

Theft protection

The rate at which vehicle population is exploding, it is high time one considers steps to check their rise, lest we find there are more vehicles than people in this country. Tales of hour-long traffic jams on expressway and freeways are a common sight and indicate the kind of troubles we face. Naturally, expecting safe parking in cities is, rather, too much a luxury that very few can actually manage. For protection of vehicles, the mandatory third party or liability cover that motor vehicles need to ply on the roads exists, and so does the own-damage cover.

As the vehicle ages, it is not uncommon for most people to stick to the mandatory liability cover. The reason for such an act is to save on the premiums because with depreciation kicking in, you land up paying significant money in case of a claim, which makes the purpose of own-damage cover less relevant. At the same time, you would like to protect yourself against car theft, for which insurance cover is mostly sold along with the own-damage cover only.

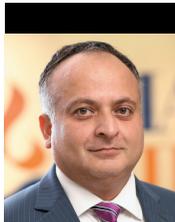
I know of people who stay abroad or



in a different city for long stretches, and have cars that are infrequently used. These people will be more than happy to have a theft cover with the mandatory liability-only cover. The insurance regulation allows for theft to be covered independent of the own damage and you will be surprised that the premiums on the theft-only cover are just 25 per cent of what the own-damage cover will be. It is a different matter that the majority of insurers do not propagate this cover. Having read this column, you should ask for a theft cover to alleviate your fears of losing your car when you are away or even when it is parked by the roadside for lack of safe parking.



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“People should have a judicious mix of both traditional plans and Ulips in their portfolio, depending on the risk one can take and the flexibility they are looking for.”

policy, as after a break any policy that you buy will be considered as a fresh one and the benefits of continuity will be lost,” cautions Saxena. Remember, renewal is always the obligation of the policyholder and not the responsibility of insurer.

In case of life insurance, remember that surrender comes in only after the lock-in. Says Aalok Bhan, director and head-product solutions and customer marketing, Max Life Insurance: “Ulips have a lock-in period of five years post which the policyholder can withdraw the entire fund value with no surrender charges.” The surrender in case of traditional plans varies from two to three years depending on the type of policy and the premium one pays on the policy.

When it comes to insurance, like any other contract, you get what you have paid for

and no more. The most important thing is to read the policy document completely and understand what is covered, check for entry age, renewal conditions, exclusions and waiting period, even if you have several insurance policies. It’s in your interest to spend time and fill forms than just sign blank forms. Also, make payments by cheques in favour of the insurance company and no one else.

In addition, as part of your policyholder rights, insist on receipt against premium paid and, in case of loss of policy document, inform the insurer and get a duplicate policy. The best way to insure your interests is to check everything till you are satisfied than rush, only to find yourself stranded despite holding an insurance policy. ■

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