

Dear Valued Customer,

**ADEQUACY OF THE INSURANCE VALUE OF YOUR VEHICLE**

We would like to thank you for renewing your insurance policy with us and would like to take this opportunity to advise you on the below.

As you may be aware, the vehicle values have been increased by a significant amount in the current market. Therefore in order to ensure that you get the right amount of compensation in the event of an unfortunate loss or damage to your vehicle, please review and revise your vehicle sum insured, in line with the current market value.

If the vehicle is not insured up to the current market value, the condition of underinsurance will be applicable in the event of a claim.

Underinsurance formula is given below,

$$\text{Payable Claim Amount} = \frac{\text{Sum-insured}}{\text{Market Value}} \times \text{Claimed Amount}$$

Eg. Sum-insured – Rs.1,000,000.00  
Market Value – Rs. 2,000,000.00  
Claimed Amount – Rs. 50,000.00

$$\begin{aligned} \text{Payable Claim Amount} &= \frac{1,000,000.00}{2,000,000.00} \times 50,000.00 \\ &= \underline{25,000.00} \end{aligned}$$

(Subject to other terms and conditions of the policy)

Furthermore, in the event of a total loss, the maximum amount you can recover is the sum insured, which will not be enough to buy a new vehicle of the same condition, if the vehicle is not insured to the current market value.

Please contact your sales representative or call us on 011-2206306 to revise your sum insured and we will be happy to assist you.

Assuring you of our best attention at all times.

Yours faithfully,

Motor Underwriting Department