

Checklist for motor insurance renewal

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IF you own a car, you surely know how important insuring that could be. However, only a few peruse their policy features and terms and conditions before actually buying it, whilst many find car insurance and terms of the policy too technical to fathom. There are a lot of terminologies and the details they entail that one may not be aware of.

A motor insurance policy is fundamentally divided into two parts — insurance for third-party liability and own damage insurance. Under the Motor Vehicles Act, it is mandatory for all registered motor vehicles to have insurance for third-party liability. Premium paid towards this only covers liability from damage caused to a third party, including injury, death of an individual or damage to property in case of an accident. However, the own-damage part is a customer's choice and it pays for repairs of your own vehicle caused by an accident or a natural disaster.

Let us now understand the break-down of a motor insurance policy and what not to miss while renewing the policy.

Add-on covers

Each time you renew your motor insurance policy, it is wise to check with your insurer on add-on covers that may be beneficial for you. For instance, if you are staying in a flood-prone area, engine protector is a must option in your policy features. As per Indian Motor Tariff, depreciation for vehicle parts goes as much as 50 per cent with each passing year. Therefore, it is wise to have this add-on in place for higher claim amount. A customer can opt for depreciation shield cover by paying very little additional premium. “Under this add-on, the insurer pays the cost of the vehicle part at mar-

ket price and without considering the depreciation at the time of claim,” said Gurneesh Khurana, President and Country Head (Motor Business), Bajaj Allianz General Insurance.

Voluntary deduction

If you haven't opted for voluntary deduction in your previous policy, you can opt for this feature at the time of policy renewal. With this feature, you commit to bear a certain amount from your own pocket at the time of claim. Claims above this set limit will be paid by the insurer. By choosing voluntary deduction, you can also bring your premium amount down.

Technology advancement

Insurers now have introduced applications to register and settle motor claims on your smartphone. With the help of photos and videos, you can settle cash claims as quickly as 20 minutes for up to a certain amount. Check if your insurer offers the facility, this will save a lot of your time during claim settlement.

No Claim Bonus

This is a reward by the insurer for a claim-free year. A consecutive four to five claim-free years can get you up to 50 per cent discount on your premium. If you didn't file a claim in the years gone by, you must take a count of it at the time of policy renewal. Even if you plan to change your insurer for the next policy period, your NCB benefits can be transferred. You just need a certificate from your current insurer.

Renew before it lapses

The crucial element of your motor insurance policy renewal is that you get it renewed before the policy expires. Once the expiry period crosses 90 days, you will not be entitled to your NCB.



Under this add-on (depreciation shield cover), the insurer pays the cost of the vehicle part at market price, without considering the depreciation at the time of claim

Gurneesh Khurana,
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