



Your Car Insurance Uncovered

a guide to understanding and simplifying
car insurance



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1. What is car insurance?

Car insurance, also called motor or auto insurance, protects you if you are involved in a collision, injure someone, or damage his or her property. It can also protect you if your vehicle is damaged by fire, stolen, or vandalised. The type of cover available varies from one insurer to another, so it's important to ensure you get the right policy for your needs.

Before you can secure the right cover, you will need to provide your insurer with copies of your passport, visa, Emirates ID, vehicle registration, and driver's license. They will also ask questions about the vehicle and your driving record.

Car insurance can significantly add to the cost of running a vehicle. By law, all registered vehicles in the UAE must be insured, so having some understanding of how it works is useful if you want peace of mind at a fair price.

Independent UAE-based research, commissioned by GIG Gulf, shows that nearly 70% of respondents were concerned about increasing motor insurance premiums. Reinforcing the need to better understand your insurance and what you are getting before you part with your hard-earned cash is key.

The research also highlighted that 98% of respondents are convinced that 'insurance companies make a big profit from car insurance'. In reality, the profitability of car insurance is quite challenging given the increasing cost of claims and the competitiveness of the market, which consequently leads to a significant decrease in premiums year-on-year. As we will see, the cost of claims, particularly repairs, continues to rise – 5% in the last year.

Did you know?

In 2019, GIG Gulf paid over AED 170 million towards car insurance claims.

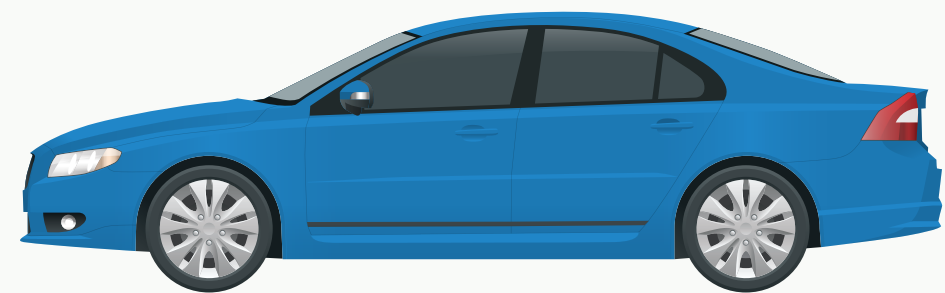
2. How to buy the right policy for you

Comprehensive

This insurance provides the highest coverage. It protects you, your passengers, and your vehicle. Its coverage generally extends to include loss or damage to your vehicle, as well as personal belongings and it covers the cost of any injury or damage you might cause to another person and their vehicle. Many insurers offer comprehensive cover with a range of optional additional benefits. These are worth considering if, for example, you want to have access to a hire car if yours is damaged and un-drivable

Did you know?

Nearly two-thirds of people don't know that TP insurance refers to Third-Party.



Third-party (TP)

Third party car insurance provides you with peace of mind; knowing that the cost of any damage or injury you cause to another person or their property, including their vehicle, will be covered. A third party is someone other than yourself, and this type of insurance is legally required as a minimum cover in the UAE. It's generally less expensive than comprehensive insurance, but it does not include any cover for damage to your own vehicle.

Factors affecting your premium



Did you know?
GIG Gulf car insurance customers benefit from a free airport pick-up and drop-off service.



Vehicle type



Driving experience



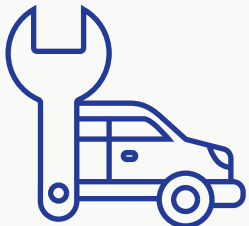
Your Age



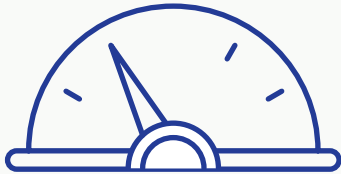
Previous Value



Previous claims



Age of vehicle



Mileage



Type of Cover



Additional benefits

3. Explaining the jargon

No Claims Discount (NCD)

If you don't make a claim during your insurance contract, then some insurers will offer you a discount on your renewal premium. This can be worth looking out for if you are a safe and cautious driver. If you want to move to a different insurance provider, then you can request proof of NCD certificate from your current insurer.

Personal Accident

This is generally payable as a one-off lump sum to any of your car occupants if injuries are sustained. The amount you receive is laid out in the policy and will depend upon the type of the sustained injury. The amounts payable vary from an insurer to another, so it's important to compare between the offerings.

Liability

A legal term used to denote responsibility or blame. If the police hold you responsible for an accident, then your insurer will accept liability for any damage or injury you cause to another person, their vehicle, or their property.

Agency Repairs

If you want to have your car repaired at an authorised dealership, then you should opt for a policy that gives you this type of cover. Agency repairs are usually more expensive, so you can expect to pay a higher premium for this cover

Traffic Code (TC)

77% of respondents to our UAE survey did not know what 'TC' stands for. TC stands for the Traffic Code, which appears on your license and helps the authorities to identify you and your vehicle.

Indemnity

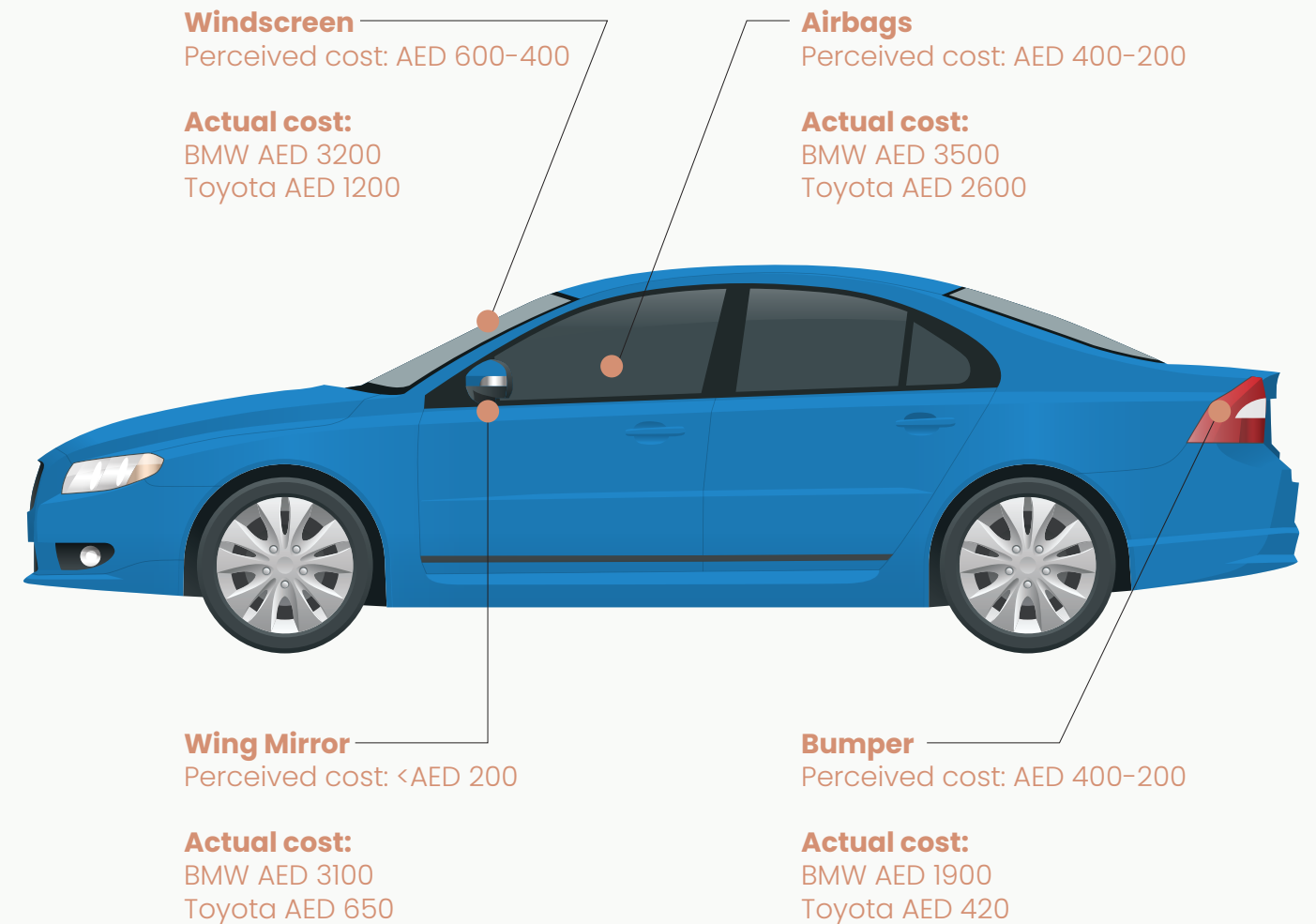
Most insurance policies require that insurers 'indemnify' you. This means that they are obliged to put you back in the same position as you were in before the circumstances which led to the claim, generally by repairing your car or paying you compensation.

Did you know?

Only 1 in 5 people know that NCD stands for No Claims Discount.



The cost of repairs



Did you know?

59% of people don't know how their premium is spent.

We asked over 1000 people to estimate the cost of replacement car parts replacements. The most common answers, together with actual costs associated with repairing a BMW 520 and a Toyota Camry are outlined above.

The cost of repairs

The cost to insurers of repairing vehicles is currently increasing by 5%, and as our independent research shows, most customers are unaware of the true cost of having their car repaired in the UAE.

Item	What most respondents to our independent research believed the costs in AED to be	Actual Cost in AED	
		BMW 520	Toyota Camry
Wing mirror	Under 200	3100	650
Windscreen	400-600	3200	1200
Rear bumper	200-400	1900	420
Replacement airbag	200-400	3500	2600
Headlamp cluster	200-400	7500	2300
1 hr labour	Under 200	340	205



Did you know?

A litre of metallic paint costs almost 500 dirhams.

How can you ensure getting the best repairs?

Many customers opt to pay extra so they can ensure receiving agency repairs. This allows you to have your vehicle repaired at the manufacturer's authorised workshop.

Some insurers, including GIG, have their own network of approved repairers. This allows insurers to better manage the repair process and the associated costs. Consequently, it can be cheaper and faster to have your vehicle repaired at a nonagency garage. However, if you want peace of mind, make sure that your insurer will guarantee the repairs.

The most important element in any car insurance is the service quality when submitting a claim. Therefore, when choosing a car insurer, you should check if this insurance provides a full 24/7 claims service, and that it guarantees all repairs and offers the option of a hire car whilst yours is being repaired

Did you know?

Half of the respondents to our survey admit that they don't check their excess deductible (the amount a customer pays for a claim) before purchase.

Additional benefits you may wish to consider

Many insurers offer additional benefits on top of their standard comprehensive cover.

Most will charge for these, but some provide them free as part of the policy.

We recommend you checkout any additional benefits before purchasing to avoid paying for services you won't use, or worse, find yourself out of pocket because you failed to select the cover that you actually needed.

Did you know?

More than a quarter of people don't check the additional benefits included in their policies.



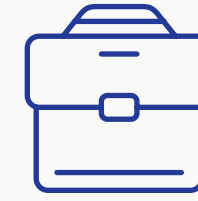
Agency repairs



RTA inspection



Replacement vehicle



Personal belongings cover



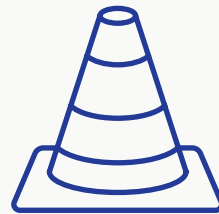
GCC Extension



Oman extension



Pick-up and drop-off service



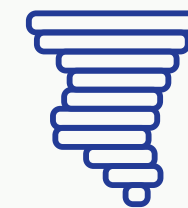
Breakdown



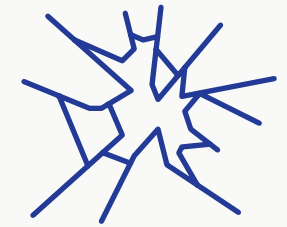
Dent repair



New car replacement



Natural calamities



Windscreen cover



Free airport pick-up and drop-off



Rental car privilege



Replacement of locks



Emergency medical expenses



Off-road cover



Roadside assistance

For more information

As the largest regional insurance provider in the UAE, we strive to provide you with a wide range of car insurance covers to fit your needs, whilst making sure we provide excellence and quality in everything we deliver.

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