

# The Unbelievable Car Insurance Factbook

**PLUS**

Everything  
you need to  
know about car  
insurance.



**AUTOCAR**  
INDIA  
in association with

- Discover more ways to protect your beloved car
- Insure everything in your car, including the keys

**A Customer Education Initiative**



WITH YOU ALWAYS



### WHAT'S INSIDE

Believe it or not, car insurance can even protect your personal belongings in your car. Plus a few more amazing facts.



#### Can you turn back the clock?

Some surprising facts about depreciation.

#### Can you make a claim without affecting the no claim bonus?

Yes you can. We tell you how.



#### What is the cost of an accident?

How to completely protect yourself.



#### The car insurance factfile.

A dozen things you should know, but might not.





# What the smart motorists know that others don't.

***Do you know what brand of tyres is fitted to your car? Do you know what brand of engine oil is being used in your car? Do you know which company your car is insured with?***

If you do, congratulations to you. You are one of the few informed and aware motorists. Most people tend to ignore or overlook these three vital aspects. Why are they so important?

## **THE THREE THORNS**

**1.** Let's begin with the tyres. All the car's high-tech engine and system is useless without the tyres to turn them into motion. And it all comes

down to four fist-sized patches where the tyre meets the road. A bad tyre doesn't just ruin the driving dynamics and comfort, but also impacts your safety.

**2.** If you take two pieces of metal and rub them together, eventually they will start eroding. Your car's engine is made up of many pieces of metal constantly grinding and rubbing against each other. Without a protective film of engine oil between these pieces of metal, your car's engine will soon eat itself up. And you will be faced with a huge bill.

**3.** The third important aspect ignored by most

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## Why take value-added car insurance?

- To enhance your standard car insurance policy
- To get evolved benefits which add value and extra assurance to your insurance
- To insure your car against specific protection needs

is your **car insurance**. Your car is the second most valuable purchase you make after your house. This valuable investment will spend its life exposed to the elements, and at times to the fury of nature. It will be exposed to dangers on the road. It might be targeted by malicious people. A good car insurance can protect and increase the value of this investment.

### **INSURANCE DOESN'T COVER ALL.**

How do you use your car insurance to your maximum advantage? There are riders and conditions attached to your insurance. So first of all read and understand what your insurance company is offering. For example, if you have a crash in which the car is a total loss you expect

to be compensated the amount for which you bought the car by the insurance company. Correct?

The truth is that you will not get the full amount you paid for the car but a lesser amount. This is because of depreciation. The moment you buy a new car, and drive it out of the showroom, its value falls. Over time, the car's value becomes less and less. And the insurance you get is based on the depreciated value. And that will not cover costs like registration fee and road tax. **Is there some way to protect yourself against this?**

### **COVER YOURSELF COMPREHENSIVELY.**

There is, and they are called 'add on covers'. These covers are add-on to your insurance policy. Tata AIG General Insurance offers some really important and innovative covers. For a small additional premium, you can protect your car and yourself for almost anything you can think of, including lost keys!

### **CAN YOU TURN BACK THE CLOCK?**

Yes, add on covers can protect you from nearly everything including the scenario we spoke about earlier. Suppose you have a car that you bought two years ago for an ex-showroom price of Rs 800,000. And then you paid registration and road tax of Rs 40,000. If today you have an accident where the car is a total loss, you will not get the Rs 840,000 you paid for the car.

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## Did you know that the correct value added insurance cover can protect the value of your car from depreciating?

You will not even get Rs 800,000. How much will you get? Because of depreciation you will get only Rs 560,000. So even though you have insurance you will have to pay Rs 280,000 out of your pocket to replace the car, assuming ex-show room price of the car and road tax remain the same. But if you had bought a 'Return to Invoice' cover you would have been compensated for the remaining amount of Rs 280,000. So the amount you pay to replace your vehicle is zero! Mind you, if the manufacturer

### Tata AIG's Return to Invoice Cover

With Return to Invoice cover you get paid the difference between the 'claim amount receivable' under the policy and the 'purchase price of vehicle' as per invoice in case the vehicle is declared a Total Loss or a Constructive Total Loss. The cover also pays first time registration charges and road tax on the insured vehicle. Cover is available to first registered owner for vehicles upto 3 years old.

### Tata AIG's Depreciation Reimbursement Cover

The Depreciation Reimbursement Cover offers full claim without any deduction for depreciation on the value of parts replaced. The cover is available for vehicles upto 3 years old and operates for maximum 2 claims during the policy period.

has reduced the price of the particular model since you bought it, you will get the reduced price and not the price you paid for. Even then, **it's no money out of your pocket and you get exactly the same car, but brand new.**

The rider is that this cover is only available for vehicles up to three years old.

Depreciation does not hit you only when you replace the car, but also when you replace parts. When you make a claim involving replacement of parts, you will not get the full cost of the part but only the depreciated price depending on the age of the vehicle. There is a cover to protect yourself against this too. It is called 'Depreciation Reimbursement'. Under this cover you are paid full value of the parts replaced without any deduction for depreciation. You pay nothing out of your pocket. The rider is that this cover is only available for vehicles up to three years old and operates for maximum two claims during the policy period.

Think about it, can you afford not to cover your new car against depreciation?

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## Why do you have to lose out and pay for someone else's carelessness?

### **CAN YOU MAKE A CLAIM WITHOUT PAYING THE PENALTY?**

Let's now talk about another important, but misunderstood, aspect of car insurance – making a claim. Some people will file a claim at the slightest pretext, believing that by getting the insurance company to pay for their car's smallest repair and bodywork, they are saving money. The truth is they are not. They end up with higher premiums and their car loses value more quickly. In fact not making a claim in a

financial year actually entitles you to a bonus called a 'No-Claim Bonus'.

Smarter people realize this and try to drive and maintain their cars carefully. But however carefully you drive your car, you cannot control the stupidity or carelessness of other people on

### **Tata AIG's No Claim Bonus Protection Cover**

Normally, in case of a claim, the 'No Claim Bonus (NCB)' component of your car insurance policy gets impacted. However, under this cover, the existing NCB can be retained if the number of claims does not exceed one during the policy period. With No Claim Bonus Protection as a cover to your car insurance you don't lose out on the accumulated NCB even if you have had to make one claim in the fifth year.

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the road. Someone could come and crash into you while you are waiting at a red light. Doesn't sound improbable, does it?

Now if you are one of the smarter people, who have always paid their insurance on time and been receiving the benefits of the No Claim Bonus due to your careful driving, this is the time for you to protect your bonus so diligently earned over the period of time. God forbid some one crashes into your vehicle for no fault of yours, you will be forced to file the claim with your insurer but the moment you file your claim you will negate the benefit you have accrued over the years. Now you don't need to lose out. The magic word is a cover called the 'No Claim Bonus Protection'.

This is a cover that protects your No Claims Bonus. **Normally, in case of a claim, the 'No Claim Bonus (NCB)' component of your car insurance policy gets impacted.**



However, under this cover, the existing NCB can be retained if the number of claims does not exceed one during the policy period.

With No Claim Bonus Protection as a cover to your car insurance you don't lose out on the accumulated NCB.

Here's another cover to protect your No Claim Bonus. Even if you need to replace glass, fibre, plastic or rubber parts you can lose your No Claim Bonus. But what if they can be repaired? Under this cover, the No Claim Bonus will not be impacted if repair rather than replacement is opted for damage to glass, fibre, plastic or rubber parts on account of an accident to your vehicle, and no other parts are damaged and claimed during the policy period.

### **Tata AIG's Repair of Glass, Fibre, Plastic and Rubber Parts Cover**

Under this cover, the 'No Claim Bonus' will not be impacted if repair rather than replacement is opted for damage to only Glass, Fibre, Plastic and Rubber parts provided no other claim for damage to the vehicle is preferred during the policy period.

### **WHAT IS THE COST OF AN ACCIDENT?**

Here's something more to think about. What is the cost of an accident? Thankfully, even if you get away without a scratch, it is not just the cost of repair. There are many hidden costs too over the long run. Suppose you are away from home, and the car is in no condition to be driven back

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## Tata AIG's Emergency Transport and Hotel Expenses Cover

Our innovative Emergency Transport and Hotel Expenses cover pays the cost of overnight stay and taxi charges for returning to the place of residence or the nearest city you are traveling to if the insured vehicle becomes immobile due to an accident.

you will have to pay your way back home. And if you are away from your city you might need to stay in a hotel. Maybe even your personal belongings too get damaged in the accident. Moreover, while your car is being repaired in the workshop, you will have to hire a car or a taxi. Will insurance pay for all this? It would, if you have the right covers.

In this case if you have an 'Emergency Transport and Hotel Expenses' cover it will pay the cost of overnight stay in a hotel and taxi charges for returning home, or the nearest city you are traveling to, if the insured vehicle becomes immobile due to an accident. Plus if you have a 'Loss of Personal Belongings' cover, it will pay for the loss or damage to your personal belongings in the car. And if you have a 'Daily Allowance' cover, it will pay you a fixed

## Tata AIG's Daily Allowance Cover

The Daily Allowance Cover pays a fixed sum towards hiring a transport while the vehicle is under repair for a valid claim and the repair time is more than 3 days.

## Will your insurance company pay for taxi or car hire?

sum towards hiring a transport while your car is under repair.

## Tata AIG's Loss of Personal Belongings Cover

The Loss of Personal Belongings cover pays for the loss or damage to personal belongings inside a vehicle at the time of loss or damage to the vehicle in excess of Rs 250.

## WHY WOULD YOU NEED TO INSURE YOUR CAR KEYS?

If you have a high-end car you would be smart to check out the cost of a replacement key. As one shocked person found out, the cost of an original replacement could be as

high as Rs 25,000!

Thankfully, now you can cover yourself against that too. The 'Key Replacement' cover pays the cost to replace your vehicle keys if it's lost or stolen, plus the cost of locks if the vehicle is broken into. Unbelievable? Believe it.



## Tata AIG's Key Replacement Cover

The Key Replacement Cover pays the cost to replace vehicle keys if lost or stolen, plus the cost of locks if the vehicle is broken into.

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## What is Auto Secure?

AutoSecure, value added car insurance from Tata AIG General Insurance, has been designed to give you the extra assurance and peace of mind. That's not all. Through its eight unique add-on covers, you can enhance your standard private car insurance policy.

AutoSecure Private Car package policy is a comprehensive policy that makes you eligible for all the benefits covered under the Motor Vehicle Tariff and even more.

### The benefits:

● **Loss or Damage to your Vehicle:** Any partial or total loss to your vehicle arising out of an accident or on account of fire and allied perils, burglary and theft, terrorism, natural hazard etc.

● **Third Party Legal Liability:** Covers third

party property damage and third party bodily injury

● **Add on covers** to provide you extra protection beyond the benefits available under tariff.

Tata AIG believes in ensuring that you always feel glad about your decision to "AutoSecure" your car. What you have is a range of benefits and services over and above the basic benefits:

- Free pick-up of car!<sup>1</sup>
- Direct settlement facility at special garages!<sup>1</sup>
- Quality spares and materials, guaranteed!<sup>3</sup>
- Claim settlement in seven days!<sup>2</sup>
- Up to 6-month accident-repair warranty<sup>3</sup>

<sup>1</sup> In select garages across India. Repair cost reimbursed if you go to other garages. <sup>2</sup> Seven working days <sup>3</sup> Conditions apply.

**Tata AIG Auto Secure offers its unique add on covers as pre determined bundles to suite individual customer needs. You can also avail these covers as individual add-on covers or any combination of add-ons with or without forming part of bundles.**

## PRE-DETERMINED ADD ON BUNDLES

	Gold	Pearl	Titanium	Platinum
Repair of glass, fibre, rubber & plastic parts	✓	✓	✓	✓
NCB Protection*	✓	✓	✓	✓
Loss of personal belongings	✓	✓	✓	✓
Emergency Transport and Hotel Expenses	✓	✓	✓	✓
Key Replacement	✓	✓	✓	✓
Depreciation Reimbursement		✓	✓	✓
Daily Allowance			✓	✓
Return to invoice				✓

\* As Applicable

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## The Car Insurance Factfile

# Everything You Need to Know About Car Insurance

Car insurance is not something we give too much thought to. Until the time the car meets with an accident and you have to make a claim. That is the time you discover, to your horror, that though you have a valid car insurance, the compensation you are getting does not completely cover your losses. Just spending a little bit of time understanding, and finding out about different car insurances can mean the difference between paying out of your pocket and being completely covered.



### **1 MOTOR INSURANCE IS COMPULSORY.**

Under the Motor Vehicles Act, all motor vehicle owners must have third party insurance cover. The law in the country makes it compulsory for you to insure your motor vehicle. The compulsory nature of the law protects you against third party liability. While insuring against third party liability is important, it also makes good sense

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to buy a comprehensive cover to give you all round protection.

## **2 THERE ARE TWO TYPES OF MOTOR INSURANCE POLICIES.**

**Liability Only Policy:** covering the liabilities towards third parties only, as per Motor Vehicles Act. This insurance is mandatory for a vehicle plying in public place, as per Motor Vehicles Act.

**Package Policy:** In addition to the above, the loss or damage to the vehicle insured, by specified perils, is also covered subject to the value declared and other terms and conditions in the policy.

## **3 YOU CAN BRING DOWN YOUR PREMIUM WITH 'NO-CLAIM BONUS'.**

No-claim bonus (NCB) is a special discount given for every claim-free year.



People who make frequent claims not only lose this bonus but also have to pay higher premiums. Remember, your NCB is transferable in case you change your insurance company. In case you are changing your insurance company and have accrued some NCB from the previous insurer, then you get the benefits for your NCB with new company too if you renew your policy before expiry or within 90 days of expiry of the policy.

And you don't lose out on the discount too. The NCB discount rate remains the same, provided you show evidence that you are entitled to NCB from your previous insurance company. Evidence can be in form of a renewal notice or a letter confirming the NCB entitlement from the previous insurer.

## **4 YOU MUST RECEIVE YOUR CERTIFICATE OF INSURANCE**

**WITHIN 60 DAYS.** After you have given a duly filled in proposal form and paid the premium in full, you must get the insurance policy and certificate of insurance or in the interim, a cover note is issued by the Insurer before the issuance of a policy. A cover note is valid for a period of 60 days from the date of issue of the cover note and the Insurer shall issue the Certificate of Insurance before the cover note expires.

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## **5 RENEW BEFORE EXPIRY DATE OR LOSE OUT.**

It is strongly recommended to renew your insurance before expiry of the existing insurance. This keeps your vehicle insured against the risks without any break and takes care of any loss within the ambit of the policy you have. This also retains the No Claim Bonus - the hard earned discount in premium for claim free years. Moreover, you are also not worried about the breach of law.

If the policy has already expired, a fresh insurance can be obtained. Since a break in insurance has occurred, the vehicle will be physically inspected by a company official or an authorized representative or

agency. The entitlement of No Claim Bonus will be as per rules.

## **6 INSURANCE IS TRANSFERABLE.**

If you are selling your vehicle, you can transfer your insurance to the purchaser of



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your vehicle subject to compliance of tariff provisions. Insurance can be transferred to the buyer of the vehicle, provided the seller gives in writing to the insurance company. A fresh proposal form needs to be filled in. There is a nominal fee charged for transfer of insurance.

## **7 REGISTRATION AND INSURANCE SHOULD ALWAYS BE IN THE SAME NAME AND ADDRESS.**

When you are buying a used vehicle, make sure that not only is the vehicle transferred to your name but also the insurance. Remember, registration and insurance of the vehicle should always be in the same name. If insurance is not being transferred by the previous owner, please ensure that you insure your vehicle.

## **8 INSTALLING AN UNAUTHORIZED CNG OR LPG KIT CAN INVALIDATE YOUR INSURANCE.**

If your vehicle has or you are installing CNG/LPG kit in your vehicle or if there is any other change in the structure/usage of the vehicle, it should be permitted by the RTO. This means, it should be registered with the RTO and also entered by them in your RC book. Then, you have to approach the insurance company and declare it to them with a copy of the RC book. Additional premium is payable for the vehicle with LPG/CNG kit and they will pass an endorsement for the same.



## **9 ACT IMMEDIATELY IN CASE OF AN ACCIDENT OR IF VEHICLE IS STOLEN.**

An immediate report to the police is also mandatory in case the vehicle is stolen or when third party injury/death/property damage is involved. Also inform the policy issuing office for registering a claim and deputing a surveyor and/or an investigator. Delay in informing the company and the police (wherever required) may prejudice your claim and the Company may deny the liability. Please read the conditions in the policy in this regard.

## **10 KNOW THE DOCUMENTS AND FORMALITIES REQUIRED FOR PROCESSING THE CLAIM.**

The documents and formalities required for processing and settlement of the claim will depend upon the type of vehicle and nature of loss. Please contact the office concerned for guidance.

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The general checklist is as follows, however contact respective insurance companies for exact details:

Apart from a completely filled claim for insurance, companies require a copy of



**Cover-note/Policy Driving License  
Registration certificate in case of retail  
policy**

**11 ENSURE YOU FILL IN ALL  
DETAILS CORRECTLY OR YOUR  
CLAIM WILL BE REJECTED.** Fill up

the proposal form yourself, answering all the questions correctly, and sign it. This plays a vital role in deciding the premium and the admissibility of claim. Incomplete or incorrect information may result in denying the claim

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to you. Therefore, never leave it to any other person to fill it up.

Ensure that your and your vehicle details are correctly recorded in the policy schedule. Make sure that every digit of vehicle registration number, engine and chassis numbers etc. are fully and correctly entered. Any error should be immediately got corrected as otherwise it would create trouble at the time of claim.

If there are any changes in the policy, it will be done by an Endorsement by the office. Please check the correctness of the endorsement.

Read policy terms, conditions, particularly the exclusions etc. very carefully. They are important from the claim point of view.

Remember, registration and insurance of the vehicle should always be in the same name. Otherwise the own damage claim is not payable.

## **12** SOME COMPANIES ACCEPT ONLINE PAYMENT OF

**PREMIUM.** Depending on the company, you can pay your premium online. This facility makes it easier and more convenient for you to enjoy a smooth drive with your car insurance.

## EXCLUSIONS

### Return to Invoice

- Total Loss / Constructive Total Loss and theft claim is not admissible.
- Any non-built-in, electrical / electronic, non-electrical or non-electronic accessories including bi-fuel kit forming part of the invoice but not insured.
- Instances when police final investigation report is not submitted to the company.
- Covered vehicle is imported.

### Daily Allowance

- Reasonable time taken for repairing damages not admissible under Sec. 1 (own Damage) of policy would be excluded for the purpose of computing this allowance.
- Claims arising out of only windscreen or any other glass damage.
- If time required for repair of motor vehicle is up to 3 days.

### Key Replacement

- Cost to replace keys of vehicle that is not owned for personal use.

### Loss of Personal Belongings

- Money, securities, cheques, drafts, credit or debit cards, jewellery, lens, glasses, travel tickets, watches, valuables, manuscripts, paintings, goods in trade or samples and items of similar nature.

Insurance is the subject matter of the solicitation. For more details on risk factors, terms and conditions, please read sales brochure carefully, before concluding a sale.

Tata AIG General Insurance Company Ltd. Registered Office: Peninsula Corporate Park, Nicholas Piramal Tower, 9th Floor, G.K. Marg, Lower Parel, Mumbai - 400013. Toll free No.: 1800-11-99-66

To refer policy wordings visit [www.tataaiginsurance.in](http://www.tataaiginsurance.in)

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car you so love

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Bonus  
Protection

Depreciation  
Reimbursement

Return to  
Invoice

Daily  
Allowance



## More Benefits of Auto Secure



Free pick-up  
of car!<sup>1</sup>



Direct settlement facility  
at special garages!<sup>1</sup>



Quality spares and  
materials, guaranteed!<sup>2</sup>



Claim settlement  
in 7 days!<sup>2</sup>



Up to 6-month  
accident-repair warranty!<sup>3</sup>

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1) In select garages across India. Repair cost reimbursed if you go to other garages. 2) 7 working days. 3) Conditions apply. Insurance is the subject matter of the solicitation. For more details on risk factors, terms and conditions, please read sales brochure carefully before concluding a sale. Tata AIG General Insurance Company Limited, Regd. Office: Peninsula Corporate Park, Nicholas Piramal Tower, 9th Floor, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400013. Toll Free No. 1800-11-9966.