

AN EASY GUIDE TO YOUR MOTOR INSURANCE CLAIM



TA RAMALINGAM

Our motor vehicles are an indispensable part of our lives which we are heavily dependent on for our everyday routine life.

Today in the wake of the pandemic, people are avoiding public transport and cab services as a safety measure, ever more increasing the dependency on personal vehicles.

If you own a vehicle most probably you have a comprehensive motor insurance cover or at least a third party cover which is mandatory as per law.

Due to large number of people buying personal vehicles, motor insurance has become one of the most sought after insurance product which also consequently witnesses high number of claims every year.

Most of us are caught off guard when we witness our first motor claim. The intent of this article is to help readers understand about motor insurance claims.

Types of claims

Motor insurance claims are typically classified into two categories – Cashless Claims and Reimbursement claims.

Cashless Claims - Under cashless claims, you need not bear any up-front expenses in case of damage to your vehicle which further needs repairs. The insurer directly pays the expenses incurred for the repair to its network garage. You, the customer, has to only pay the depreciation and deductible when applicable. The percentage of depreciation varies according to the age and part of the car. For example, fibre glass part has 30% depreciation. So if this particular part is damaged and needs to be replaced, the insurer will pay 70% of the cost with the remaining 30% to be borne by the policyholder.

Reimbursement Claims - Under

reimbursement claims, in case of any damage to your vehicle, you can get it repaired at any garage. You will have to bear the cost of repair and will have to apply for reimbursement afterwards with the insurer. Make sure that you take all the repair receipts and bills from the workshop. Insurer will make the payment after validating the claim documents and bills.

There are three types of claims in motor insurance based on the incident:-

- *Third party Liability*
- *Own damage*
- *Theft*

Third Party (TP) - Third party is a mandatory cover by law in India. The purpose of TP is to provide coverage against legal liability claimed by a third party wherein they have suffered a damage or injury from your vehicle. TP section doesnot provide any cover to you or your vehicle. Under the TP section, a third

party, which has suffered injury, property damage or death arising out of your vehicle, can claim for compensation. In case of death or injury there is no limit capped on the compensation, the amount is to be decided by court of law.

Own damage (OD) - OD claims trigger when your vehicle is damaged due to an accident. The first step is to inform the police and your insurer. You should not move your vehicle from the accident scene without the consent of the police and insurer. Once you have the consent to remove the vehicle from the scene of the accident, you can take the vehicle for restoration and the insurer will make the payment either on cashless or reimbursement basis.

Theft - In a situation where your vehicle has been stolen, you need to register an FIR with the police, inform the insurer and

the RTO about the theft. You will be required to submit a copy of the FIR, driving license, vehicle registration certificate etc. to the insurer. The police will investigate the matter; however, if your vehicle is not traced within 90 days, the police will issue a no trace report. A no trace report is mandatory to settle the claim in case of theft. Once you submit the report along with required documents, insurer will start the process for claim settlement.

To conclude I will say, a smooth and hassle-free claim process is a big relief to customers. This can be a differentiator when you are evaluating your insurer. Drive safe, enjoy your ride and in case of an unfortunate accident, always reach out to your insurer!

(The writer is the Chief Technical Officer at Bajaj Allianz General Insurance)