

# VEHICLE TOTAL LOSS

## Things That You Must Know

### HOW DO INSURERS DETERMINE A TOTAL LOSS?



There are several factors that insurers consider before deciding to declare a car a total loss. These include older cars with lower value, severe structural damages, and situations where repairs would compromise safety.

### WHEN WILL YOUR VEHICLE BE CONSIDERED A TOTAL LOSS?



- It is important to understand that a vehicle is declared a total loss when the repair expenses exceed its current worth.
- When an insurance company certifies a car as a total loss, it means the vehicle is considered 'Beyond Economical Repair,' with repair costs exceeding 60-75% of the car's insured value.

### HOW MUCH COMPENSATION WILL YOU GET?



In essence, your insurance payout depends on the type of coverage you've chosen—market value or agreed value. With market value, you'll be compensated based on your vehicle's current value at the time of the accident. With agreed value, you'll receive the fixed amount stated in your policy, regardless of market fluctuations.

If your vehicle is still under finance, the payout first goes to the bank, with any balance returned to you.