Motor Insurance Policy

Important points to consider when buying motor insurance policies

Insured value / sum insured
If you are buying a policy against loss/damage to your vehicle, you must ensure that your vehicle is adequately insured as it will affect the amount you can claim in the event of loss/damage. For a new vehicle, the insured value will be the purchase price while for other vehicles, the insured value is the market value of the vehicle at the point you apply for the insurance policy.
– Under-insurance – If you insure your vehicle at a lower sum than its market value, you will be deemed as self-insured for the difference, i.e. in the event of loss/damage, you will only be partially compensated (up to the proportion of insurance) by your insurance company.
– Over-insurance – Should you insure your vehicle at a higher sum than its market value, the maximum compensation you will receive is the market value of the vehicle as the policy owner cannot ‘profit’ from a motor insurance claim

Duty of disclosure
You should disclose fully all material facts, including previous accidents (if any), modification to engines, etc. When in doubt as to whether a fact is relevant or not, it is best to ask your insurance company. If you fail to disclose any material fact, your insurance company may refuse to pay your claim or any claim made by a third party against you. In such cases, you are personally liable for such claims.

Price
The price you pay for your motor insurance will depend on the type of policy selected. The insurance premium charged by your insurance company is the standard minimum rate in accordance with the Motor Tariff.

However, in addition to the standard minimum rate, your insurance company may impose additional premiums known as loadings to the premium payable in view of higher risk factors involved such as age of vehicle and claims experience. Loadings are governed by Bank Negara

Malaysia (BNM) and no insurance company may charge loadings higher than the levels permitted by BNM.

What you should do in the event of an accident/loss

1. Take notes of the accident – If you are involved in a motor accident, take notes of the accident, i.e. the names and addresses of all drivers and passengers involved, vehicle registration numbers, make and model of each vehicle involved, the drivers' licence numbers and insurance identification as well as the names and addresses of as many witnesses as possible
2. Make a police report – You are required by law to lodge a police report within 24 hours of a road accident.
3. Notify your insurance company – You must notify your insurance company in writing with full details as soon as possible. Depending on the type of claim you intend to make, you may have to notify other insurance companies (please refer to 'Making a claim against an insurance company' for details). If you fail to report the accident, you will be liable for your own loss as well as any third party claim against you.
4. Select the workshop – You must send your damaged vehicle to a workshop approved by your insurance company. If the accident occurs during office hours, you may call the hotline/ emergency assistance numbers provided by your insurance company. Otherwise, you may call your insurance company for the nearest approved workshop. Should the accident occur outside office hours and you are making a claim against your policy, i.e. an own damage claim, you should ensure that your vehicle is towed to a workshop approved under the Persatuan Insuran Am Malaysia Approved Repairers Scheme [called a PIAM Approved Repairers Scheme (PARS)]. If you are making a third

party claim, it is advisable to also send your vehicle to a PARS workshop.

Contact us now for a free consultation on insurance related matters

1. Email your queries to insurance@edindings.com or

2. Call us at 012-2861817 (M), 03-21622515 (O)