

**Project Design Phase-I Proposed  
Solution**

Date	25 OCTOBER 2022
Team ID	PNT2022TMID40066
Project Name	AI Based Discourse for vehical damage insurance
Maximum Marks	2 Marks

**Proposed Solution Template:**

S.No.	Parameter	Description
1.	<b>Value of the vehicle</b>	The premium is determined based on the insured declared value (IDV), which in simple terms means the value of the vehicle. The IDV is arrived based on MSP (Manufacturer Selling Price) Therefore, if you buy an expensive model, you will have to pay a higher premium and vice versa. Additionally, diesel cars entail higher premium when compared to petrol vehicles
2.	<b>Purpose</b>	Motor insurance is available for commercial and personal vehicles. If you use the vehicle for commercial purposes, the insurance premium will be higher.
3.	<b>Location</b>	Your location and where the car is registered is an important determinant. Insurance companies create zones depending on the vulnerability of the location. Companies generally levy a higher premium in urban areas due to higher incidents of theft, vandalism, and accidents.

4.	<b>Model of vehicle</b>	The premium varies based on how expensive the vehicle is. For eg. more expensive cars with a higher engine capacity (exceeding 1500cc), like luxury sedans and SUVs, have higher premiums, while base car models with lower engine capacity (below 1500cc) have lower premiums. Also, the premium for riskier cars such as sports cars is generally higher when compared to slower, standard ones. Cars with higher cubic capacity or those that run on gas or CNG usually have higher premiums.
5.	<b>Safety Fittings</b>	Vehicles with more safety devices help you with low premium rates, provided you take care of them. If your car is fitted with safety amenities like gear lock, GPS, and airbags etc., the risk of it getting stolen decreases by a significant percentage