[**https://www.policybazaar.com/motor-insurance/car-insurance-calculator/**](https://www.policybazaar.com/motor-insurance/car-insurance-calculator/)

[**http://www.mycarhelpline.com/index.php?option=com\_easyblog&view=entry&id=215&Itemid=91**](http://www.mycarhelpline.com/index.php?option=com_easyblog&view=entry&id=215&Itemid=91)

**REINSURANCE :**

**<https://iedunote.com/treaty-reinsurance-types>**

**Insurance Premium Calculation**

**Insurance IDV Calculation - Depreciation Chart**

Below is Depreciation chart for Insurance IDV Value Calculation in case of New Car (1st Year) and Used Car (2nd Year Onward)

|  |  |
| --- | --- |
| **Vehicle Ageing** | **Depreciation Chart** |
| New Car - 1st Year | Insurance done at 95% of Exshowroom Price. 5% Depreciation is Deducted |
| on 2nd Year Renewal | 20% Depreciation is Deducted. Insurance done at 80% of Original Exshowroom Price |
| on 3rd Year Renewal | 30% Depreciation is Deducted. Insurance done at 70% of Original Exshowroom Price |
| On 4th Year Renewal | 40% Depreciation is Deducted. Insurance done at 60% of Original Exshowroom Price |
| On 5th Year Renewal | 50% Depreciation is Deducted. Insurance done at 50% of Original Exshowroom Price |
| 6th Year Onward | 10% to 15% Depreciation on IDV Value of Previous Year is Deducted Year on Year |

**Factors Affecting Insurance Premium**

|  |  |
| --- | --- |
| **Factors** | **Impact** |
| IDV Value | Basis Depreciation Chart as mentioned above for Calculation. IDV Value is the basis on which Premium is Calculated |
| Insurance Premium Rate | Basis Car Engine Size and Ageing < 1Lit, 1 Lit - 1.5 Lit, > 1.5 Lit - Insurance company Slab Ranges from 3% to 3.5% for Premium Calculation basis IDV Value |
| Registration Zone | Zone A of Metro Cities basis registration has slight higher Premium. Difference is just 2% in Zone A & B Premium |
| NCB | No Claim Bonus on Year on Year Basis gives Discount on OD Premium. Basis NCB Matrix Given underneath |
| 3rd Party Coverage | Basis Engine Size. Upto 1 Lit - Rs 1129, 1 Lit to 1.5 Lit - Rs 1332, Engine > 1.5 Lit - Rs 4109 |
| OD Discounts | Every Insurance company offers OD Discounts - whose range goes as high as upto 50% in 1st 5 yrs. Goes down to under 20% from 5th Year Onward and almost 0 after 10th Year. This is basis risk classification and is the main reason why Insurance Premium will vary |
| Add on Covers | Zero Depreciation or Add on Cover will lead to additional premium |

**NCB Matrix**

No Claim Bonus is the discount on OD Insurance Premium which Insurance Company Offers as a reward discount for no claim raised in previous year

NCB is transferable. So, even if you have Insurance with some other company in Previous Year and intend to move to another insurance company next year - NCB Bonus is very much transferable next year.

|  |  |
| --- | --- |
| **NCB Slab** | **NCB Discount offered** |
| 20% | After 1 Claim Free Year. Discount offered on OD Premium |
| 25% | After 2 Claim Free Years. Discount offered on OD Premium |
| 35% | After 3 Claim Free Years. Discount offered on OD Premium |
| 45% | After 4 Claim Free Years. Discount offered on OD Premium |
| 50% | After 5 Claim Free Years. Discount offered on OD Premium. This is the maximum Discount. Even if Claim Free Years are higher say 7 Years - still max 50% OD Discount Offered |

**INSURANCE CALCULATOR IN 2016**

Sample Calculator Referred below Model Honda City 2010 Model in New Delhi

|  |  |  |
| --- | --- | --- |
|  |  | **Calculation** |
| Vehicle IDV - calculated basis depreciation Grid | A | 380000 |
| Premium Rate - basis Internal Grid of Insurance Co's- generally in range of 3% to 3.5% | 3.28% | 12475 |
| Loading / Discount - OD Discount offered by Insurance Companies and varies basis Model,Risk Criteria | -40% | -4990 |
| **Gross OD Premium** |  | **7485** |
| Add: Optional Add on Accessories Value if fitment done later on | 0 | 0 |
| Less: NCB Bonus Deductible - say vehicle has 2 Claim Free Years | -25% | 1871 |
| Less: Voluntary Excess - if any Voluntary Deduction | 0 | 0 |
| Add: Add on Covers (Zero Dep Insurance or Additional Cover Premium) | 0 | 0 |
| **Net OD Premium after NCB Discount** |  | **5614** |
| Zero Depreciation Insurance Premium (Add on Coverage) |  | NA as not opted |
| Mandatory 3rd Party Cover |  | 1332 |
| PA Cover Owner Driver (Personal Accident Cover of Rs 2 Lakh) |  | 100 |
| Paid Driver + Cleaner |  | 50 |
| Comprehensive(OD+TP) |  | 7096 |
| Add Service TAX | 14.5% | 1029 |
| **NET PREMIUM INCLUSIVE OF SERVICE TAX** |  | **Rs. 8125** |

- The bigger the cubic capacity - higher the insurance premium and third party cover.

- Diesel cars generally have lesser discounts in subsequent Years vis a Vis Petrol Cars

- Zero Dep Car Insurance is mostly in first 5 years of Car Ownership

- OD Discounts basis Risk Weight given to Particular Car Model by Insurance Companies is the Prime Reason for Difference in Premium

RISK SEGMENTATION GUIDELINES

in Japan

1.

Age of driver – not exceeding 300% di

fferential for different age segments.

2.

Gender - segmentation allowed, but differential not to exceed 150%

3.

Driving History – Driving records are not available publicly, so insurers are

unable to introduce policy holders driving records as risk factor.

4.

Auto Usage – commercial, personale, lei sure, commuters

5.

Pattern of Use – Mileage per year, continuous use.

6.

Geography – max 7 Zones are applic

able as per law and premium,

differentials between regions is within 150% or less.

7.

Vehicle Type – any kind

8.

Multi Car Ownership – discount

on number of automobiles insured

9.

Vehicle Safety Features – air bags,

anti-lock brake system are considered

as favourable features for risk assessment.