

Motorists still not insured against flood

THE rainy season is here and Malaysians are faced with the possibility of more floods. The Malaysian Meteorological Department (MetMalaysia) has also advised motorists to take extra precaution in light of continuous heavy rain.

The increased rainfall has already led to flash floods in some areas in the past weeks and is expected to intensify during the northeast monsoon season.

While floods aren't new to Malaysians, admittedly there's only so much the general populace can do amid the gloom as the true danger is that we can't always avoid them when they happen.

What we can do is get protected, or insured, in the event of loss and damages.

So how ready are Malaysians in the face of the rising tide despite our experiences and insight?

According to Zurich Malaysia's in-house study, 59 per cent of vehicle owners surveyed did not have adequate protection against flood damage.

Additionally, the Impact of Pandemic on Protection survey it conducted in September last year also showed that landslides and falling trees are potential perils that motorists are not prepared for.

Only one in three active motorists from the survey (34 per cent) reportedly had coverage for storms, including falling trees, and only 29 per cent were covered for landslides.

In another report last year, Allianz General Insurance Company (Malaysia) Bhd's (Allianz General) said only 11 per cent of its motor customers chose to add on special perils cover as part of their motor comprehensive cover.

That was approximately only 123,000 customers out of 1.11 million having taken up special perils cover as part of their private car comprehensive cover last year.

The company provided towing assistance to 1,393 customers whose vehicles were affected during the massive flood in December last year and found that only 68 vehicles had valid flood peril cover on their motor policies.

Meanwhile, insurance company AXA's report showed that only 18 per cent of the vehicles it towed had flood coverage.

Thankfully, there has since been an uptake in the coverage following last year's floods.

Allianz General has reported an increase of 22 per cent, or approximately 15,000 out of 68,000 customers (new and renewals), while 3.9 per cent of AXA motor insurance policyholders have added on flood cover this year.

Still, when you look at the figures, Malaysians remain grossly under-insured and have low awareness towards the importance of flood insurance.

Earlier this year, the General Insurance Association of Malaysia (PIAM) revealed that only four per cent of Malaysians nationwide purchased flood insurance coverage.

"Insurance should be seen as an investment against your assets; things that matter the most to you, which are your health, your home, and your vehicle.

"Unfortunately, for most Malaysians, it almost always boils down to a matter of ringgit and sen. Many often try to save money by opting for a cheaper insurance policy, doing away with optional benefits for certain covers such as windscreen or special perils (for motor insurance) and house content (for fire insurance).

"This also means losing out on the coverage that you deserve when it matters the most," said Allianz General head of claims Damian Williams.

"Insurance serves as one of the great equalisers of society. So, people must take advantage of the protection made available to them and, more importantly, make their insurance policies work for them," he added.

Motorists are advised to engage their insurance providers and enquire on the special perils coverage add-ons that protect against loss or damage caused by natural disasters such as floods.

Depending on the company, they can cost from as low as RM75 annually, depending on the insurer.

According to the **Statistics Department, Malaysia** suffered losses amounting to RM6.1 billion, equivalent to 0.4 per cent of the nominal gross domestic product, in the year-end flood last year.

<https://www.nst.com.my/news-cars-bikes-trucks/2022/11/846045/motorists-still-not-insured-against-flood>