



UNITED INDIA INSURANCE COMPANY LIMITED

From Technical (Motor) Department Head Office Chennai - 14.	To ALL REGIONAL CHIEFS, ALL REGIONAL MANAGERS	Ref.: HO:MOT: 344: 2010 22/12/2010
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RE: ADD-ON COVER, NIL DEPRECIATION AND PERSONAL EFFECTS

We are pleased to inform you that IRDA has now approved two more Add-on covers, viz, **NIL DEPRECIATION** and **PERSONAL EFFECTS** with Motor package policies. It has now been decided to launch both the Add-on covers from 3rd January 2011.

I. The salient features of the Add-on **NIL DEPRECIATION** cover are as under:

- Depreciation will not be deducted on replacement of parts for partial loss claims [Total loss and CTL will be settled on the basis of IDV]
- Insured must specifically opt for this cover .
- It provides cover for **private cars and two wheelers up to 3 years**
- It is applicable preferably for new vehicles.
- A flat discount of 5% will be allowed for claims free renewal of Motor Package Policy with Nil Depreciation Add on Cover.
- Mid term cover is not permitted

The premium chargeable: The OD Premium after allowing detariff discount if any on erstwhile tariff rates as per the Package Policy shall be loaded as follows:

New vehicles & upto 1 year age of the vehicle	10%
Exceeding 1 year but not exceeding 2 years	20%
Exceeding 2 years but not exceeding 3 years	30%

The premium computation for this Add on cover will come in Add portion of OD premium at (f) for any other extra before Sub total (additions) in the premium computation table.

An Excess of 1% of admissible claim amount or 0.5% of the IDV of the vehicle whichever is less subject to a minimum of Rs.*..... [as per class of vehicle given below] will be deducted from the claim at the time of settlement, in addition to the Compulsory Excess and Voluntary Excess if any.

*Minimum additional Excess as per class of vehicles is mentioned below:

Private Car	Rs.2,000/-
Two wheeler	Rs. 250/-

- Endorsement No. UIIC -1 must be mentioned on the policy schedule.

The following documents for this Add on cover are enclosed herewith.

- a. Prospectus
- b. Proposal Form.
- c. Wordings of the Endorsement

II. PERSONAL EFFECTS

- It is applicable for private cars only.
- This add on cover will reimburse loss of personal effects of the insured provided there is a valid claim under the OD section of the Motor policy.
- Two options are available as under for Premium rating:

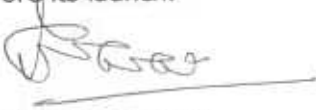
	Option I	Option II
Sum Insured	Rs.5,000/-	Rs.10,000/-
Premium	Rs. 250/-	Rs. 500/-

- Insured must specifically opt for this cover .
- The pre-conditions are
 1. Insured must opt for a specific value for Personal effects Add on cover
 2. Maximum liability under Add on cover will be restricted to the sum insured opted under the extension regardless of the number of claims lodged in one period of insurance. The value can be exhausted in one claim or in multiple claims but the payout in one year will not exceed the limit of Rs 5000/Rs 10000.
- The policy schedule must mention the Endorsement No. UIIC-2 for personal effects. Endorsement wordings must be specifically attached with the policy. Amount opted under this section must be reflected in the Policy schedule.
- The premium computation for this Add on cover will come in Add portion of OD premium at (f) for any other extra before Sub total (additions) in the premium computation table.

Regarding claims, payment under this Add on cover will be made only if the insured's vehicle meets with an accident and the claim is payable under OD section of the policy.
- For compensation under this Add on cover, filing of Police Report is mandatory which may be in the form of an FIR or DDR or Roz- Namcha as per the practice prevailing in different States.
- Loss of valuables, cash/cheques, Laptop, Mobile and business samples are excluded.
- The following documents for this Add on cover are enclosed herewith.
 - a. Prospectus
 - b. proposal form
 - c. Wordings of the Endorsement



You are requested to take a note of the above salient features of the **NIL DEPRECIATION** and **PERSONAL EFFECTS ADD ON COVERS** and circulate this amongst all DOs/BOs/Development Officers/Agents/Other Marketing Channels immediately so that this scheme is understood by everyone well before its launch.



(MILIND A KHARAT)
GENERAL MANAGER

Encl.: a/a