

Article Date	Headline / Summary	Publication
29 Jun 2024	What kind of car insurance can protect against flood damages?	The Indian Express

### [What kind of car insurance can protect against flood damages?](#)



A heavy spell of rain in northern India has caused flooding in cities like Delhi, with many cars underwater. What kind of insurance cover takes care of flood-damage? What to do in case water ingresses into the car?

While the advancing monsoon has provided much-needed relief from heatwaves in India's northern states, it has also brought significant challenges in its wake.

On Friday (June 28), Delhi received its highest single-day rainfall in 88 years . Parts of the national capital, especially low-lying areas, were thus flooded, with traffic snarls and power outages causing a nuisance. The resultant waterlogging also flooded cars parks and submerged two-wheelers.

Water entering cars can damage the engine, electrical systems and interiors. Repairing such flood-damaged cars can put a heavy financial burden on owners. Although there are multiple vehicle insurance plans, and add-ons available in the market, one needs to be careful while choosing a proper car insurance cover that can protect against flood-related damages.

#### **How can floods damage cars?**

Water ingress can lead to serious problems such as engine failure, damage to electrical and electronic systems, rust, and odour. Excessive exposure to water can also lead to malfunction of the gearbox. When water enters a parked vehicle, it could also damage a car's interior — the seats, panels, etc. Some of these problems are apparent immediately, but a few can also crop up over a period of time.

#### **Do all car insurance policies cover flood-related damages?**

“A comprehensive policy covers all types of accidents due to fire, flood and theft,” T A Ramalingam, Chief Technical Officer, Bajaj Allianz General Insurance, said.

Comprehensive car insurance policies provide cover flood-related damages, subject to depreciation on the basis of the age of the car. For all plastic and rubber parts, a 50% depreciation is applicable, which means only half of the total repair cost will be reimbursed and the policyholder would have to bear the balance amount.

However, a standalone comprehensive car insurance policy may not protect against all the damages caused by floods.

### **Can an insurance company deny claims related to flood damage?**

Though basic comprehensive car insurance policy provides coverage for all flood-related damages, insurance companies can refuse to reimburse if there is damage to the car due to the driver's intentional action.

“If your car is parked in a basement and it gets drowned, and you report directly to the insurance company and tow it to a service centre or garage then there is no problem. But if you try to start your car after it was drowned, then your engine will go into hydrostatic lock. In that scenario, the insurance company will not cover the engine failure because it is consequential damage due to an intentional action,” Nitin Kumar, Business Head – Motor Insurance, Policybazaar.com, said.

A hydrostatic lock occurs when the car engine comes in contact with water. The engine gets damaged when water enters into a running engine. In case the engine is not running and water ingresses, then there may be no damage, but it is advisable to get professional assistance before starting the engine.

What types of car insurance cover should one opt for?

With changing weather patterns, unplanned development, and inadequate drainage systems, many cities are unprepared for extremely heavy rainfall and resultant floods.

While buying a car insurance cover, one should keep in mind these rising instances of heavy downpours. Along with a standard comprehensive car insurance plan, one should go for add-on covers such as zero depreciation and engine protection cover.

“We advise all our customers that they should not start their engines when stuck in a waterlogged area. The moment you start your engine and water gets in, it gets blocked and damaged,” Ramalingam said.

In a standalone car insurance plan, damage to the engine due to water ingress is not covered but if one takes an add-on cover for engine failure, they can claim a significant amount of repair expenses, he said.

One can also opt for consumables cover which protects against the cost incurred for replacement of engine parts, including engine oils and lubricants.

Other add-ons include roadside assistance, key and lock cover and loss of personal belongings.