

## MOTOR INSURANCE

Motor insurance has been in existence almost since the inception of the motor vehicle industry. The motor vehicle was labelled a 'lethal' machine and people saw the need to cater for damages caused in case of an accident. Also known as auto/car/vehicle insurance, motor insurance is a legal requirement in Kenya under the Kenya traffic laws Act 405 prior to using public roads. Motor insurance covers cars, trucks, and other road vehicles. This insurance cover covers the vehicle against theft, fire, accidents, loss of property, third party risks such as injury and destruction of property. Under this policy, the vehicle is the first party, the second party being the insurer and the third is any person who suffers loss caused by the occurrence of events insured against. There is also a No-Claim Discount given to the insured for no claims made in one year from inception off holding the policy, and renewing with the same insurer. While partaking an insurance cover, it is important to look at some factors such as the stability of the insurer company, the expeditious settlement of claims, special features of the policy, reputation of the company concerning claims payment and of course the rate charged.

There are 3 different types of covers from insurance companies in Kenya:

- Motor Third Party - This protects third party casualties against death, bodily injury and property damage
- Motor Comprehensive - This policy covers both the third party's death, physical injuries and/or property and the vehicle against losses from fire, theft or an accident.

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