

Everything to know about shifting motor insurance policy



SUDHANSHU MAZUMDER

Head Motor Distributor, Bajaj Allianz General Insurance

Nothing beats the excitement of buying a brand-new vehicle, typically while purchasing a new vehicle we pay little or no thought to motor insurance, and we tend to simply go with the insurer that the showroom suggests.

At this stage, we are more excited about the vehicle than anything else. However, after a few months, we may realise that we should have selected a different insurer, so does that imply that we are stuck with the current insurer? Or is there any way to move to a different insurer without losing on the benefits? The answer is 'Yes', you can shift your motor insurance policy to another insurer. Is it difficult or

easy to shift to a different insurer? Let us find out.

WHEN TO SHIFT? The best time to part is during the renewal. It is advisable to initiate the transfer process at least 45 days before the policy expiry date to ensure a seamless transfer.

HOW TO SHIFT? Once you have finalised the insurer you would like to shift to, simply reach out to their agent or visit their website. Complete the necessary formalities like filling out the proposal form; you will also have to share details of your active policy or the policy that has expired; if the policy has expired, then an inspection of the vehicle might be required. You will have to fill in the particulars of the current insurer, policy number, and details of any claims that you might have made. One of the most important bits is to mention your current No-claim Bonus (NCB) so that the next slab of NCB can be extended to you, in

case of a claim-free year; thus you continue enjoying NCB benefits.

THINGS TO KEEP IN MIND WHEN CHANGING THE POLICY: Since you were not satisfied with the existing plan and service, it is paramount that you thoroughly read and research before switching the insurance company. Claims are the moment of truth in insurance; you should assess the claims-paying capability of the insurer before anything else. You can simply speak to the garage where you usually get your vehicle repaired and ask them which insurance company offers a smooth claim settlement experience, and you will have your answer. You can do online research and read customer testimonials for further clarity. Additionally, look at the solvency ratio of the insurer to evaluate their financial health; the solvency ratio shows the cash inflow of the insurer against the

liabilities. The insurance regulator has mandated all insurance companies to maintain a solvency ratio of 1.5 or 150%. A company that has high solvency ratio, will likely have a good claims-paying capacity. Apart from these parameters, a quick search for various services and add-on covers provided by insurance companies will help you pick the right insurer. You should also look at the network garage of the insurer to avail cashless claims settlement, do not simply look at the number of network garages, and rather focus on the garages which are near to you, or are in your routine driving route. Furthermore, keep in mind that you speak to an authorised person from the insurance company for porting the policy; please beware, there are many fraudsters today who claim to be representatives of the insurance company. It is best to meet the representative in per-

son and verify their details. When it comes to making online payments, please pay using only the authorised platforms of the insurance company.

Lastly, but most importantly, when looking for a new insurer, try not to base your purchasing decision only on the premium, rather take a more wholesome view of things and evaluate the insurer for their services and claim paying ability. The reason is quite simple, on the onset you may find a certain insurer a better choice because of the lesser premium, but you may later face challenges during the time of claim. As the famous adage goes, 'There are no free lunches', a relatively lower premium likely comes with its cost. Always remember, the cost of insurance is substantially low compared to the amount of claim. Search for an insurer of repute and goodwill, which will make your life easier during the time of claim.