



How to Select the Right **BIKE INSURANCE POLICY**

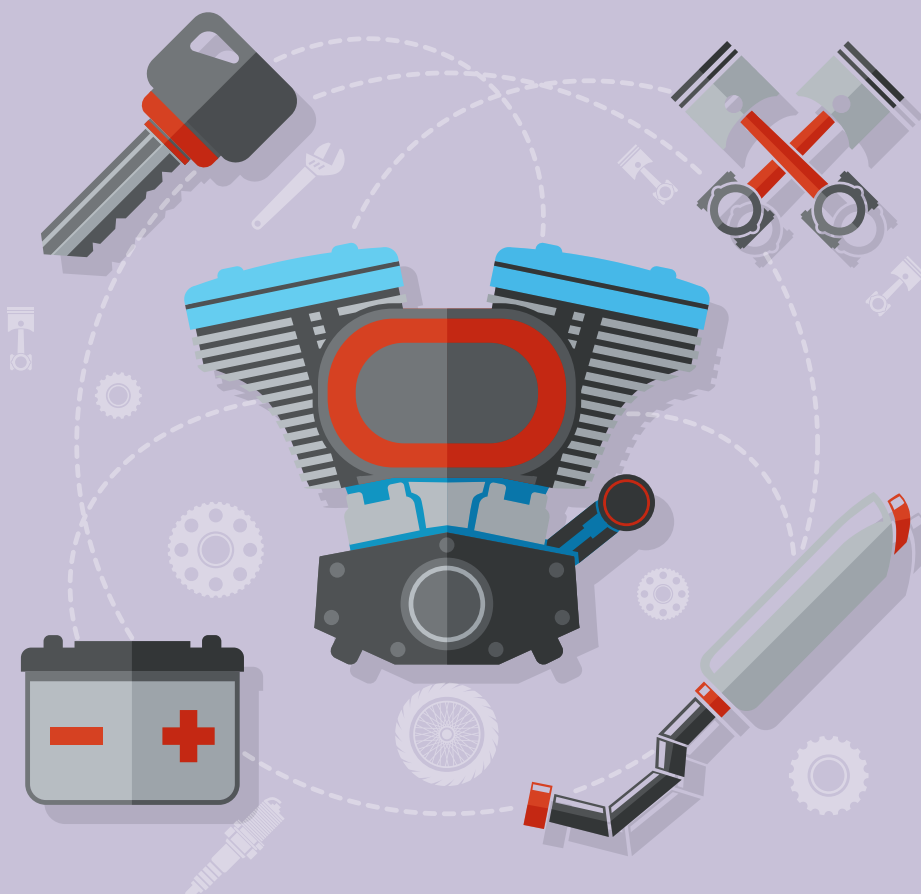


A bike insurance policy that is custom-made for your needs.

According to The Motor Vehicles Act, 1988, every vehicle in active use must have insurance coverage. Therefore, riding an uninsured two-wheeler on public roads is a punishable offence under Indian law. This can result in a monetary fine. It can also lead to the cancellation of your driving licence. And a series of unfortunate events can even land you in jail!

It is evident that you need to insure your bike to comply with the law. But there's more to it. Buying a wide-ranging two-wheeler policy can also save you a lot of money. Curious? Here's what you stand to gain if your bike is adequately insured.

- Safety from monetary penalties arising due to non-compliance.
- Financial assistance if you injure a third party or damage their property.
- Insurance cover if your bike is damaged because of accidents, natural calamities or man-made calamities.
- Financial security in case of bike theft.
- Option to customise the policy through add-on covers.
- Accident coverage in case of injuries (or death) via a separately purchased and mandatory Personal Accident Cover.



However, it is crucial to note that the above coverages depend upon the following.

- ☐ The scope of the chosen policy in terms of coverage.
- ☐ The inclusions, exclusions, and the terms and conditions of the policy.
- ☐ The insurer from whom the policy is purchased.

You need to be careful while selecting an insurance plan for your bike as per your requirements. This ebook highlights how to go about selecting a policy that is right for you and your bike.



Knowing your needs

The first thing you need to do before buying bike insurance is understanding your need for it. Yes, it is mandatory to keep your vehicle insured. However, knowing your risks will help you to seek suitable coverage. For example, if you reside (or park your bike) in a locality that has witnessed a recent spike in bike theft, it's best to opt for a policy that covers such situations, right?

Therefore, while buying bike insurance you must ask yourself, 'Do I need bike insurance just for law compliance, or do I need to insure my vehicle from a host of unfortunate events like theft, fire, flooding, etc.?' If you pick the latter, you also get the option of enhancing the coverage with add-ons that offer timely services or a higher claim settlement amount, depending upon your pick.



Exploring different options

Like most things in the market, bike insurance also comes with a lot of options. It would help if you narrowed down on a bike insurance plan that's ideal for you based on your needs. If you are only buying bike insurance for the sake of legal compliance, then perhaps all you need is the law-demanded Third-party Liability Policy.

However, if you want holistic coverage, a Comprehensive Policy is the way to go. And if you want to leave no stone unturned in insuring your beloved two-wheeled pal, then a Comprehensive Policy along with relevant add-on covers is your best bet.



Third-party Liability Policy

A Third-party Liability Policy insures you against third-party liabilities. For example, if you accidentally injure a pedestrian (a third-party) while riding your insured two-wheeler, you are liable to compensate the pedestrian for relevant medical expenses to treat the injury. Such costs shall be covered by the insurer from whom you have purchased the bike insurance policy.

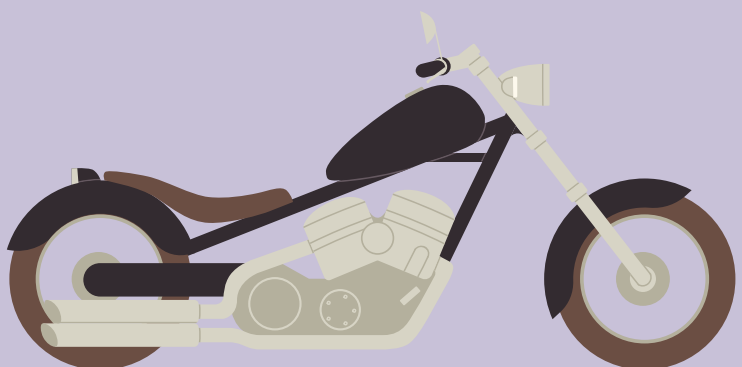
Costs incurred for treating the injuries (caused to the third party) and fulfilling the legal liability in the event of their property damage or accidental death caused by your bike are covered under this type of policy. But there's a massive downside —it does not insure your bike against damages!



Comprehensive Policy

A Comprehensive Policy covers the third-party liabilities as well as offers own damage coverage. The own damage component provides insurance coverage for damages caused to your bike due to accidents, riots, floods, etc. The policy also covers bike theft.

While the Third-party Liability Policy is mandatory, a Comprehensive Policy is optional but more beneficial. Since it includes third-party coverage, by buying a Comprehensive Policy, you not only comply with the law but also ensure broad coverage for your bike.



Comprehensive Policy + Add-ons

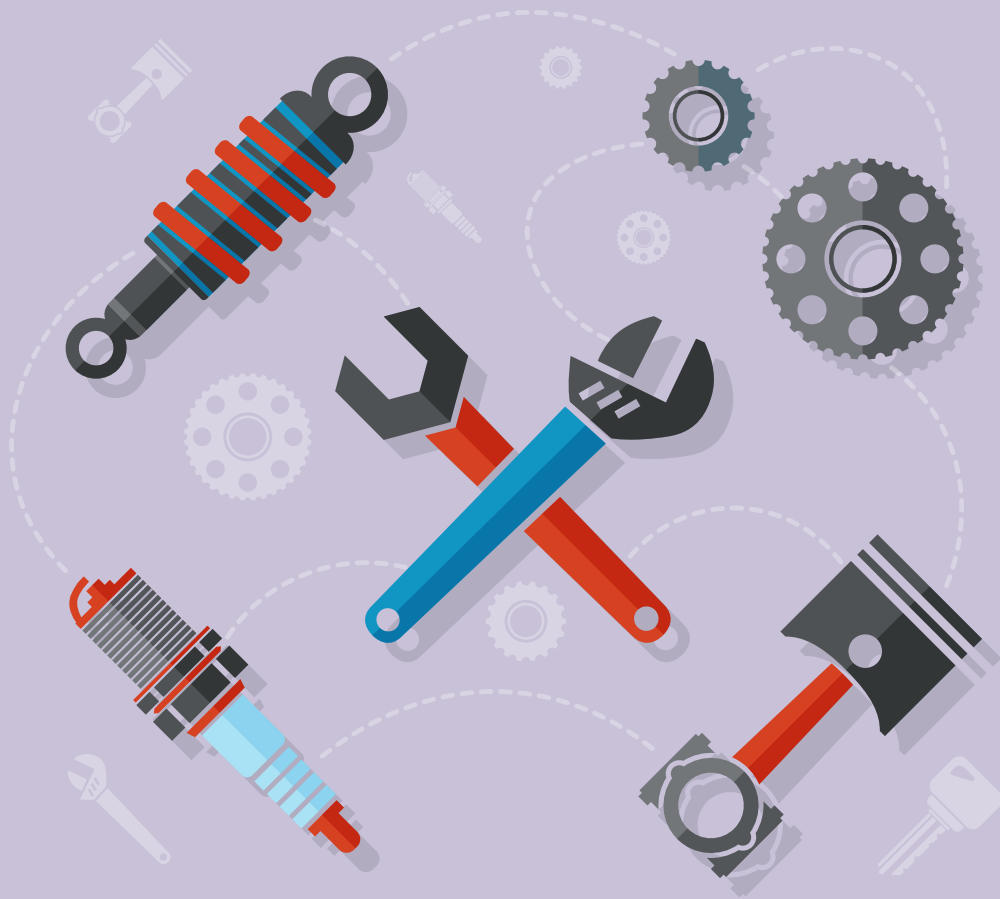
Insurance riders or add-ons can be bought along with the Comprehensive Policy by paying an additional insurance premium. They are available only with a Comprehensive Policy and not with a Third-party Policy.

You can buy one add-on or multiple ones based on your needs. But remember, the more add-ons you buy, the more insurance premium you need to pay. So, be judicious about it.



Considering crucial factors

After knowing your needs and zeroing in on the policy that can meet those needs, you must consider a few factors mentioned below before making the final call.



Coverage offered

As mentioned earlier, the Third-party Liability Policy offers standard coverage. Whereas, the extent of coverage offered by a Comprehensive Policy can vary from insurer to insurer. Some Comprehensive Policies may be more detailed and offer financial cover against various scenarios, while some policies might be limited in their capacity in doing so.

Therefore, go through the policy's inclusions and exclusions to find out the scope of the policy and then make an informed choice.



Premium charged

For Third-party Policies, the premium is set and regulated by the IRDAI (Insurance Regulatory and Development Authority of India). Its premium amount is calculated based on the bike's engine cubic capacity (cc). It is a standard policy offered by insurers at the same cost.

When it comes to Comprehensive Policies, as you cover more and more contingencies, the annual premium keeps increasing. Different insurance providers charge differing insurance premiums while offering similar coverage and benefits. There are long-term or multi-year insurance plans as well, which are more economical and hassle-free in terms of renewals.

While it makes sense to find the most suitable policy for your two-wheeler in terms of coverage, you must also be aware of the price at which it is being sold. Compare annual premiums of different policies offered by different insurers and choose a policy that strikes the right balance between the coverage and the premium charged.



While buying or renewing a Comprehensive Policy, keep the following factors in mind as they directly influence the payable insurance premium.

Insured Declared Value (IDV)

IDV can be interpreted as the vehicle's approximate market value. Note that it should not be mistaken as the bike's resale value as these are two different concepts. You shall receive the amount mentioned as IDV (after considering the deductibles) in situations where your bike undergoes total loss or is stolen without any chances of being found. The IDV is usually revised annually as per the applicable depreciation rate (decrease in bike's value because of natural wear and tear with time).

The IDV is crucial as it determines the sum insured and dictates the premium charged for buying the policy. The higher the IDV, the higher the sum insured. The higher the sum insured, the higher the premium. Most insurers offer the option to modify the IDV if you are purchasing the bike insurance policy online. You get to select the IDV from an applicable range and view its real-time impact on the payable premium.



No Claim Bonus (NCB)

If you have been a cautious rider and fortunate enough to stay away from situations where your bike could have been damaged, then you wouldn't have raised a claim during the policy period. This makes you eligible for a No Claim Bonus, which is a renewal discount. With every consecutive claim-free year (for five years), your NCB keeps increasing. It shouldn't be taken lightly as the NCB can be a whopping 50% of the own damage premium (if you don't raise a claim for five consecutive years), resulting in considerable savings.

It is a relevant factor for bike owners who have already bought insurance and are now looking to renew their insurance plan. If your bike insurance policy has expired and you wait for more than 90 days (post expiry) to renew it, you can't benefit from the NCB discount as it resets back to zero. Thus, timely policy renewal is a must.



Shortlisting the insurer

Now that you are familiar with the fundamentals of selecting a bike insurance policy, the next step is finding the right insurer from whom you can buy it. In the case of a Third-party Policy, there's no need for detailed deliberation in this regard, as the premium charged is the same across insurers. You just need to look out for an insurer that offers convenience in buying and renewing the policy. However, there's a lot to ponder over while selecting an insurer if you want to buy a Comprehensive Policy.

Yes, the premium-coverage balance matters, but so do the claim settlement, services offered, and ease of renewability. Consider the following factors while selecting an insurer that offers a Comprehensive Bike Insurance Policy.

Online services

Don't limit your evaluation to what you are paying upfront and the coverage you are receiving. Make it a point to look for how easy it would be to access the available services as per the policy. New-age insurers make it easy to buy, renew, and claim insurance online. For instance, you can purchase a bike insurance policy, raise and track claims, and renew the policy digitally from ACKO's website or app at any time and from anywhere.



Cashless claim

Many insurers also offer the cashless claim feature. Here, the bike repair bill (amount covered by the policy) will be directly paid by the insurer to the garage, except for the deductibles amount. This saves you the hassle of settling the bill yourself and then getting it reimbursed from the insurer.

Valuable discounts

While exploring different policies, keep an eye out for discounts on bike insurance. Insurers do offer lucrative discounts on annual premiums to encourage the purchase. Also, as multi-year policies are less expensive than individual policies for multiple years, opting for multi-year plans will help you to save money and relieve yourself from the task of yearly renewals.



Zero commission

Buying insurance directly from online insurers (such as ACKO) instead of agents/middlemen/dealers is economical. Since online insurers don't rely on middlemen, the bike insurance premium doesn't get inflated with brokerage or channel cost. So, you pay less premium but get all the desired benefits.

Usage-based add-ons

Bike riding can come with its set of challenges. For instance, your bike may break down mid-journey, the helmet can be stolen, or the bike keys might get lost! Some insurers are intuitive about these challenges. They either build solutions for these into their Comprehensive Policies or offer them as well-crafted add-ons. So, before selecting your bike insurance policy, search for such thoughtful coverages and buy from a customer-focussed insurer.

Claim settlement ratio

Checking the claim settlement ratio of insurers is also a good idea. You can do so by referring to the insurer's website (in this case, www.acko.com) or by reaching out to their Customer Care helpline. A high claim settlement ratio means the insurer is more likely to settle claims. While this is not a defining factor, it is noteworthy while comparing different insurers.



Ready for a breezy ride?

ACKO is a new-age insurer that offers bike insurance policies at a low premium. This is possible because of a zero-commission model and a tech-based set-up. Also, you can buy, renew, claim digitally via the ACKO website or app.

Checkout the customisable and affordable comprehensive policies now and vroom safe with ACKO's bike insurance.

EXPLORE NOW

