

### [Victim of a car theft? Here is all you need to know about claim](#)



- Unsplash Once you have reported the theft to the police, get in touch with your insurance provider immediately to report the incident.
- Providing incorrect or misleading information or granting someone else permission to use the vehicle at the time of the theft can lead to claim rejection.
- The amount of motor insurance claim settlement is calculated based on the insured declared value (IDV).

In a recent court ruling, an insurance company was asked to pay 70% of the claim amount for a bike theft – this was despite the claim being filed 100 days after the theft. The Insurance Regulatory and Development Authority of India (IRDAI), however, is yet to issue clarifications on the matter. With vehicle theft a serious issue in India, it's important to know all the rules around vehicle theft claims, so that your claim is not rejected.

A comprehensive insurance policy offers protection against vehicle theft, but the insured needs to be completely aware of the claim process.

“The first step after your vehicle is stolen is to file a police report [FIR]. This report will provide important details about the theft, such as the date, time, location, and a description of the parking details and last usage details of the stolen vehicle,” says TA Ramalingam, chief technical officer, Bajaj Allianz General Insurance.

#### **Notify the insurance company immediately**

In case of vehicle theft, time is of the essence. “It is recommended that the insurer is immediately notified on the discovery of the vehicle theft, and the claim should also be filed without delay, as any delay in filing the claim can potentially affect the processing and settlement of the claim,” says Parthanil Ghosh, president, retail business, HDFC ERGO General Insurance.

The specific time limit for filing a claim for vehicle theft may vary depending on the terms and conditions of the insurer. Your insurer will furnish you with a claims form that will help you through the process of filing the claim. Your insurance company will probably require some supporting documentation to substantiate your claim. This could involve submitting the police first information

report (FIR), the original registration certificate (RC), all original keys, and any other pertinent records to your insurance provider.

Agrees Yagnesh Dosshi, co-founder and director, Ragnall Insurance Broking and Risk Management. "Once the FIR is filed, the policyholder needs to report the theft to the insurance company immediately and initiate a claim request as soon as possible, ideally within 24-48 hours of the theft."

### **Why your vehicle theft claim may be rejected**

An insurance company may deny a claim for vehicle theft under certain circumstances. It is important for the policyholder to report the theft to her insurance provider as soon as possible, as any delay in reporting may result in the denial of the claim.

Providing incorrect or misleading information to the insurer or granting someone else permission to use the vehicle at the time of the theft can also lead to rejection of the claim. Additionally, if the policyholder's insurance policy was inactive at the time of the theft, the claim may be denied by the insurer.

"Also, if the insurance company has reason to suspect that the policyholder was involved in the theft of their own vehicle, they may reject the claim, which is called a breach of trust and is against the principle of utmost good faith in insurance," says Ramalingam.

### **How much compensation are you entitled to?**

In the event that a claim for vehicle theft is approved, the amount of compensation you receive will be determined by the terms and conditions of your insurance policy as well as the insured declared value (IDV) of the stolen vehicle. The IDV is the amount that you had declared as the vehicle's value when you purchased the insurance policy, and it serves as the maximum amount that your insurer will pay out in the event of a total loss or theft.

"In case the vehicle has been purchased with a bank loan then the insurer will reimburse the payout amount to the bank," says Ghosh.

If the stolen vehicle is found, the insurance company will compensate for any damages that occurred to the vehicle during the theft.