


<b>ORIENTAL</b> 	<b>FROM:</b> Motor Marketing Head Office. New Delhi	<b>TO:</b> All Regional Offices/SVCs	<b>DATE:</b> 10/07/2014
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**Re: - Clarification on applicability of depreciation clause on NIL Depreciation Add on cover.**


As per market feedback received from various fields and marketing channels depreciation is being deducted on parts excluded as per **IMT\_21 SPECIAL EXCLUSIONS AND COMPULSORY DEDUCTIBLE** (Applicable to all Commercial Vehicles excluding taxis and motorized two wheelers carrying passengers for hire or reward) where the insured has opted IMT 23, **COVER FOR LAMPS TYRES / TUBES MUDGUARDS BONNET /SIDE PARTS BUMPERS HEADLIGHTS AND PAINTWORK OF DAMAGED PORTION ONLY** .(For all Commercial Vehicles) and **NIL depreciation add on Cover** by paying additional premium.

At the time of settlement of claims by operating offices/SVCs, **provision of clause (b) of IMT 23** “depreciation of 50% of the assessed loss in respect of each and every claim under this Endorsement” is being applied.

Since our Nil Depreciation cover provides coverage of Zero depreciation it is necessary to clarify that where IMT 23 is opted along with NIL depreciation Add On Cover provision of 50% depreciation as per clause (b) of IMT 23 will not apply and claims will be settled without deducting depreciation.

However provision of compulsory excess if any will apply as per normal policy conditions.

Kindly communicate the clarification to all concerned.

  
(C.Singh)  
Dy. General Manager.

c.c: IAD/Vigilance Department Head Office

