

Are There are Gaps In Your Car Insurance?

You may buy a comprehensive car insurance only to find your claim being rejected or you're paid a paltry sum. The 'comprehensive' cover may not be enough. **Raj Pradhan** tells you how to fill the gaps with add-ons, to minimise your risks. Know the policy exclusions, to avoid rejection of claims

Is your car properly insured? Buying third-party (TP) cover is mandatory; but it only covers your liability. To cover damage or loss to your car, you have to purchase a comprehensive insurance policy which includes 'own damage' (OD) and TP; but even the comprehensive cover is not really comprehensive. It may not cover many items such as depreciation cost, consumables (engine oil, brake fluid, clutch fluid, coolant, grease, etc), engine damage due to water ingress or oil leakage, etc. There is need to understand the several add-ons offered with car insurance. Some are worthwhile while others may not be.

What kind of a car do you have? Is there a security alarm or any other system in place? What is the current value of the car? How old is it? The newer the car, the

better cover you need. Where do you live? Does it rain a lot at your location? Is it prone to natural disasters like flooding? Where do you work? What is your parking arrangement at home and at work? How many kilometres does your car run in a year? Do you travel out of your city? What is the accident record of your city? How good is your driving record? What is your claims history? All these questions will determine if you need just TP cover, comprehensive cover or you need different add-ons too.

Even if you buy all the add-ons, you still cannot ensure payment of all your claims. There are exclusions specific to each add-on cover. So, you should pay close attention to the fine print to know the exclusions. There are certain situations under which car insurance claims

will not be paid. For example, driving while intoxicated, driving by a person without a valid licence and so on. The most important exclusion is 'consequential loss'. Consequential loss exclusion can be used as an excuse to deny claims and, hence, vehicle-drivers need to be aware of the fine print.

TP cover is under tariff. So, the premium will be the same from all insurance companies. TP liability cover does not provide any benefit to the insured; however, it covers the insured's legal liability for death/disability of third-party loss or damage to third-party property.

It is estimated that there are about 40% uninsured cars and 70% uninsured two-wheelers. It is important to have TP motor insurance, to ensure that your legal liability is covered.

OD will vary, depending on insurer, type of purchase, car model, location, etc. Car insurance OD premium has dynamic changes. The best thing to do is to get a feel of the possible premium by checking online. Savings on premium is important and, hence, legwork is needed to ensure that you do not overpay when buying car insurance. Please read our Cover

Stories to understand how you can get a good deal on insurance cover. <https://tinyurl.com/l6fqptm> and <https://tinyurl.com/yag2ve77>

Once you know the premium range with online search, check with the car-dealer. It is preferable to go with the insurer who offers cashless coverage at the dealer's garage. Having cashless coverage with the garage you prefer is more important than the insurer itself. Once you narrow the list to a few such insurers, see if the car-dealer will negotiate. You can also check if the insurer offers a discount for online purchase.

What is the premium offered by brokers and agents? What claims support will the different channels give? An intermediary who will help for claims, especially smooth cashless claims, is worth it. The premium can vary with the channel of purchase. If you wish to buy online, it is better to buy directly from the insurer's website, after obtaining all the answers to your questions through customer-care.

So, You Got a New Car!

Buying a new car is a big deal for most middle-income families. Dealing with the dealers to haggle about the

price and package is an issue. Then comes the insurance cost which no one is happy to hear or bear. Uncertainties are certain in life; hence, car insurance is needed. The moment your car leaves the showroom, the price also drops and depreciation starts. Comprehensive insurance will not fully cover all the risks; hence, gaps need to be filled with proper add-ons. The higher the cost of car, the higher will be its premium. So, factor in the insurance cost along with add-ons of your choice which you will incur every year, before buying your dream car.

The NCB (no claim bonus) is associated with the policyholder, not with the car. When the policyholder buys a new car, after selling old car, he/she can transfer the NCB from the old to the new car. So, if you have 50% NCB (maximum allowed) with your old car, you can transfer it to your new car, to save on the insurance premium. You will need to get the NCB certificate for your old car which can then be used when you apply for insurance for the new car. But many forget to complete the procedure or are not aware of it. Such costly mistakes will mean that you start with zero NCB for the new car and, hence, pay a higher premium.

Best Kept Secret To Reduce Premium

As shown in the table on the next page, the 2017 renewal quote for Comprehensive Cover with Zero Depreciation+Key Replacement+Engine Protector+Hydrostatic Lock for 2016 Honda City 1.5 V MT was Rs24,340. Another private insurance company quoted premium of Rs20,996 [Coverage: comprehensive cover with zero depreciation, engine cover, consumable, road side assistance (RSA), key cover, loss of personal belonging, emergency transport & hotel expenses].

As the second quote was at a lower premium with better benefits, the intermediary was able to sweeten the deal after negotiations. For going with the first insurance cover, the policyholder had to pay a premium for options for getting money back, to make the quote more attractive. Option 1: Rs2,500 cash back directly into the bank account of the policyholder from where premium payment is being done. Effective premium Rs24,340 less 2,500=Rs21,840 (against the second quote of Rs20,996). Option 2: Rs3,400 pre-filled cash card—it can be used as a debit card for petrol (surcharge will apply), payment of bills, hotel bills, etc. The effective

COVER STORY

How Add-ons Premium Compare

Car Insurance Cover	Cover Details	Premium
Comprehensive Cover	Fibre, plastic, bumpers 50% cover+50% cover consumables item	Rs14,943
Comprehensive Cover + Engine Protector/ Hydrostatic Lock Cover	Fibre, plastic, bumpers 50% cover+50% cover consumables items + risk of engine damage due to oil leakage, ingestion of water	Rs16,131
Comprehensive Cover with Zero Depreciation Cover + Engine Protector/Hydrostatic Lock Cover	Fibre, plastic, bumpers 100% cover+100% cover consumables item + risk of engine damage due to oil leakage, ingestion of water	Rs24,044
Comprehensive Cover with Zero Depreciation + Key Replacement + Engine Protector/Hydrostatic Lock Cover	Fibre, plastic, bumpers 100% cover+100% cover consumables item + risk of engine damage due to oil leakage, ingestion of water + loss of keys/damage to lock system due to accident/theft/attempted theft	Rs24,340
Comprehensive Cover with Zero Dep + Key Replacement + Engine Protector/Hydrostatic Lock Cover + Return to Invoice	Fibre, plastic, bumpers 100% cover+100% cover consumables item + risk of engine damage due to oil leakage, ingestion of water + loss of keys/damage to lock system due to accident/theft/attempted theft + payable on invoice price or current ex-showroom price (whichever is lower)+ registration & road tax charges	Rs26,714

2016 Honda City 1.5 V MT. Private insurer quotes for renewal in 2017. Invoice value Rs10,47,817. Insured Declared Value (IDV) Rs8,38,254. NCB discount of 50% (transferred NCB to new Honda after selling old Honda car)

► premium is Rs24,340 less Rs3,400=Rs20,940 (against the second quote of Rs20,996). In short, everything is possible with negotiations. It is the best-kept secret we are revealing. The first insurance company was able to compete well with the second insurance, in terms of net payment of premium after money back.

Taking zero depreciation cover helps as this cover takes care of the complete repair and replacement cost, thus practically negating any major cost that would, otherwise, have to be borne by you


-Sasikumar Adidamu, chief technical officer
Bajaj Allianz General Insurance

Add-ons To Consider

Zero-Depreciation Cover: Depreciation is a reality. Even if you try to sell a newly purchased car, you will never get its full price. Depreciation has shown its immediate presence. Every car component depreciates at a different rate. The regulations specify how much depreciation the insurance company can consider while paying a claim.

According to Sasikumar Adidamu, chief technical officer Bajaj Allianz General Insurance, "In case of any basic motor policy, the only cost that is usually fully covered is the labour cost. However, often, the damage that occurs may involve the replacement of car

parts and painting too. The cost involved in such part replacement is usually high, and also payable out of your own pocket. Taking zero depreciation cover helps as this cover takes care of the complete repair and replacement cost, thus practically negating any major cost that would, otherwise, have to be borne by you. With this cover, an insured becomes eligible for market cost of the car parts at the time of claim and depreciation is not considered."



According to Devendra Rane, founder & CTO, Coverfox, “Zero depreciation or nil depreciation insurance is an important motor insurance add-on cover. It leaves out the depreciation factor from the coverage, giving complete cover, i.e., it offers 100% coverage for all fibre, rubber and metal parts without any deduction due to depreciation. For example, if your car gets damaged due to an accident, no depreciation is subtracted from the claim related to wearing out of any part. The insurance company will pay the entire cost of replacement of the body parts.

“Zero depreciation cover is offered for bikes and cars for a period of maximum five years, depending upon the insurer. A person who owns a brand new vehicle, especially luxurious and expensive vehicle-owners, be it a bike or car, must have this add-on to their comprehensive

COVER STORY

Add These Add-ons To Your Cover?

Add These Add-ons to Your Cover	
Car Insurance Add-ons	Benefit of Coverage
	It is available for maximum of five years. May not be offered if vehicle has completed specified kilometres. Comprehensive cover has depreciation for plastic, rubber, nylon, fibre glass, wooden parts, etc. With this add-on, no depreciation is deductible from the claim. It does not cover normal wear and tear or even mechanical breakdown of your car. Some zero-depreciation policies may cover consumables.
Zero Depreciation Cover	<p>Pros? Buy it when the car is new or up to three years old. Buy it for the maximum allowed time if you are living in a city that is more prone to accidents, you have luxury car which has expensive spares or your driving record is poor.</p> <p>Cons? Car with spares easily available at reasonable prices can avoid it when the car gets old. The premium gets expensive; hence, affordability is also an issue. Policy may have limitation on the number of claims that can be made in a year.</p>
	It is a step beyond zero-depreciation cover; hence, comes at additional premium. It not just gives benefit of zero depreciation, but also covers the vehicle at original 100% on-road cost, including road tax.
Return to Invoice Cover	<p>Pros? It is a helpful add-on, to recover full cost in case of vehicle theft or complete loss of vehicle. As the add-on is useful mostly for covering these two cases, it is also a reason to skip it.</p> <p>Cons? High premium makes the add-on less valuable.</p>
	It covers engine damage not caused by an accident. Comprehensive cover will not pay when car engine gets stalled when driven with engine oil leakage after an accident or driven in waterlogged areas or engine submerged under flood. You need this add-on to cover it, but try to avoid taking action which can be called 'consequential loss'.
Engine Protector Cover/ Hydrostatic Lock Cover	<p>Hydrostatic lock cover can be part of engine protector cover or separately sold. Repeated engine cranking when car stalls in deep water can lead to water ingress into engine causing hydrostatic lock.</p> <p>Pros? Cost of repairing the engine is high. Add-on is especially useful if you are living in a city like Mumbai which can have flooding during the monsoons.</p> <p>Cons? If you live in city with scant rain, you can avoid it if you are careful to avoid starting the engine and driving after a major accident.</p>

▶ motor insurance policy for the maximum possible term. Zero depreciation add-on cover increases the premium by 15%-20%. However, it is worth the extra premium as it is extremely beneficial at the time of a claim.”

A comprehensive policy does not provide complete coverage, since the insurer deducts the depreciation value when paying a claim. It means your claim may never be fully paid. Zero-depreciation policy may pay the full claim amount as it does not depreciate the vehicle parts. It has 100% coverage for plastic, rubber, nylon, fibre glass, wooden parts; it makes no deduction of depreciation. For example, for an expensive car of Rs10 lakh-Rs15 lakh, the cost of new spare parts can be high. Even a plastic bumper can cost Rs15,000. Plastic parts have 50% depreciation. It means you will have to bear half of the bumper cost, even if you have comprehensive policy. With zero depreciation add-on cover, you can expect the insurance company to pay the full value of the part. The Insurance Regulatory and Development Authority-of India (IRDAI) has allowed the following depreciation rates:

- For rubber, nylon, plastic parts, tubes, airbags and batteries—50% depreciation can be deducted:

- For fibre-glass components—30% depreciation be deducted; and
- For wooden parts, the depreciation is deducted as per the age of car (it is 5% in the first year, 10% in the second year, 15% in the third year, 25% in the fourth year, 35% in the fifth year, 40% after fifth year to tenth year and 50% exceeding 10 years).

For a luxury car or a car with expensive spare parts, you may buy zero-depreciation policy, until it is offered for car age of five years (if you can afford the excess premium). After it is no longer offered, you will need to continue with the standard comprehensive policy. When the car is more than 10 years old, you may decide whether you wish to continue with comprehensive policy or go with only TP cover.

Return to Invoice Cover: According to Mr Rane, "The 'return to invoice add-on cover' acts like your car's security blanket. It covers the gap between the insured declared value and the invoice value of the car. It is an option that will fetch you the entire amount of loss (the on-road price you paid for your car) including registration charges, road tax paid and not just the insured declared value (IDV) in case of theft or total loss of his car."

Depreciation Rates Used for Arriving at Vehicle IDV

Age of the Vehicle	% of Depreciation for Fixing IDV
Not Exceeding 6 Months	5%
Exceeding 6 months but not exceeding 1 year	15%
Exceeding 1 year but not exceeding 2 years	20%
Exceeding 2 years but not exceeding 3 years	30%
Exceeding 3 years but not exceeding 4 years	40%
Exceeding 4 years but not exceeding 5 years	50%

When you buy a vehicle, you also pay various taxes including one-time road tax which is usually valid for 15 years. It adds to your vehicle cost, but it is not really the cost (IDV) of the vehicle. It is payment to the government in the form of various taxes. Even if you were to buy zero-depreciation cover, you can never recover the taxes

The 'return to invoice add-on cover' acts like your car's security blanket. It covers the gap between the insured declared value and the invoice value of the car

- Devendra Rane, founder & CTO, Coverfox

you paid if the vehicle is stolen or has total loss. 'Return to invoice cover' is a step beyond zero-depreciation cover and, hence, comes at additional premium. It not just gives benefit of zero depreciation, but also covers the vehicle at the original 100% on-road cost including road tax. It is a helpful add-on, to recover full cost in case of vehicle theft or complete loss of vehicle. As the add-on is mostly useful only in these two cases, it is also a reason to skip it. High premium makes the add-on less valuable.

Engine Protector: Comprehensive policy will cover engine damage caused by an accident, but what about engine damage caused by non-accident? For instance, if your car is standing in a water-logged area and you turn

on the ignition, there is a high chance that your engine can get damaged which is not covered by comprehensive cover. You will need to buy 'engine protector' to cover such an incident. This add-on covers engine damage not caused by an accident.

Mr Adidamu says, "Engine protector add-on protects customers against high financial risks which they are prone to due to unpredictable weather conditions. Until a few years back, it was a necessity only for heavy rain prone cities. However, due to climate change, weather conditions have varied and we suggest to customers to opt for this, irrespective of their locations. During recent years, we have experienced flood situations arising even where they are least expected. Besides Mumbai, regions, including Bengaluru, Ahmedabad, Rajasthan, Tamil Nadu and Maharashtra, have experienced heavy rains last year. Water-logging conditions triggering hydrostatic locks are usual during heavy rains and affect car engines. These can be very well dealt, if engine protector add-on is bought along with the policy."

Mr Rane says, "An engine-protector add-on is, indeed, a necessity for new car-owners who have bought expensive or high-end cars, or who are located in cities and regions receiving high rainfall, or are frequently facing water-logging issues. An engine protector add-on cover pays for damages caused to the car's engine or its most important parts like cylinder, piston, crankshaft, pins, gearbox, etc, due to water ingress, leakage of lubricating oil, hydrostatic lock, etc. This kind of engine damage is excluded in the standard comprehensive motor insurance policy. Even if

customers reside in cities and regions without much rain, they must have this add-on cover to save themselves from high repair costs of a damaged engine due to other reasons."

Engine repair cost can be expensive and, hence, it makes sense to go for 'Engine Protector' to cover damages to an engine due to water stalling, oil leakage, etc. This add-on is especially helpful for people who live in flood-prone areas or places with high rain. Engine protector can also help cover damages to engine due to leakage of lubricating oil from engine/respective assembly after an accident or any damage caused to the engine due road bumps.



Additional Add-ons—Buy Only If It Adds Value

Consumable Cover	Consumables can increase the repairs bill significantly. If your zero-depreciation policy does not cover consumables, you may opt for this add-on to include oils (engine oil, brake fluid, clutch fluid), coolant, grease, nut and bolts, etc, used during car repairs after an accident
NCB Protection Cover	When you make a single claim, your NCB can expire. Even a small claim can wipe out NCB which means your renewal premium can be much higher than what you are paying now. NCB Protector guards your NCB in case of claims. There may be a limit on the number of claims during a policy period, such as two claims allowed, after which NCB cannot be protected
Road Side Assistance (RSA) Coverage	If you are stuck on the road due to a flat tyre, need battery jump start or run out of fuel, then RSA can be of help. It can even provide repairs for minor breakdown or tow your car to nearest repair shop
Key Replacement	It covers the cost charged by locksmith to produce a new key or even replacement cost of locks if the vehicle lock is tampered. In the case of theft of keys, the entire set comprising key, lock and lockset may be replaced
Windshield Glass Cover	If your front or rear windshield accidentally breaks or needs to be repaired or replaced, you can claim it but you will lose NCB. With this add-on cover, you can protect your NCB, in spite of claiming for repair/replacement of your windshield glass
Voluntary Deductible Cover	In case of any claim, if you voluntarily agree to bear the stipulated amount of claim, the insurer will pay the claim amount only for damages in excess of this limit of 'voluntary deductible'. It can save money on your insurance premium by 15% to 35% on the OD premium. The voluntary deductible amount can be up to Rs15,000
Spare Car Clause Cover	You can get daily cash benefit to cover your conveyance expense in case of a breakdown, while your car is being repaired. You get a fixed sum towards hiring a transport while the vehicle is under repair for a valid claim and the repair time is more than one day
Tyre and Rim Cover	It acts as a protection against the damages to your vehicle's tyres and rims as a result of punctures, blowouts or damage suffered from road hazards, such as roadside kerbs, potholes and road debris

But the fine print is that the damage should not have been caused due to your negligence. You should not only take all reasonable steps and precautions to avoid any loss or damage to the vehicle, but also prevent aggravating the loss after the damage due to an accident.

Trying to drive the car after a major accident is also negligence as it can damage the engine. In short, try to avoid giving reasons to the insurance company to reject claim under the garb of 'consequential loss'. Buying all the add-ons will not ensure that all the gaps are covered, as each add-on will also have its exclusions. Consequential loss is a major issue for claims rejection; hence, you need to take all precautions to avoid falling in this trap. The fine print of exclusions will need to be understood.

Car Insurance Exclusions

Insurance companies normally mention their exclusions and exceptions in their terms and conditions (T&C). There are certain situations under which payments will not be made. As listed by a

private insurance company's T&C, these are:

- Consequential loss;
- Depreciation/wear and tear;
- Breakdowns/failures/breakage - mechanic/electric;
- Tyre/tube damage other than during car damage;
- Driving while intoxicated;

- Occurrences outside the specified geographical limits;
- Occurrences beyond specified usage limits;
- Inadmissible claims;
- Events at the hands of an unauthorised driver;
- Nuclear damage;
- Eventualities of war or related activities;
- There are exclusions specific to each of the add-on covers.

The claim is considered null and void if

1. The private vehicle was being used for a commercial purpose.
2. The driver was driving without a valid driving licence or if the licence has expired.
3. The driver was found to be under the influence of alcohol or any intoxicant.

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Accident Claim Can Haunt Old Owner if RC Not Changed after Sale

A motor vehicle involved in an accident can haunt the old owner if the new owner does not bother to change the RC (registration certificate) to his/her name. The car seller should find a buyer who would do proper transfer of the vehicle to his/her name. Often, vehicle buyers get all the documents signed by the seller, but do not change the registration to their name, to avoid paying the state taxes and registration fees. The seller thinks that getting the sale deed absolves him of further responsibility; but a recent Supreme Court (SC) decision is an eye-opener.

The SC has ruled that if you sold your car and did not bother to change the ownership in the registration records, you would be liable for compensation claims arising from accidents involving the vehicle, even if another person owned and drove the car. In its judgement, a three-judge SC Bench said, "In a

situation... where the registered owner has purported to have transferred the vehicle but continues to be reflected in the records of the registering authority as the owner of the vehicle, he would not stand absolved of liability."

Section 2(30) of the Motor Vehicles Act, 1988, provides that the person in whose name a motor vehicle is registered is the owner and, hence, he alone is liable for payment of compensation. The principle underlying the provisions of Section 2(30) is that the victim of a motor accident, or in case of death, the legal heirs of deceased, should not be left in a state of uncertainty. A claimant for compensation should not be burdened with following a trail of successive transfers which are not registered with the concerned authority. To hold otherwise would be to defeat the objective and purpose of the statute.

prescribed limits, overloading the vehicle, over-seating passengers beyond the approved limit and so on.

'Consequential Loss Exclusion' is an Excuse To Deny Claims

Consequential loss exclusion clause is, often, misused by insurance companies to deny genuine claims. 'Consequential loss' is an indirect loss *vis-à-vis* losses caused from direct damages like from an accident. In simple terms, it can be additional car damage due to imprudent action taken by the insured after an accident. For example, if you try to start the car which is submerged in rainwater then water can enter the engine to cause major damage.

Such engine damage is 'consequential loss' and will be rejected by Indian insurance companies unless you have 'engine protector' add-on. You need this add-on to cover it, but try to avoid taking action which can be called 'consequential loss'. But international insurers do pay such claims

after considering their genuineness. One ex-insurance ombudsman in Mumbai had based his decisions on international examples. But the same may not hold with other ombudsmen who may accept the insurers' version of exclusion in the policy as the final word.

The questions for insurers and ombudsmen to ponder are: Is there is any motive of the insured to cause consequent loss? Was it done intentionally to cause loss to the insurer and benefit the insured? If not, why are the insured penalised for unintentional action? Remember, the insured is not an expert in cars.

According to Mr Adidamu, "Consequential loss exclusion triggers when the surveyor determines that damage to the vehicle is followed by a condition that was ignored by the insured. Therefore, we always encourage our customers not to ignore any damage that can make vehicle's condition even worse. In fact, customers should not try to drive a damaged vehicle; instead they should get it towed to the nearest garage on priority and get it repaired. This way, they can take the maximum benefit from their motor insurance, without falling under the consequential loss exclusion category. For instance, radiator coolant leakage can cause engine damage which is a consequential loss. As the radiator damages,

immediately one can see temperature rise on dashboard; in this scenario, you should stop driving and arrange for towing."

Mr Rane says, "Consequential loss is the damage which is a result of the actions or consequence of a certain action from the policyholder's end or a third-party and not an outcome of an uncertain event. Like if a car's engine gets damaged due to hydrostatic lock during monsoons, it is a common consequential loss. Here, one should note that if someone tries to start the car in a water-logged area or after the

water levels have receded, then this action would be a mistake on the owner's part or an intentional act or an action taken in an emergency situation which the insurer can in no way ascertain and the claim is rejected.

"However, if the owner does not try to start the car and gets the vehicle towed to the network garage and contacts the insurer and raises a claim for the same, the insurer has no reason to reject the claim. It is very important for the consumer to follow the guidelines. And, if proper procedure is followed, then insurer cannot reject genuine claims."

After reading the following real-life case, you may wonder if you should even start the engine after the accident. It may make sense to simply tow the car to the authorised dealer without attempting to start the car.

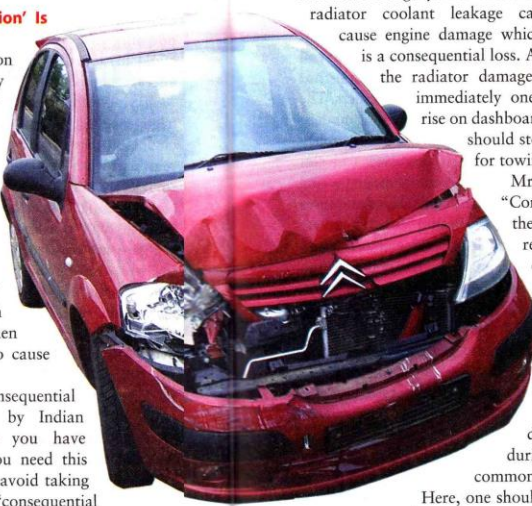
A high-end vehicle was parked outside a restaurant at midnight. The owner found the car damaged when he returned to the car after dining at the restaurant. It was a hit and run case; the offender was missing. He called the car company and was told to bring the car to the company-authorised garage. He asked for it to be towed; but the car company could not help at that hour. He started the car which ran for 100 metres and stopped. Finally, he called a private towing agency and got the car to the

garage.

The garage offered him an estimate of the repair work and told him to come and collect the car after a week. A week later, he was told that the engine had burned due to his negligence. The insurance company said that he should not have started the car; he should have opened the bonnet and checked a few things using his fingers. Being a pilot, the car-owner replied that such checking would have burnt his fingers. The insurer rejected the case.

The case was taken to the Ahmedabad ombudsman who rejected the claim stating that such cases are not paid by the insurer. Did the insured do anything intentionally to damage the car? Was the insured really careless? Was the insured trying to gain anything? Was it a deliberate act? Are insurers taking recourse to unjustified reasons to deny car insurance claims? It is possible that insurance companies may reject genuine claims under the guise of 'consequential loss'. Unfortunately, different insurance ombudsmen are taking different views on this issue. ■

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4. The driver was involved in illegal or malicious driving.
5. The claim is not made in the required timeframe since the incident of an accident or loss or damage as per policy. A delay in intimation can cause loss of opportunity to the insurer in confirming facts of loss or even taking preventive steps for recovery of the vehicle in the event of theft.
6. Customer should submit all the required documents while filing for claim, as mentioned in the claim form.
7. If vehicle's fitness is not valid at the time of accident.
8. If insurance premium is not being paid for the ongoing period.
9. In case of a second-hand vehicle, customer should get insurance policy transferred in his/her name immediately after the purchase.
10. If the insured has made certain changes to the vehicle in terms of accessories or adding CNG, it is important that the insurer is informed about these upgrades, to avoid claim rejection.
11. Misleading Information: A policyholder must always provide accurate and fully correct information regarding the damage of the vehicle or any third-party injuries without concealing any facts or providing misleading details. Incorrect or wrong details or misrepresentation of facts can lead to denial of the claim.
12. Other reasons for rejection could be making claims for an old damage, using the vehicle beyond its