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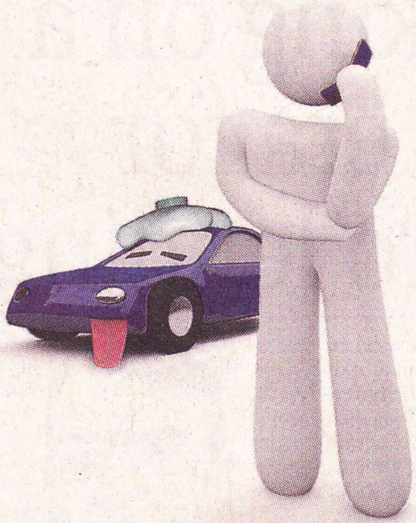
Q&A | QUERY CORNER
INSURANCE

RENEW YOUR CAR COVER AS MISHAPS IN THE INTERIM WON'T BE COVERED



RENEWING CAR INSURANCE

I have a car for the past three years. Since I was abroad for the past six months, my car insurance was not renewed. In the interim, something crashed on the car at the spot where it was parked in the building and damaged the bonnet. Will the insurance company renew my insurance? What are the extra charges I may have to pay? — ANSHUL KUMAR

If the car is damaged during the period it was not under insurance cover, you will have to repair it at your own cost before applying for a new cover. After getting the car repaired, it will be subject to pre-inspection by a surveyor appointed by the insurance company. Your vehicle can be covered by the insurance company only after the pre-inspection report.

HEALTH POLICY FOR LOW-INCOME GROUPS

What are the health policies for low-income groups? – RAMESH

Jan Arogya Bima Policy is for families in the low-income group. This policy is designed to provide cheap medical insurance to poorer sections of society. Premium and service tax are not applicable to the policy. The cover is along the lines of individual mediclaim policy except that cumulative bonus and medical check-up benefits are not included. The sum insured per person is restricted to ₹5,000. The policy is available to individuals and family members. The age limit is from 5 to 70 years. Children between the age of three months and five years can be covered provided one or both parents are covered concurrently.

LIFE COVER FOR HANDICAPPED DEPENDENTS

I have a one-year-old child who suffers from Downs Syndrome. What insurance policy should I subscribe to for his sake in case of my death? – KUMAR

LIC offers a Jeevan Aadhar plan for maintenance of handicapped de-pendants. Under the plan, an individual can take insurance on his/ her life to provide for the payment of a lump sum and annuity to the handicapped dependent. Payment under this plan will be made to the nominee under the policy, who will be either the handicapped de-pendent or any other person or a trust, all for the benefit of the handicapped dependent. Under this plan, the returns are also guaranteed by LIC.

ADDING TOP-UPS TO ULIP PENSION PLANS

Five years ago, I took ICICI Prudential's LifeTime Pension Ulip plan with an annual premium of ₹15,000 without any life cover. I have paid all the premiums till now. Now, I feel this may be inadequate for my pension. I would like to know whether I should take a new Ulip pension policy or add top-ups to this existing plan? – SEETHARAMAN K

A cost-effective way would be to keep making additional top-ups in the plan. But considering five years have gone by with the old plan, I am pretty sure, your insurance requirements would have also gone up during this period. In that case, I want you to look at buying either a term insurance and do top-ups in the existing pension plan or buy another Ulip product with the maximum available life insurance cover in that premium. In this way, you would have taken care of your pre-sent life insurance needs as well as your retirement needs.

TRANSFER OF NO-CLAIM BONUS ON CAR SALE

What happens to the no-claim bonus after the sale and transfer of a vehicle? – ANONYMOUS

On sale and transfer of vehicle the bonus can be transferred to the new car. The bonus can be kept on hold till a period, which is a maximum of three years and the benefit of the same can be used within three years on any car being bought in the same name. The seller should take the no-claim bonus-reserving letter from its insurance company to be used for the next car. The buyer of the old car will not get any benefit of no-claim bonus on purchase of the car.

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