

Liberalisation of Motor Insurance/ Takaful – Play Your Role

As a Consumer, there is an expectation that there will be wider choices and options of motor and fire products available to purchase, and that the products will be more suited to the individual's needs.

For low risk groups, premiums are expected to be lower. On the other hand, for high risk groups, premiums chargeable are expected to be higher but this can be moderated by risk reduction factors undertaken by the policyholders e.g. safer driving habits to reduce accidents, installation of car telematics or certified anti-theft devices for cars which help reduce theft.

What are the benefits of Liberalisation of the Motor Tariffs?

1. An improvement in the quality of service and a wider range of products at competitive prices due to greater competition among insurers;
2. The availability of new products with different features that will enable consumers and businesses to obtain the coverage that best meets their insurance needs.
3. As safety features will be one of the factors to determine premiums, drivers will be incentivised to inculcate safe driving habits which will benefit them and the general public.
4. Competitive pricing will be offered by insurers and takaful operators where consumers may benefit from shopping around to obtain the best deals that suit their needs.
5. New distribution channels such as cost efficient online channels would enable insurance protection to be purchased in a manner most convenient to consumers.

What should consumers look out for when purchasing the motor

insurance in this new environment?

1. You should not be looking at pricing as the only factor when purchasing motor insurance protection plan. You should also look for what the policy covers, exclusions and customer service standards.

2. You should shop around by contacting the agents, insurers or takaful operators through their call-centres or online channels for enquiries and advice to obtain the right kind of coverage that meets your insurance protection needs at a price acceptable to you.

3. Please ensure comparative shopping is done early before your insurance policy expires. Your insurer or takaful operator will advise you at least a month earlier before the expiry of your motor insurance policy.

For consumers, getting the most affordable insurance premiums will be very time consuming.

Contact us now for a free consultation on insurance related matters

- 1. Email your queries to insurance@edindings.com or*
- 2. Call us at 012-2861817 (M), 03-21622515 (O)*