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[Car Insurance: When to file car insurance claim and when to avoid it?](#)

Making a car insurance claim in case of any accident or damage to your vehicle is your right. However, does it make sense to make a claim frequently or every time something happens?

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It is a human tendency to rush for an insurance claim every time something untoward happens. This holds true in case of car insurance also. True, making a car insurance claim in case of any accident or damage to your vehicle is your right, and you should definitely exercise it. After all, that is the main purpose of getting one's car insured. However, does it make sense to make a claim on your car insurance frequently or every time something happens?

According to industry experts, there is no hard and fast rule for filing an insurance claim. However, before making a claim, keeping some basic facts in mind and doing some calculations may help someone take the right decision.

“Insurance acts as a financial shield against any unforeseen accidental damage, which can make your vehicle not fit for use. However, you can avoid making frequent claims for smaller damages to the vehicle, especially when they don't affect the vehicle's performance. Frequent claims will pay for your repair expenses, but will also affect your No Claim Bonus (NCB) and possibly will make your insurance premium higher at times of renewal,” says Sasikumar Adidamu, Chief Technical Officer, Bajaj Allianz General Insurance.

Rajiv Kumar, MD & CEO, Universal Sompo General Insurance, also says that sometimes, raising a claim on your car insurance policy might not be the best option as the insurance policy attaches great significance to the number of claims you raise.

For instance, “damages where the repairs are minute with lesser monetary inputs like a broken headlight or a mirror damage etc. should not be claimed under the policy as the cost of repairs involving your vehicle is substantially lesser than the applicable NCB (No Claim Bonus), which you will enjoy after every claim-free renewal,” he says.

Similarly, you should avoid making claims for small dents and scratches, whereas, for a bigger expense like front collision, you should take the insurance benefit. “With this approach you can get the best of your motor insurance, and at the same time you can ensure that the premium is not high too,” says Adidamu.

You also need to keep this fact in mind that most car insurance policies come with ‘deductible’ or ‘excess’, which is the portion of any claim amount that the insured will have to compulsorily bear himself on account of any claim under the policy, leading to less benefit for smaller claims. Even if a single claim is made, the NCB goes back to zero. Therefore, it is advisable to make a claim in the event of a big loss and avoid filing it in case of little mishaps.

For instance, if the claim amount is Rs 3000 and the applicable deductible is Rs 1000, then the amount payable by the insurer towards the claim will be only Rs 2000. Here the policyholder is not getting the full claim amount as well as he is going to lose his applicable NCB — which helps one avail a discount ranging from 20-50% on the own damage premium — on renewal premium. Hence he should avoid filing such claims.

What to keep in mind while filing a claim?

There is, thus, no well-defined criteria/rules to decide whether to file a motor OD (own damage) claim or not. However, a few points you should have in mind to decide on raising a claim are the quantum of loss, the impact it would have on NCB (no claim bonus) and applicable deductibles.

You should also be aware that frequent smaller claims put the insured at a higher risk level and, thus, the renewal premium will surely be high. Therefore, it is advisable to avoid smaller claims like a minor dent on the bumper or minor paintwork on the body of your car, etc.

It is a fact that “insurance companies cannot reject a claim based on the extent of the damage, unless the damage to the vehicle is caused due to events which are not covered under the policy. However, avoiding smaller claims can help in the event of a big loss and save your accrued NCB,” advises Kumar.