

Motor Insurance Frequently Asked Questions [FAQ]

Q : Do all insurance companies charged the same premium?

A : Motor Insurance is tariff rated i.e. the premium for that cover is being computed based on a formula determined by the insurance authority, this means that all insurance companies are charging the same basic premium for the same cover.

Q : What is loading and when will insurance companies apply loading?

A : Loading is an additional surcharge imposed on the basic premium rate. Factors that may affect the risk where loading can be imposed are but not limited to age of vehicle, the driver's driving experience and adverse claims experience.

Q : What is an excess and show an example on the application?

A : An excess is the amount the Insured will have to bear before the insurance company will pay for each and every claim made. For example, if the claim amount is RM3,500 and the excess stated on the policy is RM500, the amount payable to the Insured will be RM3,500 less RM500 i.e. RM3,000.

Q : What is No Claim Discount (NCD) entitlement?

A : An NCD entitlement is a discount allowed to the Insured in accordance to a scale determine by the authority, a certain percentage off the basic premium (inclusive of loading, if any), if no claim is made or intimated under the insured's policy and also provided the vehicle is insured continuously for a period of 12 months with the same Insurer.

Q : Can I transfer my NCD entitlement from one car to another and from another insurance company?

A : Yes, if the cars are registered in your name, the transfer of NCD earned can be allowed but always bear in mind that you can only enjoy the next level of NCD if your car is insured with the same insurer continuously for a period of 12 months and provided there is no claim made or intimated under your policy in each of the above instances.

Note: You cannot use the same NCD earned to more than one car. NCD is on earned basis by each car upon completion of the continuous 12 months period of insurance with the same insurer. You can inter-change your NCD to any car registered in your name as explained in the above.

Q : How much should I insure my car?

A : You should insure your car on market value. You can seek the motor car franchise holders to determine the value of your car.