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## Everything to know about NCB under Motor Insurance

THE NCB DISCOUNT IS GRANTED AS PER SLABS; IT STARTS FROM 20% FOR THE FIRST CLAIM-FREE YEAR AND GRADUALLY GOES TO 25%, 35%, 45%, AND 50% FOR SECOND, THIRD, FOURTH, AND FIFTH CONSECUTIVE CLAIM-FREE YEARS, RESPECTIVELY. THE DISCOUNT IS CAPPED AT 50%

A comprehensive motor insurance is an excellent tool to ensure the safety of our vehicle and it also provides us coverage against third party liability which may arise due to our vehicle. No claim bonus (NCB) is an important element in motor insurance that can help reduce your motor insurance premium at the time of renewal. Your insurer grants NCB to you for each claim-free year. Let's understand more about NCB and its important features.

### Applicable only to Own Damage (OD) premium

NCB is applied only on OD pre-

mium and not on the third-party (TP) premium. To give you an example, suppose the entire premium is ₹3,000 and say 20% of this is TP premium which is ₹600. The NCB discount will apply to the OD premium of ₹2,400.

### NCB is granted to the driver

NCB is a reward for your good driving behavior. This means you can easily transfer your NCB when you change your vehicle or move to a new insurer. Also, you can keep your NCB intact for a longer period by avoiding raising a claim for some minor damage. It is smart to do a cost vs benefit analysis be-

fore filing a claim.

### NCB transfer procedure

For offline NCB transfer procedure, you can reach out to your insurer, request them for the transfer, and submit required documents, the insurer will release your NCB certificate. You have to submit the certificate to the new insurer and they will transfer the NCB. If you are purchasing the cover online, in that case you just have to inform the new insurer about the correct NCB, previous policy number, and name of the previous insurer. The new insurer will transfer the NCB.

Another interesting point is that the NCB certificate is valid for 3 years.

### How to transfer NCB to a new car?

The important thing to note while transferring NCB to a new car is that you cannot avail the discount till the time you are the owner of the older car. You can sell your old car, retain the NCB and transfer it to your new car. An alternative scenario is that you might not want to part away with your old car, in that case, you can transfer the ownership of the older vehicle to your family member.

### NCB termination

NCB will terminate only under two scenarios: When you file a claim and if you do not renew your motor insurance policy within 90 days from the date of expiry.

### NCB protection add on

Now that you know the importance of NCB in reducing the premium, I suggest you consider buying an NCB protection add on which will help you in keeping your NCB active even if

you file a claim. The number of claims that you can file, and still keep the NCB intact, varies from insurer to insurer but mostly up till two claims are allowed in the policy year.

Drive safe, enjoy your ride, and use your NCB wisely.



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