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Headline: - Should You Choose Only The Mandatory Auto Insurance Or Add Other Components?

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Should You Just Buy The Mandatory Auto Insurance Cover Or Opt For Other Components As Well?

Tapan Singhel - 05 September 2023

A motor insurance policy, typically, consists of two components: third-party liability cover (TP) and own damage cover (OD).

The TP cover is mandated by law and is required for vehicle registration. It provides coverage to a third party in case of property damage, bodily injury, or death caused by your insured vehicle. This cover protects you from hefty fines and legal issues in case of an accident. The claim amount here is decided by the court and can be substantial sometimes.

The OD component covers the damages to your own vehicle. It includes coverage against natural calamities like floods, theft, fire, riots, and more. For example, if your vehicle gets damaged in floods, it will be covered only if you have an OD component in your insurance policy. Hence, it is always advisable to go for a comprehensive motor insurance policy that includes both TP and OD covers.

Apart from these, there are add-on covers that you may consider including in your vehicle insurance policy. Some add-ons to consider are zero depreciation cover, engine protector cover, 24x7 roadside assistance and tyre safeguard, to name a few.

A zero depreciation cover eliminates the depreciation factor, which is typically applicable during a motor claim, meaning you will be reimbursed the full cost of damages without considering depreciation. It will also help in minimising your out-of-pocket expenses during claims. The engine protector cover is beneficial during situations, such as flooding, as it provides coverage against damage to the engine due to water ingress, lubricating oil leakage, and damage to the gearbox. The 24x7 roadside assistance add-on offers emergency services like changing flat tyres, jump-starting a dead battery, providing alternative travel arrangements, emergency fuel refilling, and towing facilities. The tyre safeguard add-on offers 100 per cent coverage for damages to your tyres, which can be useful if you frequently drive on poorly maintained roads.

If you have an electric vehicle (EV), a battery protection add-on is essential as the battery is a significant and expensive component of these vehicles. This insurance cover will also shield you against water damage and offer financial assistance for battery replacement cost.

But before buying a vehicle insurance cover, always compare the offerings from multiple insurers to assess what suits you best. Also remember to choose a credible insurer with a good track record in claim settlements.

As a rule of thumb, always read your policy document and ask questions to understand the exclusions and inclusions of your policy so that you can get the best for your vehicle from the policy.

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Headline: - How To Choose The Best Health Insurance Policy?

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How To Choose The Best Health Insurance Policy? Will It Honour Claims?

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First evaluate and consider your healthcare needs, budget, and coverage preferences. Choosing a policy that aligns with your specific requirements is important, given the diverse range of options available in the market today.

Buying a basic health plan at a young age is essential. Investing early ensures lower premiums and broader coverage, as age plays a significant role in premium calculation. Also, starting early allows one to serve waiting periods for specific ailments, thus ensuring comprehensive coverage later in life. Even if you are covered by an employer's group health plan, having an individual health cover is essential for continuous protection.

In addition to a basic health insurance plan, buying a top-up plan can be beneficial, too. Many people believe a modest sum insured is sufficient, but the reality of soaring medical costs suggests otherwise. A top-up plan complements the base policy by providing additional coverage above a specified deductible limit. Also note that aligning the top-up policy with the base plan ensures seamless coverage and financial security.

Critical illnesses have become more prevalent in India, and so, critical illness covers are a necessity. These policies, typically, pay a lump sum if the insured is diagnosed with a critical illness listed in the policy. As the list of illnesses covered varies among insurers, reviewing the coverage is very crucial. These policies are very important for individuals with immediate blood relatives who have suffered from life-threatening ailments.

A wellness rider is another valuable addition. This covers doctor and teleconsultation fees, OPD costs, investigation expenses, and preventive health check-ups. The coverage varies among insurers.

However, it is advised to practice utmost good faith when disclosing relevant information to the insurer since concealing crucial facts can lead to a claim rejection. Be honest about your medical history and current health status to harness the full benefits of health insurance, to ensure a seamless claim process.