

HOW to reduce your motor premium?

■ THE third party motor premium rates keep getting revised from time to time. In the last three years, the rates have gone up by 20 per cent for private cars and 15 per cent for two wheelers leading to a higher outgo towards your motor policy premium. While the third party motor premium rates are fixed by the regulator, you could control the cost you incur towards the own damage section of your motor policy to ensure it does not pinch your pocket. The following measures would help you lower your outgo towards your motor own damage premium:

■ **Keep your no claim bonus intact:** A no claim bonus is a discount the insured is entitled to get on his premium during renewal of the motor insurance policy, depending on the number of years he/she has not made a claim. It is earned only in the own damage (OD) section of motor insurance policies. If you avoid filing small claims and pay for minor repairs yourself during the year, your premium amount at the time of renewal will be lower due to the no claim bonus (NCB) that you earn.

■ Get the vehicle repaired at a network garage: You should take your vehicle to a network garage of the insurer to get the damages repaired at a lower, negotiated cost. You might be able to get the damages repaired at a cost around 20 per cent lower than that charged by your local garage.

■ Avail a long-term motor insurance policy: Today, products in the market offer a long-term cover for two-wheelers with an option of two and three-year coverage, along with 24X7 roadside assistance.

■ Opt for voluntary deductible: Another way of reducing your outgo towards motor premium is by opting for a higher voluntary deductible component in case of a claim. A deductible is a specified amount that the insured has to bear when he files a claim, following which the insurer pays the balance. So, you could opt to contribute towards your claim and pay a lower premium, discounts for which could go up to 20 per cent to 35 per cent subject to the voluntary deductible amount you choose.

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