

# Custom-made ride



Keep your insurer in the loop about any changes you make in your car, says **Sanjay Saxena**

**P**eople express themselves by the way they look or by the way they do up their houses. Some take this thought a step further by modifying their vehicles and customising them. It has become a trend to modify vehicles as it's a great way to not just personalise the vehicle, but to improve its performance as well.

Modification is basically a change made to a vehicle in a way that varies from the manufacturer's original factory specifications.

While some of these modifications involve off-roading or engine power enhancement, customers typically look at aesthetic changes for their vehicles.

Such modifications can have an impact on the assessment of motor insurance for your vehicle. Risk of accidents and theft because of the modifications are some of the key areas that insurers look into while underwriting the motor insurance policy of a modified vehicle.

Below are some of the major modifications and their impact on the insurance policy of a vehicle.

## Colour of the vehicle

All registration certificates (RC) of vehicles have the colour of the model mentioned on them. Any modifications in the same must be reported to the RTO and the same must reflect in a modified RC.

This information must be passed on to the insurance company as well with a copy of the modified RC and photographs of the vehicle.

However, even if the same is not reported, the insurance company will still pay the claim but betterment differential will have to be borne by the insured.

For instance, if someone had a solid coloured vehicle and got it modified to a metallic colour, the insurer is liable to pay only for the solid colour based paint job in case of a claim, and difference for the metallic colour is to be borne by the insured.

This is keeping in mind that the in-

surance company was not informed about the colour change.

## Engine modification

Any change related to engine capacity, engine change and or any device installed to boost the power of the engine must be reported and approved by the RTO. Once approved, the same must be provided to the insurance company. It's important to note that the cubic capacity of a vehicle's engine is one of the key components that determines its insurance premium. Any change which affects the cubic capacity of the engine in turn changes the insurance premium of the vehicle for both third-party liability and own-damage cover.

Any failure to report the same absolves the insurance company from any liability towards the claim of the said vehicle. This is necessary as it will materially impact the vehicle use from its normal course of operation in many cases increasing average speed.

## Headlamps and lights

The customer is free to modify or change the bulb of the headlamp, tail lamp, fog lamp, brake light or day time running lights. The customer might also employ additional wiring of the lamp if the existing wiring of the vehicle remains untouched. This needn't be reported either to the RTO or insurance company.

However, if the battery capacity is changed, and/or the original wiring of the vehicle has been tampered with, then it needs to be reported to the insurance company. The modified light assembly has to be covered under electronic accessories. Customers also need to be aware that an insurance company may deny a claim in the case fire caused by short circuits owing to extra load on battery or wiring harness.

## Alloy wheels

Most cars come with alloy wheels now. However, a few customers still want to change them according to their taste. These changes need to be reported to the insurance company and can be insured as accessories by paying addi-

tional premium to get the wheels covered for any claim.

## Handle bars

Many two-wheeler riders like to change the default handle bar once they purchase a motorcycle. However, it is important to note that this is not allowed and any claim in this scenario is not admissible. The handle bars are approved by the RTO and any change in the same may affect the balance of the said vehicle, making them prone to accidents.

## Exhaust and silencer

Modifying the exhaust of the vehicle should be avoided as these are pre-approved by the authorities. However, if one chooses to modify the same, it needs to be reported to the RTO and the insurance company. If silencers not approved by the RTO are used, the vehicle can be impounded, especially if the permissible sound limits are being flouted by the said exhaust.

Abnormal heat disposal because of unauthorised fitting, causing fire or damage to the vehicle or leading to an accident, won't be a liability of the insurance company. As far as insurance goes, if any modification is made in the exhaust system/silencer, the same needs to be informed to the insurer with approval from RTO.

Inform your insurer about any modification made, whether or not it has an impact on the insurance, and don't wait till the renewal of the policy. Different insurers have different ways of assessing the modifications. They might want to inspect the vehicle or analyse the impact of the changes on the cover. It is also important to be alert that modifications don't flout the norms set by law.

India is a large market for vehicle modifications, especially with the growth of the pre-owned car market. It is necessary to operate within the norms to ensure that if there is an unforeseen eventuality, it is mitigated through due processes laid out by the insurance companies.

*The writer is head — retail claims, Bajaj Allianz General Insurance*