

Motor Insurance Policy Private Car

Coverage for each type of cover

TYPES COVER	Third party cover	Third party, fire & theft cover	Comprehensive cover
Liabilities to third party for : - Injury - Death - Property loss/damage	✓	✓	✓
Loss/damage to own vehicle due to accidental fire/theft	✗	✓	✓
Loss/damage to own vehicle due to accident	✗	✗	✓
Liabilities to driver & passenger of own vehicle (property, bodily injury, death)	✗	✗	✗

Under-insurance: if sum insured is less than the market value, you are deemed as self-insuring the difference. In the event of a loss, you will only be partially compensated.

Over-insurance: if sum insured is higher than market value, maximum compensation is the market of the vehicle. You cannot profit from a claim (principle of indemnity).

Determination of market value of your vehicle is important to avoid under-or over-insurance.

Average Clause

It is applied when you suffer damage to your vehicle which is under-insured. Your claim will be reduced proportionately by the uninsured portion, e.g. if you have insured your vehicle up to 70% of the market value, the insurance company will only pay 70% of the total repair cost.

Exclusions

Your standard motor insurance policy DOES NOT cover :

- Your own death or bodily injury;
- Your liability against claims from your passenger;
- Theft of non-factory fitted vehicle accessories (car stereos, leather seats, sports rims, etc.) unless otherwise declared.
- Consequential loss, depreciation, wear and tear, mechanical or electrical breakdown failures or breakages; and
- Loss/damage arising from an act of nature e.g. flood, landslide

However, you may pay additional premiums to cover some of the above exclusion e.g. flood or your liability against claims from your passengers. Windscreen and vehicle accessories covers are also useful extensions to consider for preserving your No-Claim-Discount (NCD) in the event of a loss/damage. Please check for other exclusion and extension covers available with you insurance company/agent.

What you should know when buying motor insurance cover

Insurable Interest

Make sure that you buy cover as soon as you purchase a vehicle. If you buy a used car, you should protect your interest by purchasing a motor insurance cover as the cover of the previous owner is no longer valid even if legal ownership transfer has not been effected with Jabatan Pengangkutan Jalan (JPJ).

Insured Value/Sum Insured

Ensure your vehicle is adequately insured.

New vehicle: sum insured = purchase price
Other: sum insured = market value of vehicle when policy is bought.

Disclosure

Disclose all material facts, e.g. any previous accidents and modification to engines. If you fail to do so, your insurance company may refuse your claim or made by a third party against you. In such cases, you are personally liable for those claims.

No-Claim-Discount

The premium payable may be reduced by your NCD entitlement. NCD is 'awarded' if no claim was made against your policy during the preceding 12 months of policy. Your NCD entitlement will depend on the class of your vehicle and number of years of continuous driving experience without any claim made against your insurance policy.

Excess

It is the amount of loss you have to bear while your insurance company will pay for the balance of your vehicle damage claim. If you have an 'excess' on your policy, you must pay the amount of the 'excess' direct to the repairer.

Payment of Premium

- Premium must be made to the agent representing your insurance company or to your insurance company directly before cover can be granted.
- Payment can be made by cash, credit card or cheques (cheques should be made payable only in the name of the insurance company).
- Insist on a receipt for the premium paid to your insurance agent or insurance company.

Facts

- With the full implementation of the JPJ eINSURANS system with effect from 2 January 2005, physical over notes are no longer issued. However, a statement containing details of your motor cover will be issued to you as confirmation of purchase of motor insurance.
- Through the JPJ eINSURANS, all information on insurance coverage will be channelled electronically by your agent/ insurance company to JPJ.
- Contact the insurance company if you have not received the insurance policy after one month of purchase.

What you should know when making a claim

If your car is involved in an accident:

- Take note of the names and addresses of all drivers involved, make/model and registration numbers of each vehicle, the driver's license numbers, the insurance particulars and names and addresses of witnesses.
- Make a police report within 24 hours and immediately notify your insurance company **in writing** with full details.
- If your vehicle is damaged, you may either make an own damage claim or a third party claim:

Own damage claim- making a claim against your own comprehensive policy. However, you will lose your NCD entitlement.

Third party claim-if you are not at fault in the accident, you can submit the claim either directly to the insurance company of the party at fault, or if you have a comprehensive policy, to your insurance company, without losing your NCD entitlement. You are encouraged to submit your claim to your own insurance company for speedier claims processing.

- For own damage claims, call your insurance company immediately for advice. If your insurance company recommends or requires that repairs be done at a **panel/authorized** workshop, then take your vehicle there as advised. Your insurance company **will reject** your claims if your vehicle is sent to a workshop that is not authorized by your insurance company. Your insurance company will send an insurance loss adjuster to assess the damage to your vehicle before authorizing the repairs.

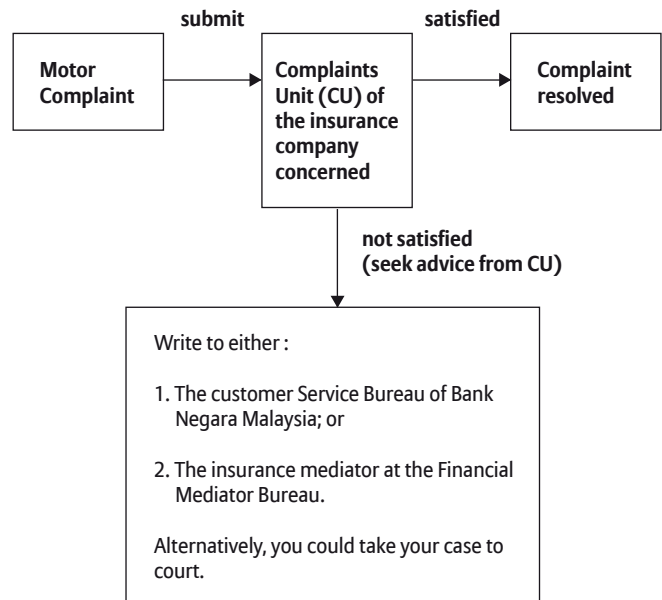
Betterment

It is applied when in the course of repairing an accident-damaged vehicle (age of vehicle is five years and above), an old part is replaced with a new franchise part. You will have to bear the difference in cost (depending on the age of your vehicle) as your repaired vehicle is in a better condition than it was before the accident.

Compensation for Assessed Repair time (CART)

- CART means a reasonable amount payable by third party insurance companies as compensation for loss of use of vehicle.
- You can only claim for CART if you are not the party at fault in the accident.
- The number of days allowed for CART is based on insurance loss adjuster's recommendation on the **number of working days estimated to repair the accident-damaged vehicle** and not the number of days the accident-damaged vehicle is at the workshop.
- Where receipts are produced for vehicle rentals (**only from a licensed car rental company**), insurance companies shall pay the amount shown on the receipt and original car rental agreement, subject to the condition that the vehicle rented is of an equivalent model to that of the damaged vehicle. The number of days allowed is based on the insurance loss adjuster's recommendation on the number of working days estimated to repair the accident-damaged vehicle.

How to lodge a complaint and redress avenues available



For more information, log on to www.insuranceinfo.com.my or visit the kiosks at most branches of insurance companies or contact your agent