What kind of car insurance should you buy for your car

Car insurance is a contract between you and your insurance company wherein the insurance company will cover you against financial losses occurring because of damages to the car. It is only applicable in situations where the damage has been caused either due to an accident, a natural calamity or any liability that could result because of an accident or theft.

[Car insurance policies](https://www.bajajallianz.com/Corp/motor-insurance/car-insurance.jsp) can be of two types:

**1. Third Party/ Liability Only Insurance Policy**

A Third Party or a Liability [motor insurance](https://www.bajajallianz.com/Corp/motor-insurance/motor-insurance-online.jsp)cover is mandatory in India and you must ensure that you have it. This policy covers you financially in case you accidently damage others or their property in an accident. it protects not only you but also other people or family members who may be riding / driving you car.

**2. Comprehensive Insurance Policy**

A comprehensive insurance policy covers for you and your vehicle, along with the third party. It is advisable to go for a comprehensive motor insurance cover and save yourself from a financial dent in case of damage. Along with these basic covers, there are some additional benefits which are given to the customer by the [motor insurance company.](https://www.bajajallianz.com/Corp/motor-insurance/motor-insurance-online.jsp) These are known as add on covers.

**Benefits of Car Insurance:**

All the states in India require a minimum amount of insurance. Car insurance can help offset the loss of huge sum in the following manner:

1.Provides benefits to survivors when an accident results in death.

2.It covers lawsuits, including legal fees brought against you as the result of an accident.

3.Covers the bills of vehicle repairs due to damage caused in an accident.

4.Covers damage caused by other than an accident for example, theft, fire, etc.