A guide to understanding Own Damage Knock-for-Knock (OD-KFK)

Being involved in a car accident can be stressful. However, understanding your motor insurance and takaful coverage is crucial for a smooth claims process. This guide will explain the Own Damage Knock-for-Knock (OD-KFK) claim, where you'll learn to navigate the claim process smoothly and get back on the road quickly.

What is Own Damage Knock-For-Knock (OD-KFK) Claim?

If you're in a car accident where the other party is clearly at fault, consider an Own Damage Knock-for-Knock (OD-KFK) claim for faster claims processing if you have comprehensive coverage. This means claiming from your own insurer or takaful provider for repair costs, even if you're not at fault.

Your No Claim Discount (NCD) entitlement will not be affected and you can claim the excess that you had paid from the insurer of the third party. However, it's essential to check with your insurer/takaful operator for specific eligibility criteria.

***Ot-to* Guide 1**

OD-KFK claim is made possible because all insurance companies/ takaful operators in Malaysia signed the revised Knock-for-Knock agreement (dated 18 March 1987 and revised in June 2001).

Benefits of OD-KFK claim

Speedier repairs: OD-KFK claims allows you to claim repairs directly from your own insurer/takaful operator, bypassing the hassle of going through the third party's insurer/takaful operator. Once paid, your insurer/takaful operator will claim from the third party's insurer/takaful operator.

Simplified process: Avoid dealing directly with the other party's insurer or takaful provider.

Convenience: It reduces the need for lengthy processes with the third party's insurer/takaful operator, which can delay repairs and increase stress. Additionally, you do not need to appoint your own adjuster.

No impact on No Claim Discount (NCD): You'll maintain your NCD if you're not at fault. Thus, you retain the discount for future renewals.

Repairs at Authorised Workshops: This ensures quality repairs within reasonable charges and warranty.

Covered: All costs will be paid by your insurer/takaful operator.

It's a win-win – you get your vehicle fixed faster, and your No Claim Discount (NCD) stays intact!

When can you file an OD-KFK claim?

OD-KFK is available for private cars with comprehensive motor insurance or takaful plans. It's always a good idea to confirm with your insurer or takaful operator to ensure that OD-KFK is included in your motor policy/certificate as there are some exceptions, such as:

- Third party bodily injury is involved, regardless of who is at fault.
- If the vehicle driven is foreign-registered, and the insurer/takaful operator is not located in Malaysia.
- Commercial vehicles like bus, taxi, limousine, or hire and drive vehicles as specific terms and conditions apply for commercial vehicles.

Alternatively, you can make a claim under Own Damage, which is only applicable if you have a comprehensive insurance policy/takaful certificate. However, do note that you will lose your NCD as the rate will go back to 0% during your next insurance/takaful renewal.

***Ot-to* Guide 2**

For all Own Damage Knock-for-Knock claims that are submitted by policy owners/takaful participants with comprehensive policies/takaful certificates, the General Insurance and Takaful Operator (GITO) shall settle claims arising from uninsured/uncovered losses i.e. Excess and Compensation for Assessed Repair Time (CART).

What do I do if I cannot make a claim using OD-KFK?

If you are not eligible for an OD-KFK claim, you have two choices to get your compensation and vehicle repaired. File a claim under:

- **Third Party Property Damage (TPPD) Claim**, where you can file a claim against the other driver's insurer/takaful operator.
- **Own Damage (OD) Claim**, where you can claim from your own insurer/takaful operator.

***Ot-to* Guide 3**

Don't negotiate, admit or repudiate any claim without consent from your insurer/takaful operator and don't authorise repair without their consent.

6 necessary documents to submit to your insurance company/takaful operator

- Completed claim form
- Copy of vehicle ownership certificate
- Copy of driver's and policyholder's/certificate holder's identity card and driving licence
- Original copy of police report
- Photos of accident scene and damages to vehicle
- Police letter informing which party is compounded for road traffic offence

Contact your insurer/takaful

Use your insurer/takaful operator's dedicated channels to initiate the OD-KFK claim, such those below.

- Digital roadside assistance (DRA) application
- Agent or intermediary
- Dedicated claims line
- Online customer portal
- Customer service branch

Choose the channel that's most convenient to you, and one that meets your specific needs.

***Ot-to* Guide 4**

Know these important terms!

Compensation for Assessed Repair Time (CART)

The amount payable by the other party's insurance company/takaful operator for the number of days it takes to repair your car as assessed by the adjuster (not the number of days your car is in the workshop). Remember to keep the original receipts for taxi fare or car rental to claim for CART.

Excess

The amount you have to pay whether the accident is your fault or otherwise. The insurance company/takaful operator pays the remaining claim balance.

Betterment

Applies to cars age 5 years or more:

- When an old part is replaced with a new original part.
- You bear the partial cost of the new original part (depending on your car's age).

Remember: Always prioritise safety. If you're involved in an accident, make sure that everyone involved is okay, and then contact the authorities if necessary. With a little planning and the OD-KFK option, getting your car back in good shape can be a breeze.

Remember to check your policy/certificate details too, and if you have any questions, your insurer/takaful provider is always happy to help!

Jom LEVEL UP
Your Motor Insurance & Takaful Knowledge

This article is part of a 'Jom, Level Up' campaign under Phased Liberalisation 2.0, Consumer Education Programme (CEP), by Persatuan Insurans Am Malaysia (PIAM) and Malaysian Takaful Association (MTA).

Disclaimer: The information is provided for general information only. PIAM and MTA make no representations or warranties in relation to the information, including but not limited to any representation or warranty as to the fitness for any particular purpose of the information to the fullest extent permitted by law. While every effort has been made to ensure that the information provided in this article is accurate, reliable, and complete as of the time of writing, the information provided in this article should not be relied upon to make any financial, investment, real estate or legal decisions. Additionally, the information should not substitute advice from a trained professional who can take into account your personal facts and circumstances, and we accept no liability if you use the information to form decisions.

Jom, Level Up is brought to you by PIAM and MTA. | Copyright 2023. All rights reserved.