

### Criteria to define Constructive total loss

IDV shall be treated as the “Market Value” throughout the policy period without any further depreciation for the purpose of Constructive Total Loss (CTL).

**The insured vehicle shall be treated as a CTL if the aggregate cost of retrieval and / or repair of the vehicle, subject to terms and conditions of the policy, exceeds 75% of the IDV of the vehicle**

As further guided by the Master Circular on General Insurance business, If a damaged motor vehicle is assessed as being unrepairable and hence a wreck i.e. a ‘total loss’ or ‘write-off’, the Insurer shall grant the Policyholder the option to retain the wreck and accept a ‘cash loss’ settlement (being the IDV less the assessed value of Salvage based on competitive quotes procured by the Insurer including any submitted by or through the Policyholder).

The liability of the Company shall not exceed the Insured's Declared Value (IDV) of the vehicle (including accessories thereon) as specified in the Schedule less the value of the wreck in the event of total loss / constructive total loss/cash loss for the year in which loss has occurred. In order to ascertain the Total IDV as on date of loss, Tenure-wise chart of IDV would be accompanied in the policy schedule

In the event of a CTL /Total Loss / cash-loss settlement, the Company is entitled to cancel the Own Damage insurance effective the date of damage. Additionally, the Company can cancel the statutory Motor Third Party Liability insurance policy after requiring the insured to either cancel the road registration of the wreck and submit documentary evidence in original thereof or alternatively evidence in original a statutory Motor Third Party liability insurance policy covering the wreck effective the date of damage.

The above provisions for determining Total loss/Constructive total loss /Cash loss are in line with the erstwhile India Motor Tariff and as guided by the Master circular on General insurance products.