

# Coverfox

Your effective guide to learn

All about **car insurance  
renewals**



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## About the Author



### *Animesh Kumar Das*



linkedin



facebook

Animesh takes care of Motor Insurance business at [Coverfox.com](https://www.coverfox.com). Having completed his *Bachelors in technology from IIT Kharagpur*, he has gained immeasurable experience with Insurance products and their process. Animesh has worked with most of the leading Insurance brands and channels in India and holds expertise in development, underwriting & pricing of Motor Products.

If and when he gets enough time to turn his attention away from insurance, he loves to challenge himself with mountaineering and travelling!



## If you don't renew your expiring policy, you need to sweat it out later !

When you drive out in your car, the chances of meeting with an accident or damaging the car or even getting it stolen are so high that you could rightfully wish to keep it locked away for eternity! That's why insurance policies help you breathe easy.

Yet, according to a survey by the largest general insurance company of India - New India Assurance Ltd. - only 67% of cars on the road are insured! A whopping 33% have chosen to live dangerously, unaware of the possible danger to their cars or ignorant of the penalty of Rs. 75,000 that they might have to pay! To reiterate, what you'd need is a comprehensive policy! If you don't have one, [get one!](#) But if you had one and let it expire, renew it before you lose any more time than you already have!

Renewing an expired policy is extremely cumbersome! You may have already lost out on many aspects of your expired policy than you know! Here are a few:

1

Insurance companies reward prompt payments with a maximum discount levied on your policy at renewal. This is sometimes as high as even 50%-60%. If you let your policy expire, you lose this discount!



2

For every expired policy, a mandatory inspection of the vehicle is done before a fresh policy is rolled out. It could cost anything between Rs.250 and Rs.500. Would you want to pay out this amount yourself?



3

Post the grace period (90 days that's allowed for renewal of an expired policy), the No Claims Bonus (NCB) discount is snatched out! You saved up this discount by driving cautiously – would you want to let it go waste and start all over again?



Wish to know more about this awesome discount? Watch [what](#) Varun Dua, CEO of [coverfox.com](#) has to say about it!

### *Now here is the challenge!*

4

Say you lost your NCB and got your vehicle re-inspected too, at your own cost. It is still no guarantee that your request for policy renewal will be approved! If the insurance company finds any existing damage, you will be required to repair that too and apply for policy renewal all over again!





## Buying/renewing your insurance online is a piece of cake though !

From gadgets to groceries, it is now insurance that you can compare, select and buy online! No more chasing your agent (or vice versa) to get your insurance policy sorted. Insurance companies, having raised standards, compete with themselves to boast of exemplary online offers and services. They have opened up to people, the advantages of making such an important decision right from the comfort of your home with a simple click of your mouse!



*We've been seeing a great upsurge in the eCommerce industry and a large group of working professionals are increasingly comfortable with online transactions. The insurance sector is no different and very much a part of this eCommerce momentum.*



**Nikhil Bharadwaj**

Vertical Head Websales,  
Bajaj Allianz General Insurance Co. Ltd.

The most popular advantages here being:



**Better pricing:** Insurance companies offer lower rates deducting paperwork and operational costs that are levied on offline policies!



**Paperless transactions:** Offline policies require lots of documentation and long-winded forms to be filled out. Online forms are more simpler, efficient and even environment saving!



**Easy, convenient and time saving:** Insurance companies have made sure that websites are layman-friendly. Their websites' user-interface provides easy availability of information in a transparent manner, making the user finish any transaction quicker than one expects to.



**Policy endorsements:** No more running behind agents to change particulars that's registered against your name. Online endorsements of such details are done in a jiffy with a simple self-declaration form!



**Policy reviews:** The best feature of buying insurance online – to read reviews of policies by authorized people and customers who have bought it earlier. It helps you make an informed decision about your purchase.



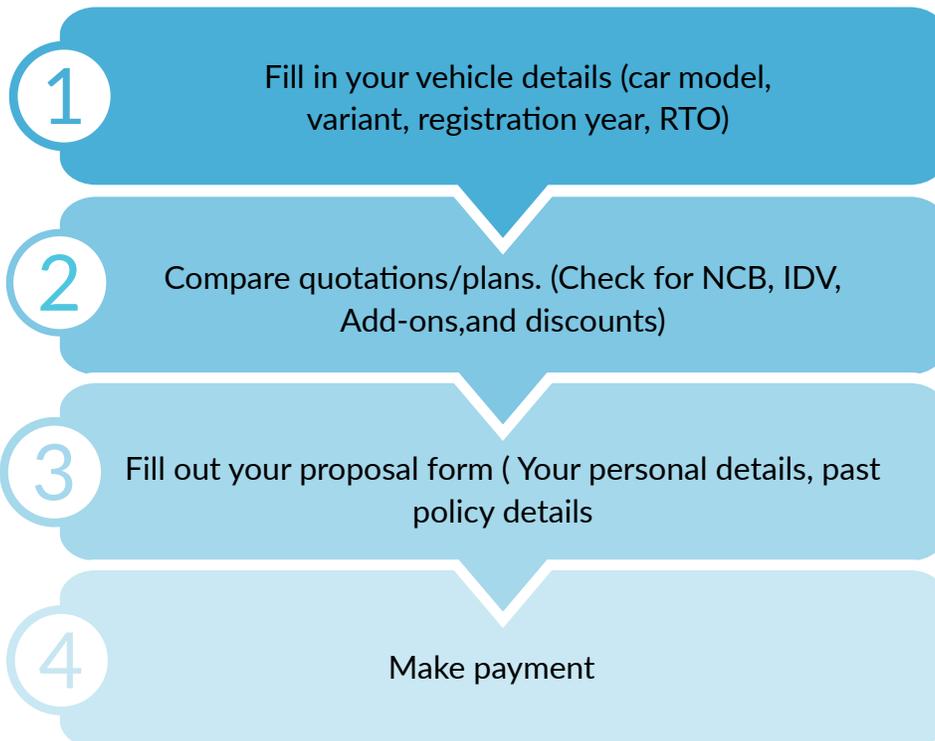
**Policy comparison:** Online policies allow you to compare their prices and other features. On Coverfox.com, you will also be able to compare these features across major insurance companies also!



**Easy renewals:** You wouldn't have to worry about expired policies anymore! With the right channel like Coverfox, you would get timely reminders for each renewal. And, since your data is captured with the company online, no worry about to fill out your details at each renewal!

## How to get your insurance in 5 minutes!

Your process for any purchase online can be done in less than 5 minutes in just 4 easy steps!



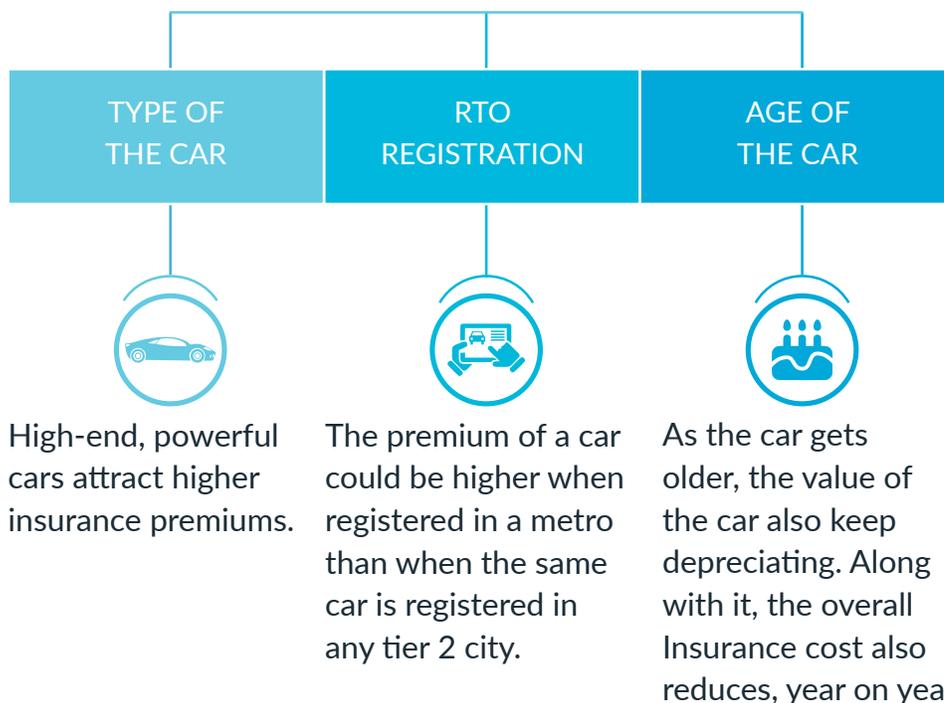
And you're done! 



## A little something about what affects your car insurance premium .

When an insurance company decides your premium, these factors are what they base it on!

The base premium of a car is calculated taking into account three factors, primarily



These factors are multiplied with Insured's declared value to derive the car insurance premium.

## **What is insured declared value?**

From the minute you bring your car out on to the road on day one, it has a value attached to it. This value, arrived at by the insurance company is called the Insured Declared Value(IDV). IDV is the maximum amount you can claim in case of a theft or total damage of your car. The comprehensive coverage cost that you take is directly linked to this IDV. For any car's insurance, the IDV is calculated on the basis of the ex-showroom price of the car. In the case of a used car, IDV is adjusted in accordance to the operational wear and tear that the car would have experienced. In other words, IDV is decided by taking into consideration the 'depreciation' that a vehicle of its age would have undergone!

### *Discounts offered by insurers:*

Every company helps you save money by offering multiple-policy discounts (decided on the prior experience of claims made on these models). The coverage offered across all insurance companies is more or less the same. The only differences would be in pricing and kind of service that's offered. This is why there is a lot of emphasis on why you should be thorough in your homework of comparing policies and companies with respect to their service and prices, before you purchase a policy.

# 4

## 9 clever hacks to reduce your car premium •

You need to knock-fully bring down the premium, and also making sure, at the same time, that you don't have to do any major compromises on the policy. Here is how it is done!



1. **Increase voluntary deductible:** Choose a voluntary deductible and lower your premium by a specific percentage. The higher you choose your deductible amount to be, the lower your premium gets.



2. **Don't claim for small expenses:** Don't make claims for every small expense incurred, or you'd lose your chance for an NCB discount. Saving up the NCB can reduce your premium by almost 50%!



3. **Transfer your NCB:** When selling your old car for a new one, don't forget to transfer your NCB. This can be done with a certificate. This remains valid for a window of 3 years and also helps you to hold on to your discount.



4. **Declare the right IDV:** Fix a lower IDV (up to a certain level) to get a lower premium. But, on the flip side, if you lower your IDV more than you should, remember that this is the amount you will receive if and when there is a claim!



5. **Become members of AAI:** If you're a member of the Automobile Association of India (AAI), the discount is an easy picking! This membership fetches you a discount on your premium since such members are usually considered to be safe drivers.



6. **Install anti-theft devices:** Installing anti-theft devices, like immobilizers, ultrasound sensors etc, (approved by the Automotive Research Association of India) might fetch you a discount of upto 5% of your premium.



7. **Declaring policy-holder details correctly:** If you use your car optimally and are less prone to damaging it (owing to your age, profession vis-à-vis the usage of the car and mileage you maintain) the insurers offer you a discount on your premium. However, the decision remains solely at their disposal.



8. **Renew policy before time expires:** Apart from the many other reasons discussed, renewing an expired policy could be a loss because you stand to lose many carefully saved up discounts.



9. **Pick and pay only for features you'd use:** Cloning your insurance policy with features that you will not use will take a toll on the premium. For instance, if you park your car in a well guarded parking spot, a return-to-invoice add-on in your policy will not be doing much except increasing the cost of your premium. Removing it could reduce your premium substantially.

For a more detailed account of ways to reduce your car insurance premium, check [this](#) out!



## Discounted premiums – a word of caution.

The most common idea has always been to tighten the purse strings when we think of insurance premiums. Many believe that if you do not make claims, you do not get any value for the premium paid. But there is some caution you must give yourself before negotiating a low premium for your policy. You never know what it is in exchange of that you're getting the low premium!



The online space allows customers to scout for the best possible motor insurance discounts. I would like to advise on ensuring the accuracy of details also while filling policy details so that there is absolutely no delay at the time of a claim and they receive timely help when they need it the most."



**Sanjay Kumar**

Head of Underwriting,  
Bharti AXA General Insurance Co. Ltd.

### 01 *Has your car's IDV been lowered?*

The negotiated, lowered premium could be a result of a lowered IDV of your car. And, it might not have even been done with your knowledge! For e.g. imagine you have a car worth 9 lakhs and you're being asked to pay a premium of 27,000. You might have negotiated successfully to round-off the premium to 25,000 but do you know that your car's value might have to be lowered to 8 or 8.5 lakhs for you to get that premium? If you thought this might not hurt you much, wrong! You might not know it now. But when your car gets stolen or damaged beyond repair, you will only get a low payout (in accordance to your lowered IDV). It's bound to hurt quite a bit then!

## 02 *Has your car's voluntary deductible been increased?*

The part of a monetary loss borne by you is called a deductible. In this case, there could be compulsory and voluntary. For e.g., your car's premium could be 17,000 without any voluntary deductible. If you choose to keep the voluntary deductible component as, say, Rs. 5000, your premium might get lowered to around 15,500. When you increase your deductible further, your premium gets lowered further. You get the drift! As tempting as this can get, there is a flip side to this. If and when you have to cough up money for car repairs, this pre-decided deductible amount would have to be paid by you!

## 03 *Incorrect claim history*

The proof of your claims from the previous insurer is something that every insurance company keeps a tab on, even when you hop between insurance companies. If your undisclosed claims come to light (even those small, negligible ones that you thought you can hide), your claim would get rejected and your policy, voided! It could've been suggested by your agent to avail a discounted premium, but do not heed to it! Because it is you, the buyer, who later suffers a rejected claim!

## 04 *Have your add-on covers been removed?*

Removing add-on covers from your base policy reduces the premium automatically. You might be shown a policy with the add-on covers factored in initially which could be removed later during a bargain. But remember that, removal of some chosen add-ons could make your driver and co-passengers vulnerable. Some add-ons have proven their worth for safety and efficient running of your policy. If you get a reduced premium, make sure it's not because of removal of your add-on covers.

That said, if you really do not have any previous claims to show, then you might just get a lower premium rate!



## Exclusions in your policy and using add-ons to work your way through them !

If you're a wise person, you'd renew your policy before it expires. And if you're a smart person, you'd know your exclusions beforehand! Because it helps you be one prepared-step away from getting your claim rejected on account of it!

The most common ones are-

1

**Wear & Tear:** The normal and expected deterioration of the car's condition

2

**Breakdown:** All mechanical and electrical breakdowns

3

**Depreciation:** The damages the car wears as it ages

4

**Illegal driving:** As mentioned earlier, damages from any accident if it came from driving without a license or by breaking road rules such as driving after the consumption of alcohol or drugs

5

**Consequential loss:** They're damages which result due to the consequences of an accident. For eg: an engine getting damaged due to leak of coolant, where only the coolant box was damaged originally in the accident and not the engine. The engine damage was the consequence of the accident. Or let's assume that you missed your flight due to an accident. You cannot claim for your flight ticket's reimbursement with your car insurance even though it's a consequence of the accident!

## Using add-ons – the astute way of staying ahead of exclusions!

We all want our insurance policies to be a cash cow. Buying add-ons can not only help you do that but shield you from exclusions in your policy as well. That in turn will help you pay relatively lesser, at a time of making a claim!

- 01 Zero-depreciation protects you from losses from depreciation. A claim you make for an accident with your comprehensive coverage will fetch the entire amount without factoring in the depreciation. This makes it a popular add-on among new cars and drivers, since they're more likely to cause damage to the car. This add-on will cost you **15%** more on your premium and will make sense until your car is at least 5 years old. If you think it's expensive, remember that it will be easily evened out if and when use the add-on for just one claim on your car! It's good to not rely on it completely for all your small, bearable claims since certain companies have a limit for the number of claims you can make in a year!
- 02 Invoice Cover minds the gap between the Insured Declared Value and the invoice cover of a car. Using this add-on will fetch you the on-road price (including the amount that would be deducted towards depreciation) you paid for your car if it gets stolen or damaged beyond repair in an accident! It costs only 10% more than the normal comprehensive policy and is the right add-on to buy if you stay in an unsafe, burglary-ridden area! Companies make this add-on available for purchase until a car is **3 years** old!
- 03 NCB protect locks your discount value at a specific percentage. NCB is one of the most valued discounts you get if you have a **claim-free policy** year. A specific percentage of discount is applied on your premium and increased with each renewal for subsequent claim-free years. The challenge, however, not losing the accumulated discount to a claim. This add-on protects your discount against claims.
- 04 Engine Protect offers cover for expenses against the engine, when it's subjected to situations like, for e.g., flooding. The damage that a moist engine can cost would not be covered even by your comprehensive policy and that's where this cover kicks in. Similarly, even if there are no accountable damages to your car after an accident, some consequential damages could creep up later from the sheer impact. Normally, such a claim would get denied. But with this add-on cover, damages to the engine will also be taken care of! However, terms and conditions for this add-on differ from company to company and **Coverfox** will soon publish an in-depth study about it!
- 05 Road-side assistance is your friend in need if you end up stranded on the road owing to a breakdown, a flat tyre or, for that matter, even if you're out of fuel. An accident in a remote location also could leave you wanting assistance with towing of the car. This is one of the most sought-after add-on and is available for free from certain insurance companies. A few others offer this add-on for as low as **Rs.300**, since it's considered as a good-to-have feature.



## 3 mistakes that you make at renewal that can lead to claim rejection !

One claim rejection could make your car insurance policy experience sour! As we always emphasize, read your policy wordings when you buy your policy! If you don't, you'll never know what your policy expects you to follow when it's time to make claims or what it doesn't cover. You will be in for some rude surprises when it's claim time!

But first, let's understand the types of claims available. You have two options:-

### 1. The Cashless Method



Your insurance company will offer a network garage list to go to if in case of repairs. The garage will repair the damages and the bill will be settled directly by the insurer. However, you will need to intimate the company about the accident/mishap before you do anything else! If you're lucky, the insurance company will have a tie-up with your preferred or nearest garage and your claims can be processed by the cashless method. The surveyor at the garage inspects the car and authorizes the claim. Once the repair work gets monitored, the company settles the bill, keeping you in the loop.

### 2. Reimbursements



If your insurer does not facilitate cashless claims, you would have to pay for the claim yourself. You should still inform the insurer about the accident and get the damages inspected. The challenge here is in safe-keeping the bills and pursuing companies to get reimbursements done. Sometimes it takes 15 days to get payments processed. Claiming reimbursement could be an ordeal at times.

# Reasons you can get your claim rejected for!

1

## Missing to transfer the policy to your name after buying a second hand car:

transfer the policy of your new second-hand car to your name or buy a fresh one. Claims you make for damages on that car would get denied if you don't since a policy still in the previous owner's name is considered null! This is the most common and notorious of reasons for a claim rejection. By the time you know of the clause it is either time for a renewal or to make a claim for damages on the car.

Speaking of which, if you're dealing with or looking to buy a second-hand car, [this](#) is all you will need to know before you make the purchase!

2

## Installing a CNG/LPG kit and not covering it in your insurance policy:

If you do this, you stand to face total rejection irrespective of whether the repair is related to the kit or not!

Most people miss to cover the CNG/LPG kit in their cars. And ironically, insurance companies consider cars fitted with a CNG/LPG kit riskier. Companies consider such cars more prone to accidents since they're meant to run more on the roads.

**Case study 1:** Mr. Anuj Rathi's CNG car faced an accident wherein the bonnet got damaged beyond repair. To top this, he had not insured the CNG kit. He shelled out Rs.8000 towards the replacement of his bonnet. But when he claimed for it the Insurance company rejected his claim since his CNG kit was not covered! The kit would have cost him only Rs. 800 more on his comprehensive coverage - Mr. Rathi had a lot to lose!

*Want to learn more about a CNG/LPG car? Check [this](#) out!*

3

## Your policy not including the coverage for which you've filed your claim:

You may have taken a comprehensive policy. But you cannot claim for damages of the gadgets on your car with just that! You need to have the appropriate covers and claim for damages only if you have them! Or your claim will be denied rightfully! For e.g. say, you accessorize your car with gadgets but didn't take a separate add-on cover for them. You cannot claim for damages caused to the gadgets in an accident.

**Case study 2:** Miss. Anjali Thakkar was in for a big surprise when she filed a claim for her new car after meeting with an accident. She didn't get reimbursed for the extra fitted fog lamps & show lights. And as luck would have it, she came to know that the accessories cover for her car was only an added charges of Rs.400!

Coverfox nails this for you by extending cashless requests across insurance companies to facilitate cashless settlements even in the non tied-up garages.

**Good to remember:**

A part of your expenses are not claimable like the deductible, depreciation costs and any other costs which you choose to not cover with the help of additional packs.

**Your claim process in 4 easy steps!**

With Coverfox, there is no reason to worry about your claims process anymore. It's done in just these 4 easy steps!



**And you're done!** 

You could almost forget that you had to make a claim since the transition would be hand-held and smooth at [Coverfox.com!](https://coverfox.com)

## Some other reasons that can lead to claim rejections!

1

### Repairing the car yourself and intimating the insurance company later:

Inform the insurer of an accident immediately after it happens. If you don't, it's becomes difficult to trace the damages back to the accident you're claiming for. This would only end up in claim rejection! A surveyor needs to inspect damages to estimate the extent and cost before you start repairs on your car. This will also help you get the best deal for repairs since an authorized representative is involved.

**Case study 3:** Mr Vinay Purohit met with a minor accident while he was on a trip to Goa for the weekend. Though the car was in a drive-able condition, Mr. Purohit made sure he called his relationship manager at Coverfox to notify the mishap. Having got appropriate advice from the authority, he got his car repaired and claims reimbursed!

2

### Using a private car as a commercial vehicle:

Don't make claims for damages that happened on your private car while you used it as a commercial one (transporting goods or passengers) - you're heading for a claim rejection!

3

### Notifying a claim past its specified time:

You cannot meet with an accident and file a claim for it next week! Notify the company between 48 and 72 hours! To make things worse, if you continue to use your car despite its damages, your claim would get rejected. You would be damaging an already damaged car, further!

Claims for reasons like driving without a valid license, under the influence of alcohol or drugs, or for not heeding to road rules at the time of an accident will be rejected even before you can say insurance!



## Know your car policy better - understanding definitions !

### *Third party insurance:*

It covers your legal liability for the loss you cause a third party, by way of injury, death or property damage, in the event of an accident.

### *Comprehensive coverage:*

It covers your own damages to the car from accidents and other losses. It also includes the third party cover.

### *No claims bonus (NCB):*

This is the discount rewarded to you by your insurance company at the time of your renewal if you have maintained a claim-free policy on your car, the previous year.

### *Add-ons:*

They improve the basic coverage offered by a comprehensive policy, making your policy powerful and helping you pay lesser at the time of making a claim.

### *Anti-theft devices:*

Devices, approved by the Automotive Research Association of India, that are installed in the car for its safety and protection from theft and other such unfortunate incidents.

### *Cashless services:*

When your insurance company offers you a list or registered garages (also called tie-up or network garages) with whom they coordinate to repair the damages and settle claims by paying them directly, keeping you in the loop.

### *Network garages:*

A registered list of garages chosen by the insurance company, authorized for repairing damaged vehicles and settling claims.

***Insured Declared Value (IDV):***

The value attached to the car by the insurance company based on the ex-showroom price and age of the car is defined as its IDV. This amount is the total claimable amount if the car is stolen or damaged beyond repair.

***Compulsory deductible:***

A part of the insurance claim agreed to be paid by the insured (you) is called a deductible. Compulsory deductible is not a matter of choice and cannot be waived off with any add-on.

***Voluntary deductible:***

This is the amount you choose to pay when you have to make a claim. This is optional and higher the voluntary deductible, higher the discount you get on your premium.

# How can Coverfox help with your car insurance?

Coverfox is a smart new way of buying and managing your insurance. We help you find the best insurance plan at the most competitive prices, and hand hold you through the process of claims and managing your policy. Your Coverfox experience is unbiased, transparent, quick and spam free. Currently, you can buy health, car, bike and travel insurance via Coverfox.



## EXPERT TEAM TO GUIDE YOU:

Speak to a team of experts who will guide you in choosing the right policy and best deal for your car premium from across 10+ top Insurance Cos in India.



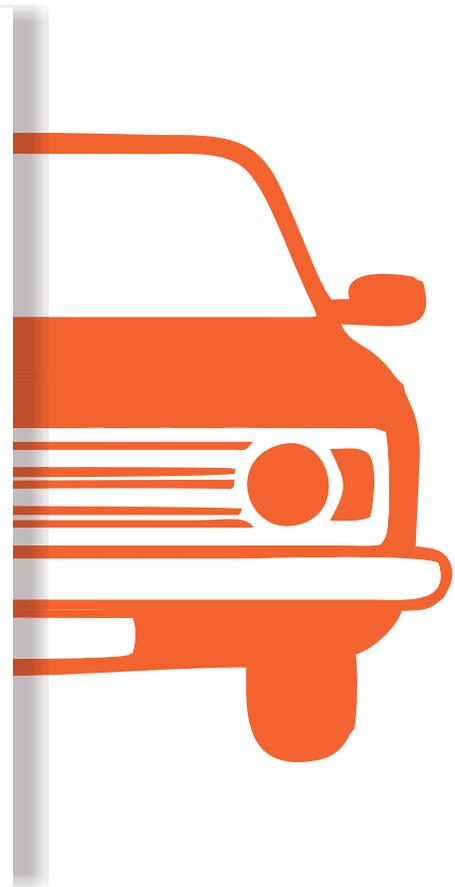
## DEDICATED RELATIONSHIP MANAGER:

Get a dedicated relationship manager! You can directly call the RMs instead of chasing customer service on contact centers.



## HANDHOLDING THROUGH THE TEDIOUS CLAIMS PROCESS:

Receive complete hand holding at the time of making claims. Coverfox offers document pick up and submission on your behalf and help you with the status tracking as well.



To buy car insurance log on to [www.coverfox.com](http://www.coverfox.com)