HOME LOAN

PERSONAL LOAN

BUSINESS LOAN

BALANCE TRANSFER

CREDIT CARDS

EDUCATION LOAN

CAR LOAN

WORKING CAPITAL

MAGIC FIN-MART

CHILD PLANS

HOME INSURANCE

ENDOWMENT PLAN

VEHICLE INSURANCE

TERM INSURANCE

FIRE INSURANCE

PERSONAL ACCIDENT

TRAVEL INSURANCE

HEALTH INSURANCE

PENSION PLANS

MOTOR INSURANCE

By end of this session you will be able to understand…

Corporate Introduction

Way of Life @ Us

Motor Insurance - Introduction

Motor Insurance – Product Details inc. General Inclusions & Exclusions

Add-On Coverages at a Glance

Q&A

Corporate Overview – Landmark Group

MAGIC FIN-MART

Auto Business

One of the largest networks of Automobile Dealership in India

- Operational for over 16 years with 4 premium brands through 36 state-of-the- art facilities spread across the state of Gujarat, Maharashtra, New Delhi, Madhya Pradesh and West Bengal

One of the largest retail insurance brokers in India

- 35% CAGR over last 6 years

TPG (Texas Pacific Group) – PE partner in Automotive business

(Industry first investment in India)

Serving insurance needs of over 3,00,000 customers for last 15 years

- Started our journey in 2001 with offices in Ahmedabad and Mumbai

Insurance Business

In 2015, forged a *strategic alliance with world's 3rd largest private equity firm* - TPG GLOBAL's subsidiary in India – **TPG GROWTH**.

Corporate Overview – PolicyBoss.com

Comprehensive range of solutions catering to the demands of individuals and corporates alike, including:

- Life Insurance
- Health Insurance
- Motor Insurance
- Travel Insurance
- Fire Insurance
- Liability Insurance
- Burglary Insurance
- Marine Insurance
- Employee Benefits – Group Term Life Insurance, Mediclaim

Over 1500 seasoned employees

Internet marketing portal - www.policyboss.com

10,000+
Over 10,000 cheques picked up monthly

200 > 60,000
200+ relationship managers handle 60,000 exclusive relationships

1000+
Over 1000 agents do business for us monthly

10,200
10.2K monthly transactions at our POS outlets

Want to Grow?

Today, growth opportunities are vital for any career oriented professional.

We don’t offer you a job alone, we offer you a long career, if you are up for one.

We have regular salary reviews which are based on your performance.

Your Role in the Company

Very Simple: Make a Sale Kill!!!

How?

Follow the simple steps listed here

Data will be given of the customers whose car insurance renewal is due shortly

Please understand the individual case. Read it carefully. Come up with the best premium rate for that particular customer.

offers the cheapest premium rates. You will become an ambassador of the company and convey this message to prospects

Apply your convincing skills and product knowledge here which you will learn further in this training.

Broker Vs Agent

Broker	Direct Company(Online)	Agent	Web Aggregator
• Represents the Customer • Legal relationship with customer • 100% after sale service • Need to deposit Rs. 1.5 CR with IRDAI to obtain license • Reports to IRDAI	• Unsure on document submission • No one to help during claim issues • No one to help in selecting the right product	• Represents the Insurance company • No legal relationship • No after sale service • Need to pay only Rs. 250 to obtain the license • Reports to Insurance Company	• Only comparison provided • No after sale service • No legal relationship

Evolution of Indian Insurance Sector

Governance of Indian Insurance Sector

- Insurance Regulatory and Development Authority (IRDA)
  - Established in 1999 under the IRDA Act
  - Responsible for regulating, promoting and ensuring orderly growth of the insurance and re-insurance business in India

Source: IRDA, TechSci Research

Insurance Regulatory and Development Authority of India (IRDAI):

✓An autonomous statutory body which regulates and develops the Insurance Industry in India.

✓It was constituted by a Parliament of India act called Insurance Regulatory and Development Authority Act, 1999 and duly passed by the Government of India.

✓The agency operates from its headquarters at Hyderabad, Telanagana where it shifted from Delhi in 2001

Strong Growth in Non-Life Insurance

* The non-life insurance market grew from USD2.6 billion in FY02 to USD13.4 billion in FY16
* Over FY02–16, non-life insurance premiums increased at a CAGR of 7.48 per cent
* The number of policies issued increased from 43.6 million in FY03 to 126 million in FY15, at a CAGR of 9.2 per cent

Growth in non-life insurance premium (USD billion)

Number of non-life insurance policies (million)

Source: IRDA, TechSci Research
Notes: CAGR - Compound Annual Growth Rate
FY16: Till November 2015

What is Insurance?

“Insurance is a contract(Policy) in which an individual receive financial protection or reimbursement against losses from Insurance Company.”

In simple terms we can call it **“Risk Transfer Mechanism”**

Principles Of Insurance

Utmost Good Faith

- Insurance is bought & Sold based on Trust.

Insurable Interest

- The risk that we are Insuring should be ours. In other words we should have financial interest.

Indemnity

- In simple words, Insurance company assures to Indemnify the customer of their losses.

About IRDAI

Insurance Regulatory and Development Authority of India (IRDAI):

- An autonomous statutory body which regulates and develops the Insurance Industry in India.
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- The agency operates from its headquarters at Hyderabad, Telanagana where it shifted from Delhi in 2001

Types of Insurance

What is Motor Insurance?

In simple language Motor Insurance is a contract between the **Customer** and the **Insurance Company** wherein you pay a premium for a policy that will provide protection against every comprehensible risk related to your vehicle; damage, theft, death and injury in an accident, plus liability protection in case you are sued as a result of an accident (Third Party Liability).

Is Motor Insurance Compulsory?

Yes, as per Motor Vehicle Act 1988 by Government of India any motor vehicle plying in a public place needs to be compulsorily insured against Third Party Injury and Property Damage.

Types of Motor Insurance

Comprehensive Policy

Includes Own Damage and Third party

Third Party Policy

Third Party Only

Third Party Policy

✓Motor Third-Party Insurance or Third-Party Liability Cover, which is sometimes also referred to as the ‘Act only' cover, is a statutory requirement under the Motor Vehicles Act 1988.

The policy does not provide any benefit to the insured. However, it covers the Insured's legal liability for death/permanent disability of third-party or damage to third-party property.

In case of Third Party Property damage the maximum amount payable is Rs.7.5 Lakhs.

Third Party Injury or death claims are settled as per courts direction which depends on a lot of factors like Age, Dependents, Income etc..

For all Claims FIR is mandatory.

Maximum Rs. 7.5lakhs

Decided by Court

Private Car Insurance - Comprehensive Policy

Comprehensive Policy covers both Own Damage (OD) and Third Party Damage (TP)

Own Damage
(Loss due to Accident/Fire/Theft)

+

Third Party
(Third Party property damage, Death/permanent disability)

Own Damage Policy

Own Damage section of the policy covers the damage to the Insured's car in case of:

Fire & Explosion

Lightening

Burglary & Theft

Accident

Flood

Riot & Strike

a. What is Insurance?

b. What is the difference b/w Agent and Broker?

c. What are the Principles of Insurance?

d. What is Motor Insurance?

e. What are different types of motor Insurances?

f. What is the maximum amount payable for TPPD?

g. What is the maximum amount payable for Third party Death or Injury?

Calculation of %

- To be able to inform customer his/her exact premium amount you should know how to calculate percentages.

- How to fetch Percentage of certain amount?

1. 2500 × 33 % = 825
2. 45000 – 2.93 % = 1318.5
3. 3.039 % of 42357 = ?
4. Deduct 2.901 % from 87543 = ?
5. Add 25% to 54936 = ?
6. Add 12.36% to 1275 = ?

Getting Started – Premium Calculation

So, by now you have enough idea about Our company, our Business and Insurance as a concept. Now, lets get down to Premium calculation.

Before you start learning how to calculate Premium, you should be familiar with some technical words widely used in our business:

1. Insured Declared Value	5. Cubic Capacity
2. Own Damage	6. Zones
3. Third Party	7. Year of manufacture
4. No Claims Bonus	8. Previous policy expiry date

Important Terms – Insured Declared Value

- IDV stands for Insured Declared Value. In other words the current market value of your vehicle is known as IDV.
- Let us understand IDV with a simple example,

  you buy a new pen worth Rs. 20. You use this pen only for few seconds only to write your name once, now you want to sell this pen.

Can you sell it for the same price now (Rs. 20)?

- No, mostly you can't. Why ?
- Because while buying the Pen, its value was Rs. 20 but once used the depreciation applies and the current market value reduces.
- So you may sell it for Rs. 19 or 18 or with lower amount but definitely not Rs. 20.
- So Rs. 20 is the actual price of the pen and Rs. 18 or Rs. 19 is the current market value of the pen. Same applies to vehicles.

How to Calculate IDV?

- Simple formula to arrive at Current IDV is,

  Current IDV = Last year IDV – 10 % (standard depreciation)
  Brand New Car IDV = Ex. Showroom Price – 5 %

- However, please make it a point to talk to your TL before calculating IDV because the formula to arrive at Current IDV may vary from company to company

WHY SO?

- For example, Aman opts for Car Insurance from Bharti Axa in the year of 2015, and company agrees to depreciate 40% on his car value. This means his current IDV for 2015 will drastically dip.

- Next year (2016), Aman opts for ICICI Lombard. Now, ICICI can not go as per last IDV because his previous company had taken drastic dive in percentage of depreciation.

Important Terms – Insured Declared Value

Example	
Make	Honda City
Last Year IDV	Rs. 10,00,000
Year of Manufacture	2015
Current IDV	Last IDV - Depreciation (10% standard)
	1000000-10%
	9,00,000
	So IDV for 2016 is Rs. 9,00,000

Important Terms – Zones

Motor Insurance Industry is divided into two Zones for Private Car	
Zone A	**Zone B**
Delhi	Rest Of India
Mumbai	
Kolkata	
Chennai	
Hyderabad	
Bengaluru	
Pune	
Ahmadabad	

Important Terms – YOM, CC

YOM

- Year of Manufacture: Year in which the vehicle got manufactured.

CC

- Cubic Capacity: means Engine power. Vehicles are of different Cubic Capacities ranging from 90 cc to 2500 cc or more

Make & Model

- E.g. Make: Maruti Suzuki
- Model: Swift

IRDA Tariff Rates

AGE OF VEHICLE (ZONE A)	NOT EXCEEDING 1000CC	EXCEEDING 1000CC BUT NOT 1500CC	EXCEEDING 1500CC
Not Exceeding 5 years	3.127% of IDV	3.283% of IDV	3.440% of IDV
Exceeding 5 years but not 10 years	3.283% of IDV	3.447% of IDV	3.612 % of IDV
Exceeding 10 years	3.362% of IDV	3.529% of IDV	3.698% of IDV

AGE OF VEHICLE (ZONE B)	NOT EXCEEDING 1000CC	EXCEEDING 1000CC BUT NOT 1500CC	EXCEEDING 1500CC
Not Exceeding 5 years	3.039% of IDV	3.191% of IDV	3.343% of IDV
Exceeding 5 years but not 10 years	3.191% of IDV	3.351% of IDV	3.510 % of IDV
Exceeding 10 years	3.267% Of IDV	3.430% of IDV	3.594% of IDV

Important Terms – No Claims Bonus

- If a customer does not make any claim to the Company through the whole full year, the company rewards him with bonus for his next Premium.
- It is very important to remember that you only get this Bonus after completing one full claim free year, not during or before the year.
- NCB can be transferred from one vehicle to another as long as the policyholder is same.
- NCB is also transferable from one insurer to another.

All Types of Vehicles	% Discount on OD premium	% Discount if a claim is made
No claim made or pending during the preceding full year of Insurance	20%	0%
No claim made or pending during the preceding 2 consecutive years of insurance	25%	0%
No claim made or pending during the preceding 3 consecutive years of insurance	35%	0%
No claim made or pending during the preceding 4 consecutive years of insurance	45%	0%
No claim made or pending during the preceding 5 consecutive years of insurance	50%	0%

Important Tems – No Claims Bonus

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NCB always remains with the owner driver. However, in the following scenario NCB can be transferred but to the driver of that vehicle only.

A company can transfer NCB to their employee when they decide to let the employee own the vehicle.

Legal inheritant of the owner driver who had earned NCB.

Transfer of NCB

Important Terms – No Claims Bonus

MAGIC FIN-MART

In case customer do not take Motor Insurance after policy expiry date then NCB expires after 90 days. i.e. NCB is back to Zero.

Even if customer make one claim regardless of the amount the NCB will be back to Zero.

In case customer sells the car and cancels policy, then NCB expires after 3 years.

NCB cannot be transferred from Private to Taxi or Taxi to Private

Terms & Conditions

Important Terms – NCB Declaration & Recovery

- In simple terms, Customer has to declare their NCB when buying a motor policy.
- If there is any wrong declaration of NCB then the NCB recovery procedure will be initiated.
- Format of NCB Declaration form:

L&T Insurance

Toll-free Number 1800-209-5846 (1800-209-LTIN) | Website www.ltinsurance.com | SMS 'LTI' to 5607058 (56070LT)

Date: 15/06/2016

To whomsoever it may concern

Re: No Claim Bonus (NCB) confirmation under policy no. 915101005324990000

This is to certify that KRISHNAKUMAR B had insured his vehicle bearing Registration no. KL 32 B 6281, under our comprehensive package policy no 915101005324990000 issued for the period 10/06/2015 TO 09/06/2016. The vehicle had 50% of No Claim Bonus running on the policy as on 15/06/2016. The insured has sold the vehicle and is entitled for 50% NCB which is available for a period of 3 years from 09/06/2016 (date of sale of the vehicle, as communicated to us)

Important Terms – Electrical/Non-Electrical IDV & CNG/LPG IDV

CNG/LPG and Electrical/Non-electrical accessories in the car attract a separate premium.

In case New Vehicle was purchased with already fitted CNG/LPG and Accessories then no need to charge extra premium as IDV Value will already have CNG cost.

How do you Calculate?

- 4% of CNG/LPG or Electrical/Non-electrical accessories IDV + Rs. 60 additional.
- For example, if an owner has LPG fit in and the IDV is Rs. 30,000/. He will need to pay 4% of 30,000, i.e. Rs. 1200 for its insurance + Rs. 60

De-Tariffing/Company Discount

De-Tariffing means that the pricing of insurance policies are left to the Individual Insurance companies concerned, to Decide and Offer, based on their Analysis and Risk Taking Ability.

When & Why

- Started on January 1st 2007
- Scientific rating
- Better risk management
- Customer friendly

Benefits

- Rating based on customer profile
- Car owners with good track record will gain
- Better competition
- WIN – WIN for both customer & company
- Higher penetration in the country

Third Party Premium

TP Premium (Pvt Car):			
Cubic Capacity (CC)	< 1000 CC	1001 - 1500 CC	> 1500 CC
TP Premium	**2055**	**2863**	**7890**

Details	Premium	Maximum Cover Incase of Death due to accident
Owner Driver Personal Cover	100	2,00,000/
Passenger Liability	50 (Per Passenger)*	1,00,000/
Paid Driver	50	1,00,000/

*** Passenger liability starts from Rs.5 for Rs.10000 but the general trend is Rs. 50 for 1 Lakh**

Practice Session

SUM – 1	
Car	Swift Dzire
Last year IDV	Rs. 7,50,000
CC	1225
YOM	February 2011
Claim	No Claims till date
Registration	Bangalore
Company Discount	30%

SUM – 2	
Car	Audi
Last year IDV	Rs. 38,50,000
CC	1650
YOM	August 2009
Claim	No Claims till date
Registration	Surat
Company Discount	45%

Practice Session

SUM – 3	
Car	Honda – City
Last year IDV	Rs. 9,25,000
CC	1350
YOM	October 2008
Claim	April 2010
Registration	Hyderabad
Company Discount	5%

SUM – 4	
Car	Mercedes Benz
Last year IDV	Rs. 45,00,000
CC	1800
YOM	July 2007
Claim	Jan 08’ & March 11’
Registration	Delhi
Company Discount	0%

Compulsory Deductible

Claims under own damage section of policies covering all classes of vehicles are subject to Compulsory deductibles as per the table given below:

Type	Amount	
Private Car	<= 1500CC	>=1500CC
	Rs. 1000	Rs. 2000
Two Wheelers	Rs. 100	

- **Why this Compulsory Deductibles?**

  Many customer tend to misuse their policy cover and they would go on making claims for even very nominal amounts. In such process genuine customers with big loss may get delayed services. So, to avoid misuse of the policy, compulsory deductibles are applied

Voluntary Deductible

1. Voluntary deductible is the minimum amount that you declare to bear at the time of claim.
2. There is an inverse relationship between the deductible and the premium. When voluntary deductible increases, the amount of premium falls.
3. If you opt this, this is the amount that you have to compulsorily bear during the event of a claim e.g. if your claim amount is Rs. 20000 and the voluntary deductible is Rs. 3000 then you have to bear the first Rs 3000 and the claim will be worth Rs 17000.

Private Cars				
Deductible	Rs. 2500	Rs. 5000	Rs. 7500	Rs. 15000
Discount %	20%	25%	30%	35%
Max amount	Rs. 750	Rs. 1500	Rs. 2000	Rs. 2500
Two Wheelers				
Deductible	Rs. 500	Rs. 750	Rs. 1000	Rs. 3000
Discount %	5%	10%	20%	25%
Max amount	Rs. 50	Rs. 75	Rs. 125	Rs. 250

1. CNG/ LPG KIT can be covered by charging extra at____% and Rs. ___ in T.P. section.
2. What are the details required to calculate motor insurance premium?
3. How many Zones are there in Private car? Name them.
4. Can the NCB be added in between the policy period?
5. NCB is given to the insured not to the insured's vehicle. True or False.
6. What is the grace period for NCB after the insurance expiry?
7. What is the maximum cover for owner driver in motor insurance?
8. What is the Compulsory deductible amount for <1500CC car?

Concept of ADD-ON

Add-on is a very important concept for our insurance business, let us try to understand what is add-on?

For example,

While ordering a coffee, you are asked for an extra Cream. While having fast food you get onions. While having pizza you get dessert or soft drink along. These all are add-ons.

Add on adds the value to main product. Add-on helps generate more revenue per transaction

The difference is that all the above examples have add-ons for free. But, here you need to pay a little extra premium to enjoy the benefits of add-on.

Different Add-ons

There are different types of add-ons which have been designed keeping the need of customers in mind, just to name the few,

1. Nil Depreciation or Depreciation reimbursement
2. Return to Invoice
3. Daily allowance
4. No Claim Bonus Protection
5. Loss of Personal belongings
6. Key Replacement
7. Emergency transport and Hotel expenses.
8. Engine Protector
9. Tyre Cover
10. Consumables

We mainly deal with ‘Nil Dep’ add-on hence we will understand it in detail.

Add – On Covers: Zero Depreciation

Zero depreciation cover, also called ‘Zero dep’ policy, offers complete coverage without adding in depreciation.

It means, if your car gets damaged following a collision, you will receive the entire cost from the Insurer.

Usually offered only for new cars. But some insurance companies give up to 5 years.

To avail this benefit, customer has to get his vehicle repaired in a Network Garage only.

How does it work? Lets see an example in the next slide:

Difference between Add-On Cover & Normal

Sample Claim Repair Invoice: One year old car (Normal Comprehensive cover)				
Parts/Job	Cost	Depreciation Applicable	Customer Share	Company Share
Metal Parts	30000	10%	3000	27000
Plastic Parts	30000	50%	15000	15000
Consumables	1000	-	1000	0
Total	61000	-	19000	42000

Sample Claim Repair Invoice: One year old car (NIL Depreciation & Consumable Cover)				
Parts/Job	Cost	Depreciation Applicable	Customer Share	Company Share
Metal Parts	30000	0%	0	30000
Plastic Parts	30000	0%	0	30000
Consumables	1000	-	0	1000
Total	61000	-	0	61000

Add – On Covers: Return to Invoice

Normal Policy	RTI Policy
• In case of total loss/Theft customer gets current IDV of the car	• In case of total loss/Theft customer gets invoice price of car + road tax
• For Example, a Car worth Rs. 10,00,000 is lost/total loss after 2.5 years, customer's claim amount will be 7,00,000 approx.	• For Example, a Car worth Rs. 10,00,000 is lost/total loss after 2.5 years, customer's claim amount will be 10,00,000 approx.
• No registration charges and road tax payable.	• First time registration charges and Road Tax is payable

Add – On Covers: NCB Protector

1. The No Claims Bonus becomes ‘Zero’ if customer makes any claim.
2. With NCB Protector customer can safe guard their NCB.
3. The count of claims is limited to company’s underwriter discretion.
4. To enjoy this cover customer has to renew with the same insurance company.

Add – On Covers: Daily Allowance

1. Daily Allowance is an add-on benefit one can take with a motor insurance policy. In this, the owner gets a fixed daily allowance for a certain number of days in one policy year if his/her car has to be taken to a workshop.

2. The facility is provided from the time the car goes to the workshop and till the time it comes back.

3. The facility does not start from day one. It starts once the claim is validated.

4. The amount varies depending on the plan and Insurance companies.

5. Maximum for a period of 10 day and not more than ‘Two’ claims in the policy period.

6. Exclusions:
   a. Windscreen claims & only Glass damage don’t qualify
   b. Damage suffered while the driver is under the influence of alcohol/drug, does not have a driving licence or is a minor, routine servicing and air-conditioner repair do not come under the purview of this policy.

Add – On Covers: Personal Belongings

Insurance will pay for the loss or damage to Insured & Insured's family member's personal belongings caused by perils of the policy while they are in the vehicle at the time of loss or damage to the vehicle .

An FIR must be filed for claims due to burglary, house breaking & theft.

What is Covered?

- Clothes, other articles of personal nature likely to be worn, used or carried and includes audio/video tapes, CDs etc.

What is not Covered?

- Money, securities, cheques, bank drafts, credit or debit cards, lens, glasses, travel tickets, watches, valuables, manuscripts, paintings, Jewellery, Mobiles, Laptop and items of similar nature.

- Any goods or samples carried in connections with any trade or business is not covered.

Add – On Covers: Key Replacement

For payment of additional premium, the insurance company will reimburse the cost of the vehicle keys which are lost, stolen or vehicle lock is broken at the time of theft, by a new set of keys.

Conditions:

1. Each such replacement claim shall be subject to 10% co-share of the total cost of replacement – subject to a minimum of Rs 500/- , by the Insured.

2. Any items replaced under this claim, will be of the same type, quality, quantity, or standard as the ones which were lost, stolen or replaced.

3. Usually the Insurance companies allow just one claim in a policy period and amount varies from company to company.

Add – On Covers: Tyre Cover

Normally in a Motor Insurance policy the damage to Tyres & Tubes are not covered if the damage is not due to an accident.

So what's the solution?

Customer can opt for a Tyre Cover (Add-on).

- Insurance company will cover the expenses for repair/replacement of Tyres/Tubes arising out of accidental loss or damage.

- The replacement of tyre will be done based on same make and specifications.

Add – On Covers: Engine Protect

1. Car engine is prone to damage caused by leakage of lubricating oil, damage to gear box. Water ingression due to floods is also covered (Hydrostatic Lock)

2. There is a separate cover available for only for Hydrostatic lock, but if Customer buys Engine Protect water ingression is automatically covered.

3. The Engine Protector covers consequential damage to the engine due to any of the reasons:

Add – On Covers: Consumable Cover

What is Consumables cover?

Coverage will include expenses incurred by the insured on Consumable Items in the event of damage to the vehicle insured and/or to its accessories.

Examples: Clips, Fender Clips, Bolts, Nuts, Stoppers, Emblems, Screws, Body Sealant, Clips, A/C Gas, Compressor Oil, Coolant, Engine Oil, Gear Box Oil etc.

Premium Calculation - Add – On Covers

1. The tariff rate for Add-on covers depends on Insurance companies and the type of cover provided and age of the vehicle.

2. To get the premium for a particular add-on use a simple formula: IDV*Add-on cover rate

   For e.g. if the IDV is Rs. 10,00,000 and customer is buying NIL depreciation cover with a rate of 0.40% then the premium would be:

   1000000*0.40% = 4000
   So the premium for Nil Depreciation cover would be Rs. 4000.

This needs to be added to the Own Damage premium.

We will see a sample calculation in the next slide.

Premium Calculation - Add – On Covers

Example:			
Make & Model	Honda City	CC	1497
Ex Showroom	Rs. 10,00,000	Zone	A
YOM	2014	Company Discount	40%
Nil Depreciation with TATA AIG	0.28%		

Salvage

1. In simple terms, Salvage means ‘Scrap’. The damaged parts.

2. Insurers receive salvage rights over property on which they have paid claims, such as badly-damaged cars/parts.

Road Side Assistance

1. Road side assistance or Towing cover is the benefit in which the customer gets the compensation for towing charges if he holds motor insurance.

2. The benefit is applicable in case of the following
   a. Mechanical/Electrical breakdown
   b. Accident
   c. Flat tyre
   d. Dead Battery
   e. Contamination/Incorrect or running out of fuel

3. The maximum amount payable to the customer is Rs. 1500.

Hypothecation

What is Hypothecation?

1. If we take a Car loan then the car gets Hypothecated to the Bank.
2. In other words bank owns the car until the loan has been paid completely.
3. These details have to be mentioned in the Insurance Policy.
4. If the car is stolen/Total loss insurance company pays the outstanding to the bank.

Cover Note

What is Cover Note?

1. It's a temporary document issued by the Insurance company that acts as a proof of Insurance until a final insurance policy is issued.
2. In general, the Cover Note provides the same level of coverage as the full Insurance policy.
3. The note contains some basic details like Name of the Insured & Insurer, Coverage etc.
4. Usually the validity of a Cover Note is 60 days from the date of Issuance.

Nominee

Nominee:

A person who receives the benefit of the policy in case of the insured's death is called as a Nominee.

In motor insurance, normally the nominee may receive claim proceeds in two cases.

- First, if the policyholder dies after making a claim (for car repair, theft etc) under the policy and is not there to receive the payout.
- Second, in case the policy is a comprehensive policy then there would be a payout to the nominee under the personal accident cover component of this policy in case of Insured's death.

Renewal Notice

Renewal Notice:

- It’s a note sent by the Insurance company reminding the customer to renew their Motor Insurance Policy.
- This helps the customer to plan accordingly and pay for their required Premium and renew on time.

What happens if customer does not renew on time?

- Policy gets lapsed and chances of loosing their NCB.
- Vehicle inspection will be done to ascertain the damages during the lapsed period.

Adobe Acrobat Document

Sample Policy Copy

MAGIC FIN-MART

INSURED MOTOR VEHICLE DETAILS AND PREMIUM COMPUTATION

Registration Mark & No.	Year of Manufacture	Engine No.	Chassis No.	Make/Model/Type of Body	CC/HP/GVW	Licensed Carrying capacity including Driver	Trailer Registration No.	Trailer Chassis No.	Trailer IDV
KA 04 MM 3701	2013	177783	203015	HYUNDAI/EON ERA/Hatch Back	814	5			

IDV (INSURED'S DECLARED VALUE)

IDV of Vehicle ₹	Trailers ₹	Side Car ₹	Non Electrical Accessories ₹	Electrical/electronic Accessories ₹	Bi-Fuel kit (CNG / LPG) ₹	Total Value ₹
260000	0	0	0	0	0 / 0	**260,000.00**

A-OWN DAMAGE		**B-LIABILITY**	
Own Damage Premium on vehicle and accessories		**Third Party Premium**	
Basic Cover		**Basic Cover**	
Basic - OD	₹ 5,691.14	Basic - TP	₹ 1,468.00
DISCOUNTS UNDER OWN DAMAGE SECTION		**PA Benefits**	
No claim bonus 25%	₹ 2,032.55	PA Owner Driver	₹ 100.00
TOTAL OWN-DAMAGE PREMIUM (A)	₹ 3,658.59	**Legal Liability**	
C-ADD ON COVERS		LL to Paid Driver IMT 28	₹ 50.00
Passenger Assist	₹ 250.00	**TOTAL LIABILITY PREMIUM (B)**	₹ 1,618.00
Consumables Cover	₹ 520.00	**Net Premium(A+B+C)**	₹ 7,347.00
Depreciation Cover	₹ 1,300.00	**Service Tax @ 14%**	₹ 1,028.58
TOTAL ADD-ON COVER PREMIUM (C)	₹ 2,070.00	**TOTAL POLICY PREMIUM**	₹ **8,376.00**

Hire Purchase/ Lease /Hypothecated with NA

LIMITATION AS TO USE : The Policy covers use of vehicle for any purpose other than: a) Hire or Reward b)Carriage of goods(other than sample of personal luggage) c) Organized racing d)Pace Making e)Speed Testing f)Reliability Trial g)Use in connection with motor trade.

DRIVERS CLAUSE

Persons or Classes of Person entitled to drive:Any person including the insured provided that a person driving holds an effective driving license at the time of the accident and is not disqualified from holding or obtaining such a license.Provided also that the person holding an effective learner's license may also drive the vehicle and that such a person satisfies the requirements of Rule 3 of the Central Motor Vehicle Rules, 1989.

Adobe Acrobat Document

D:\Training\PPT\Sample Policy co

Documents

Documents required while purchasing insurance are,

1. Last Year Policy Copy
2. RC Book
3. Signed Proposal Form
4. Premium Cheque

Endorsement

1. A written evidence of an agreed change in the policy.
2. It is a document that incorporates changes in the terms of the policy.
3. If there are any alterations to be done in the policy the customer needs to approach Motor Insurance Company to effect the change's.
4. E.g. Change of address, Change of Name or Change of vehicle.his is done by way of an endorsement.

Inspection

What is Inspection in Insurance?

1. It means that Insurance company inspects the car for any pre-existing damages.

2. Its done in the following cases:
   a) Break-In cases
   b) Changing from Normal comprehensive to Add-on. E.g. Nil Dep
   c) If a vehicle is converted from Taxi to private or visa versa.
   d) During name change endorsement.
   e) CNG/LPG fitted
   f) In case of NCB recovery

Claims Process

Accident

Report the claim

Tow/drive the car to nearest cashless garage

Survey by authorized surveyor

Fill up claim form & Submit your documents

Repairing of the vehicle

Re-inspection of the repaired vehicle

Pay customer liability (Policy Excess) and delivery of vehicle

Network Garage/Cashless Facility

If the vehicle is damaged due to an accident, the customer must inform the insurer and the police about it, before giving the vehicle for repair.

The insurer typically has tie-ups with motor garages for a cashless facility and will pay the bills directly to the garage.

However, if the vehicle is serviced in a garage outside the purview of the insurer's network, then the insured can claim for a reimbursement of the bill.

Important points to remember

MAGIC FIN-MART

Cashless & Non Cashless Claim settlement

- When making a sale inform the customer about both type of settlement. Non Cashless may take upto three weeks for settlement

Clear information on NCB

- Give all details on NCB. Inform customer that wrong NCB declaration leads to claim rejection and policy cancellation.

Premium calculation is our responsibility

- Calculating accurate premium is our responsibility. Most importantly we should take correct IDV from the customer. Lot of TL and Theft claims gets rejected due to wrong IDVs

NIL Depreciation plans does not cover consequential losses.

- This has to be explained properly to the customer. For e.g. Water ingression and oil leakage is not covered in NIL depreciation plan.

Important points to remember

MAGIC FIN-MART

Check for Clear Title of Ownership

- While making a Motor Insurance SALE, ensure the Title of ownership of Vehicle is Clear. Claims gets rejected of the name is different in RC book and on the Insurance copy.

Educate customers on Claim Intimation process

- Inform customers that claim intimation should be done within 48 hours of the accident with details like, Driver, Place of accident, FIR and detailed sequence of events.

Advising the customers to have due diligence

- Customers should not contribute to the loss/damage to the vehicle. For e.g. 1) Not changing the lock when the keys are stolen 2) allowing minors to drive the vehicle 3) Drink and drive

Note the vehicle details correctly and accurately

- All details of the vehicle should be noted down correctly as mentioned in RC. Even small error like incorrect variant or fuel type may get the claim rejected and will be a hassle to the customer.

Claims Process – Document Submission

Documents for Private Car Claim:

1. Claim form
2. Driving Licence
3. Registration Certificate
4. Tax Certificate
5. Policy copy

Documents for Commercial Car Claim:

1. Claim form
2. Driving Licence
3. Registration Certificate
4. Tax Certificate
5. Policy copy
6. Permit
7. Fitness Certificate

Claim Rejection - Reasons

MAGIC FIN-MART

64VB Compliance

- Claim will be rejected if the cheque is not realised as the policy gets cancelled from Inception

Delay in Claim Intimation

- Claim gets rejected if it's not notified to insurance company in 48hrs. Exception is given if the vehicle is seized by police or death of the owner/driver

False NCB Declaration

- Claim gets rejected if NCB is declared wrongly. However third party cover will not be cancelled.

Invalid documentation

- Claim is rejected if documentation is not valid and effective.
  - DL is available but not authorised for driving the specific vehicle. E.G. LMV license used for HGV.
  - Hazardous goods carrier should have endorsement of hazardous carrier

Spot survey and F.I.R Compulsory.

- Claim will be rejected if police is not notified in case if commercial vehicles and during major damage to a private vehicle.

Claim Rejection - Reasons

MAGIC FIN-MART

Vehicle repaired before survey

- Claim will be rejected if insured repairs the vehicle before notifying the insurance company and getting the survey done.

Misrepresentation of facts or pre-existing damages

- Claim gets rejected if insured claims for which are not relevant with the with the cause of accident or damages are pre-existing.

Proper endorsements

- Claim gets rejected if all relevant endorsements are not done by the Insured.

Ownership transfer

- Claim will be rejected for Non-insurable interest. OD claim will not be entertained if policy is not transferred within 14 days, only TP claims will be given

Wear & Tear losses

- Claim will not be given if its for wear & tear like rusting of metal etc.

Permanent Exclusion

1. Normal wear, tear and general aging of the vehicle.
2. Depreciation or any consequential loss.
3. Mechanical/electrical breakdown.
4. Wear and tear of consumables like tires and tubes.
5. Vehicles used for any other purpose other than what is mentioned in the policy.
6. Damage to/by a person driving any vehicles or cars without a valid license.
7. Damage to/by a person driving the vehicle under the influence of drugs or liquor.
8. Loss/damage due to war, mutiny or nuclear risk.

Contact

In case of any queries Customer can contact us on:

1-800-419-419-9

customercare@policyboss.com

Landmark Insurance Brokers Pvt Ltd
Unit 3, 4th floor, The Centrium,
Phoenix Marketcity, Kurla (West),
Mumbai - 400 070, Maharashtra,
INDIA.

a. What are the different types of Add-on policies?

b. What is Nil Depreciation?

c. Is it correct to call Nil Depreciation policy as Bumper to Bumper?

d. What is the difference between Ex-Showroom price and IDV?

e. What is the benefit of NCB protector?

f. What is Hypothecation?

g. What is cover note?

h. What is the validity of the cover note?

i. Is vehicle Inspection mandatory in case of Break-in cases?

Your Script, Your Strength

Please note that we do not follow any standard script.

Most importantly you need to be: Polite, Pleasant & Sensible

1. Please include the following points in your script:
2. Greetings
3. Introduction (Self & Company)
4. Permission
5. Purpose
6. Listen & Answer to objections
7. Pitch benefits
8. Take appointment
9. Thank the customer and close the call.

Now prepare your own script and discuss with each other.

Sample Script

CALL SCRIPT

Caller: Good morning sir, this is xyz from landmark insurance Brokers Company. Is this a good time to speak?

(If customer says NO)

Caller: I can understand you are busy sir. Can I call you back after an hour/afternoon/evening?

(If customer says YES)

Caller: Thank you, sir.

Caller: Sir, I wanted to speak to you about insurance for your xyz car which is due on xyz date. Is my information correct sir?

Caller: Sir, we can provide you the better benefits with the best competitive premium rates. Do you want me to explain you the policy in details?

(If customer agrees)

Caller: caller explains the benefits of the product in details and also compares our product with customer's existing product and points out how our product is better?

(If customer disagrees)

Caller: Fine, I understand sir, you are keeping busy. Can you please give me your email address so that I can send you details of our product to you and you can read it as per your convenience?

Caller: thank you, sir. I will be calling you tomorrow at xyz hour to check if you could figure some time to read my email. Will it be fine sir?

Caller: Sir, after this call you will receive an sms from our end containing our contact details. You can anytime call us for any query/help on those numbers and we will be very happy to help you.

Caller: thank you for your time, sir. Have a good day.

(It is important to do personalization on call while talking to a prospect, hence instead of using SIR repeatedly, caller may address prospect by his/her NAME twice or thrice throughout the call.)

Telephone Etiquette

Do’s	Don’ts
• Listen carefully • Sympathies where necessary • Verbal cues • Develop a rapport	• Don’t Interrupt • Argue • Ignore • Make false commitments

Objection Handling

While speaking to customer, you need to be very attentive. Customers may come up with questions/objections and you need to handle them very carefully. Your way of handling the objections is very crucial which confirms whether or not customer will buy a policy from you.

- I have already purchased policy
- Your premium rates are very high, others are offering same benefits at lower cost
- I will think and I will reply
- I only want to get Third Party insurance.
- I only want to go with Government company

NO

Thank You!