

What is motor insurance?

Motor insurance is the insurance policy for vehicles. It could include Car Insurance and Two-Wheeler Insurance.

Vehicles that are used for commercial purposes, like buses and trucks, are covered by Commercial Vehicle Insurance.

Motor insurance is mandatory in India. It is compulsory to buy auto insurance when you purchase a vehicle.

What is covered in a motor insurance policy?

When you purchase motor insurance, the policy will typically provide you financial protection against the following:

1. Loss or damage to your vehicle due to natural calamities: This could include fire, explosion, lightning, earthquake, flood, typhoon, hurricane and landslide.
2. Loss or damage to your vehicle due to man-made calamities such as burglary, theft, riot, or a malicious act.
3. Third Party Legal Liability: Protection against legal liability due to accidental damages resulting in the permanent injury or death of a person, and damage caused to the surrounding property.

In general, auto insurance does not cover depreciation, wear and tear or mechanical breakdown.

What is the amount covered in auto insurance?

All vehicles are insured at a fixed value known as IDV or Insured's Declared Value. It is calculated based on the manufacturer's listed selling price plus the cost of any added accessories and deducting the annual depreciation.

What is the Claims process?

If you are involved in an accident involving your car or two-wheeler, contact your insurance company or agent immediately. You will be given a claim number or reference number which you need to refer to at all times.

Note the license plate number of the other vehicle involved in the accident, if any, as well as the names and contact details of any witnesses.

How to apply for motor insurance

You can apply for auto insurance online and enjoy the benefit of minimal paperwork. However, there might be some restrictions regarding what kind of insurance you can buy online (e.g. some companies might limit it to only privately owned cars and two-wheelers). You can also renew your insurance online up to a few months before the date of expiry. Each company will have its own renewal schedule. If your policy has lapsed, your vehicle might have to undergo inspection.

Alternatively, you can also submit your application physically with the requisite documents and payment.

What is a No-Claim Bonus (NCB)?

If you have not made any claim on our auto insurance for the past year, then you are eligible for a No-Claim Bonus, which takes the form of a discount on the following year's premium payment. The more years that are claim-free, the larger the discount you will get on your premium.