

Motor insurance covers loss of or damage to vehicles owned by businesses or corporates caused by accidents together with legal liability in respect of third party bodily injuries or property damages arising out of such accidents.

Motor third party liability insurance is compulsory in most countries. It is therefore, considered illegal to use a motor vehicle on a road, or public place, unless it is insured covering legal liability for injury to others and damage to their property as required by regulations of the country.

Most of the countries require limit for third party bodily injuries to be unlimited. Third party property damage limits may vary from one country to another.

THERE ARE TWO DISTINCT TYPES OF MOTOR INSURANCE POLICIES:

- Fleet, which insures a number of vehicles owned by the same company (*usually 10*) on a single policy

- Individual or non-fleet, which insures individual or fewer vehicles

USUALLY, INSURERS OFFER FOLLOWING TYPES OF COVER DEPENDING ON THE MARKET PRACTICE OF EACH COUNTRY:

- Comprehensive: covering loss of or damage to the vehicle itself (*own damage*) and the corresponding legal liability in respect of third party bodily injury or property damage (*third party liability*)
- Third Party Liability: covering legal liability in respect of third party bodily injury or property damage
- Own Damage: in certain countries, insurers offer cover for loss of or damage to the vehicle separately and independently of third party liability cover

COVERS INSURED

- › Accidental collision or overturning
- › Fire, self-ignition, lightning, burglary, theft
- › Malicious act by third party
- › Transit by road, lift or elevator (including the processes of loading and unloading, incidental to such transit)

OPTIONAL EXTENSIONS

- › Agency repairs for vehicles up to certain years of age
- › Emergency medical expenses up to a certain amount
- › Emergency roadside assistance and car rental for temporary period
- › Personal accident to driver and passengers
- › Storm, flood and other natural perils
- › Strike, riot and civil commotion
- › Windscreen damage up to a certain amount without applying excess
- › Geographical area extension
- › Replacement of locks up to a certain amount
- › Loss of personal items up to a certain amount
- › Vip services package including home assistance, car service/inspection pick up/drop and airport drop off
- › Off-road cover for private vehicles with four wheel drive capability

MAJOR EXCLUSIONS

- › Loss of earnings or loss of use
- › Wear and tear, depreciation or reduction in the value
- › Accessories and contents
- › Damage to tyres caused by road punctures or bursts
- › Mechanical and electrical failure or breakdown
- › Overloading or strain
- › Fines or penalties
- › Racing or power test trials.
- › Driving by unlicensed driver or driver with invalid driving license
- › Driving under the influence of intoxicating drinks or drugs.
- › Contractual liability
- › Natural perils
- › War and terrorism
- › Nuclear risks, radiation, nuclear, biological and chemical pollution

Note:

The list of covers, extensions and exclusions listed above are not exhaustive and may not apply equally to all countries. The motor insurance laws, regulations and insurance policy wordings vary from country to country.