead

battery, capacity loss, manufacturing defects covered under warranty, improper handling, unsafe charging, and undisclosed modifications. Negligence, such as not maintaining the vehicle or leaving it uncharged for long periods, is also excluded.

Charging-related cover

Standard motor insurance may not automatically cover EV charging equipment such as home chargers and cables. "Buyers should purchase a specific add-on to cover the battery charger against theft and damage," says Mulik.

EV owners should be aware of exclusions. "Claims can be denied if the battery or charger is not authorised by the original equipment manufacturer (OEM), or if charging is not done according to OEM guidelines," says Tejinder Pal Singh, vice president, motor insurance, Prudent Insurance Brokers.

Even installation should be done according to the manufacturer's guidelines. "Buyers should retain installation documentation to reduce disputes at claim time," says Saurabh Vijayvergia, founder and CEO, CoverSure.

Limits and conditions

For EVs, the admissible battery claim depends on the vehicle's age. "Battery and charger protect may only be available for vehicles up to six years old," says Samdani.

EV-specific add-ons can have limits based on the IDV or component value. "Battery cover may be capped at the depreciated value unless paired with a zero-depreciation add-on," says Mosamkar.

The writer is a Mumbai-based independent journalist

Dos and don'ts

- Consider multi-year policies to lock in premiums
- Check EV-specific gaps to avoid out-of-pocket costs even with zero-depreciation cover
- Ensure insurer has an extensive EV-ready repair network with capability for specialised electronics, software recalibration and ADAS, and adequate parts availability
- Verify charging-related coverage gaps
- Ensure towing-to-charging-station support