

## Motor Insurance (PUN015)

Instances such as road accidents, theft or damage to the vehicle while driving are unpredictable. Such incidences can make anyone stressful as it can be a financial blow. It would be easier to take control of such situations if you have motor insurance. Read further in detail about motor insurance in India. Due to poor road conditions, road mishaps, driving discipline, and traffic violations, driving has become a risky affair. Therefore, **motor insurance** is now a mandate in India. You cannot drive without having third-party motor insurance.

**Third-party Insurance:** Third-party insurance provides damage cover for third-party vehicle as well as financial assistance if the third-party driver gets injured or dies in an unfortunate accident. The insurance company helps you financially if there is death, bodily injury, disability of the third-party driver. The Motor Vehicles Act of India has passed on a regulation that third-party insurance is mandatory, and it should be a priority whether you have a bike or car. If you're riding a bike or driving car without possessing insurance papers, it is considered as illegal. In India, people mostly choose this type of insurance as it is mandatory, and the premiums are affordable.

**Cover in Policy:** Financial liability cover to the third-party's vehicle, liability cover to the third-party driver in cases like death, bodily injury or disability.

**Excluded in policy:** Loss or damage to the vehicle if you're driving without any valid license, loss or damage to the vehicle if you're under the influence of alcohol, or drugs, due to oil leakage, if the vehicle's engine gets damaged.

**Comprehensive motor insurance:** it comprises of third-party liability and Own Damage cover. Unlike third party insurance, where it doesn't cover costs relating to your vehicle's loss, the comprehensive coverage becomes an apt choice for you, especially if you're looking for overall motor insurance.

**Cover in Policy:** Personal injury or death in an accident, cover for damage to the vehicle due to accident, theft of your vehicle, liability cover for third party property damage and bodily injury or death of the third-party driver, loss or damages due to natural calamities like earthquake, flood, loss or damage to the vehicle due to fire etc. are covered under comprehensive motor insurance.

**Excluded in policy:** Does not cover the depreciation of the vehicle, does not offer coverage if the vehicle gets damaged in case, you're under the influence of alcohol or drugs, loss or damage due to nuclear war or mutiny war, ageing of the vehicle, loss or damage to the vehicle if you don't have a driving license, electric or mechanical breakdown of the vehicle.

**Claim under motor insurance:** One of the significant aspects of motor insurance is filing for a claim, in case there is an accident, you need to inform the insurance company about the same and below is how the process should be call the insurance company & provide the card number, note the number of the other vehicle involved in the accident, keep a note of the witnesses' names and contact details part from this, the insurance company will also ask for the following information for furnishing:

- i) Date and time of the accident
- ii) Accident location
- iii) Vehicle number and model name

**An Accident:** These are the necessary details that the insurance company may ask. However, it is totally at the company's discretion what other information it would require approving the claim request. Make sure that you provide accurate details, else the claim may get rejected. If there is a theft of your vehicle, the first thing you need to do is file an FIR at the police station and then inform the insurance company, which will take care of the rest of the process.

### Add-on covers:

**Zero depreciation:** As your vehicle ages, the insurance company deducts that depreciation value at the time of claim settlement. However, this rider option keeps the market value of your vehicle intact and pays the entire claim to you.

**Roadside Assistance:** There may be a case when your vehicle breaks down while driving. In such a case, the insurance company offers roadside assistance like towing, refuelling, key replacement, etc. You can get the car/bike repaired or parts replaced at the insurer's garage network.

**Engine protection:** If your vehicle's engine gets damaged, this add-on cover will provide financial assistance for engine repair service.

**Personal accident rider:** Fatal accidents can leave you disabled for life or lead to death. In such cases, personal accident rider option will be a boon, as it commits to secure your family's future in your absence.

**Loss of personal belongings:** There may be an instance that you lose your belongings, or your valuables get stolen. By opting for this rider, the insurance company will compensate for the same.

**Mandatory:** There are many reasons to purchase motor insurance, but one of the main reasons is the mandate of Third-party protection by the Motor Vehicles Act. In India, you cannot drive on the road without insurance; otherwise, it is considered a legal offense.

**Reduces financial burden:** Besides third-party liability, comprehensive insurance will provide financial cover for repair and replacement of parts if your vehicle gets damaged due to any circumstances. You do not have to worry about spending from your pocket. The insurance company will directly settle the payments of the bills with the garage service.

**Death benefit:** If you're the policyholder and you die in an accident; the motor insurance company will provide financial cover to your family, thus securing their future. In case of disability, the insurer will supplement regular income to your family.

**Thank You...**