

Criteria for considering as Total Loss/Constructive Total Loss

The Company shall consider an insured's vehicle as a Total Loss (TL) / Constructive Total Loss (CTL) if any of the below mentioned criteria are met:

- 1) The insured vehicle will be treated as a TL/ CTL/ if the aggregate cost of retrieval and/or repair of the vehicle, subject to the policy's terms and conditions, exceeds 75% of the IDV of the vehicle.
- 2) If a damaged motor vehicle is assessed as being unrepairable and hence a wreck i.e. a 'total loss' or 'write-off', the Company shall grant an option to the Policyholder to retain the wreck and accept a 'cash loss' settlement (being the IDV less the assessed value of Salvage based on competitive quotes procured by the Company including any submitted by or through the Policyholder).

The company shall grant the Policy holder the option to retain wreck/*salvage and accept a 'cash loss' settlement (being the IDV less the assessed value of *salvage based on competitive quotes procured by the company including any submitted by or through the Policy holder).

In the event of a 'cash-loss' settlement, the company is entitled to cancel the Own Damage insurance effective the date of damage. Additionally the company can cancel the statutory Motor Third Party Liability Insurance Policy after requiring the Policyholder to either cancel the road registration of the wreck and submit documentary evidence in original thereof or alternatively evidence in original a statutory Motor Third Party liability insurance policy covering the wreck effective the date of damage.

- 3) In case of a motor vehicle has been destroyed or has been rendered permanently incapable of use it is defined as Total loss, unlike CTL, where the vehicle is repairable but not economically viable to repair; Total Loss (TL) involves vehicles damaged beyond repair, under such scenario where it is very clear and evident that the vehicle cannot be brought back / reinstated to use & as per Ref: IRDAI/NL/CIR/MOTOD/118/07/2019 Date: 25th July, 2019 & Section 55 of the MV Act, the Vehicle Registration has to be cancelled mandatorily & the damaged vehicle is to be scrapped.

The full and final settlement of a total loss claim subject to insured not retaining the wrecked vehicle will be settled only after insured submits the vehicle registration certificate Cancellation approval from the concerned Regional Transport Office (RTO)

The liability of the Company shall not exceed the Insured's Declared Value (IDV) of the vehicle (including accessories thereon) as specified in the Schedule