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[Are you selling your car? Here's how you should transfer your insurance policy and other documents](#)

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Are you planning to sell your car to buy a new exciting model that has hit the market? Make sure that while selling your old vehicle, you transfer your insurance policy well on time along with the necessary documents. It is quite easy to purchase a new vehicle but when it comes to selling the old one, you need to take care of a lot of smaller detail, especially, the documentation process that needs to be eyed carefully.

Sanjay Saxena, Head- Motor Underwriting & Motor Claims, Bajaj Allianz General Insurance said that once the buyer should get all the necessary documents, however, the insurance transfer processes can be carried out by him/her as per their convenience, at any office of the insurer. "The liability portion of the policy is deemed to be transferred automatically; however, the own damage cover is no longer valid once the policy is transferred in the name of the new owner," he said.

Here's the detail how you should go about the documentation and insurance process while selling your vehicle.

The Document Process

While selling your vehicle, it is important to follow proper documentation to free yourself from any future liabilities associated with the vehicle you are selling.

Devendra Rane, Founder & CTO, Coverfox.com says that if you want to make the process much easier to understand then you should divide the documentation process into two parts that are, Transactional and RTO.

Transactional Documents

Once the deal is finalized with the potential buyer, you must get a sale affidavit and delivery note signed from the buyer and also attach copies of buyer's identity proof like PAN Card, address proof like Aadhar Card and the cheques through which you are receiving the payment to the sale affidavit.

You must also get the sale affidavit notarised once the same is signed. This ensures that it acts as an agreement and transfers all liabilities related to the vehicle being sold to the buyer.

RTO Documents

=> **Form No. 28** - This is an application for receiving a NOC from the registering authority and also acts as a proof that you don't hold any liabilities and obligations that can stop you from selling your vehicle (3 copies in original are needed).

=> **Form No. 29** - Acts as a notice of transfer of ownership of the vehicle to the RTO that the vehicle is being sold by the owner and all the documents related to the vehicle i.e. Registration Certificate, Vehicle Insurance, PUC certificate have been handed over to the buyer (2 copies in original are needed).

=> **Form No. 30** - Acts as a confirmation to Form No. 29 that the ownership of the vehicle needs to be transferred and all the legal liabilities, bonds and responsibilities of the vehicle sold by you are now being transferred to the buyer of your vehicle (2 copies in original are needed).

=> **Clearance Certificate** - It is a simple application made on a plain sheet of paper informing the RTO that the vehicle has been sold. The certificate has the credentials of the buyer, seller and the details of the car noted in the same.

Once you receive the agreed sale value of your vehicle and all the required documents are signed, you can handover the vehicle documents like Registration Certificate, Vehicle Insurance, PUC, Invoice of the Vehicle, Application of Insurance Transfer and vehicle keys (original and duplicate) to the buyer.

Transfer of the insurance policy

It is very crucial that you transfer the insurance in the name of the buyer. Also, the No Claim Bonus accrued under your comprehensive insurance policy should be transferred in your name by informing the insurer about the sale of the vehicle. The transfer helps the seller in avoiding any legal issues and hassles that may arise in the future.

“After the transfer of vehicle ownership with an existing insurance policy, the new vehicle owner need not have to take another fresh policy. He/she just need to inform the insurance company regarding the transfer of ownership, by producing the necessary documents as mentioned above to initiate the transfer. Post verification of the documents, and with a nominal transfer charge, the insurance company shall issue an endorsement regarding the change of ownership,” said Saxena.

In order to make the entire process hassle-free, the transfer of both vehicle and insurance can be done at the same time. “For policy transfer, one has to fill a fresh proposal form and submit documents like sale affidavit, transfer of registration certificate forms 28, 29 and 30 fully filled and duly signed by the seller of the vehicle along with the applicable transfer fee and a copy of the previous policy to the insurance company. The insurance company on receipt of the required documents passes the endorsement of transfer. One must ensure that the entire activity is completed within a 14-day period,” said.