

Things to remember while renewing motor, health insurance policies

Renewals allow you an opportunity to review your contract, upgrade and improve your cover to ensure that you are thoroughly protected

Most of the general insurance policies are time-bound contracts and mostly require annual renewal to keep the policy active. The insured needs to pay annual premiums to keep the policy effective and enjoy its benefits. Motor and health insurance are the most widely purchased insurances, let's have a look at a few points which you must keep in mind while renewing these policies.

Motor Insurance

IDV - Insured declared value is the most important element in your motor insurance and directly affects the cost of the premium. IDV reflects the maximum amount which you will get from your insurer in case of total loss. During renewal, you might be allured by the prospect of paying a lower premium offered by another insurer, however, more often than not this lower premium comes at the cost of reduced IDV. Please do not compromise your IDV for a lower premium, as it will leave you underinsured.

No claim bonus - You are eligible for no claim bonus if you haven't filed any claim in the preceding year. For each claim-free year, your insurer rewards you with NCB which goes maximum up to 50% for 5 consecutive claim-free years. NCB discount can consid-

erably reduce your Own Damage (OD) premium; make sure you opt for NCB during claim-free years. I want to highlight that NCB discount applies only to OD premium, not the entire premium which constitutes both the premiums, OD and TP.

Add On features - Apart from the standard cover, motor insurance offers many useful add-ons which help in building a complete protection plan for your vehicle. Few add-ons like engine protection cover, zero depreciation cover, no claim

bonus protection cover, return to invoice cover can add value and bolster your motor insurance. Also, few add on covers are granted basis to the age of the vehicle and may not be available for your older vehicles.

Health Insurance

Sum Insured adequacy - Renewal is the right time to re-visit your sum insured limit and evaluate its sufficiency. The sum insured that you opted initially might not be ade-

quate a few years down the line due to medical inflation and increased cost of treatment. A high sum insured ensures that you have sufficient cover during the time of need.

Top-up plan - While evaluating the adequacy of your health cover, if you realize that your current policy is not sufficient to cover you during exigency, you can avail top-up plan. They are designed to provide you additional coverage over and above the base policy at a nominal price. Top-up plans give you the freedom to explore the market since you can buy the cover from any insurer of your choice and are not bound to buy it from your incumbent insurer.

Disclosure of new ailments - If you or the insured members in

the policy have acquired any new ailment, it is in your best interest to declare it during the renewal. In a health insurance policy, it is of material importance that you share the details related to your health with your insurer to avoid hassles later, especially during the time of claims.

I know, it becomes difficult to keep track of the renewal dates, and it is one of the major reasons why policy lapses. However, today all leading insurance companies have their apps which are as important as any other application on your mobile. These apps have a dashboard that will give you an overview of all your policies. It will help you in keeping track of your renewals besides the entire policy management. In a matter of few simple clicks, you can renew your insurance contract and enjoy peace of mind.



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