



Purchasing a secondhand vehicle that's been declared Beyond Economic Repair (BER) might seem daunting, particularly when it comes to securing insurance or takaful coverage. However, rest assured that BER vehicles can still be insured, providing you with the protection you need. This guide outlines the steps to obtain insurance or takaful coverage for your BER vehicle in Malaysia.

Understanding BER Vehicles

Not too sure what qualifies as a BER vehicle, or what to look out for before buying one? You can read more about it here (embed link to second article) to get a better understanding before moving forward.

Why Insurance/Takaful Coverage for BER Vehicles Matters

Just like any other roadworthy vehicle, BER vehicles require proper coverage to be legally driven on Malaysian roads. Even if your options may be limited to basic protection or third-party insurance, coverage is still essential to:

- **Protect yourself against liabilities** arising from accidents
- **Avoid legal penalties** for driving uninsured
- **Enable smoother transactions** for road tax renewals
- **Secure peace of mind** knowing you're road-legal

Steps to Getting Insurance/Takaful Coverage for a BER Vehicle

Step 1: Undergo Vehicle Inspection by Vehicle Inspection Providers

Before seeking insurance or takaful coverage, all BER vehicles must undergo vehicle inspection to ensure that the vehicle is roadworthy and meets safety standards.



Step 2: Gather Necessary Documentation

When applying for coverage, prepare the following documents:

- **Vehicle Ownership Certificate (VOC):** Proof of vehicle ownership.
- **Vehicle Inspection Provider (VIP) Report:** Evidence that the vehicle has passed the mandatory inspection – you may request the report from the seller or the secondhand car dealer.
- **Driver's Identification and License:** Copies of your identity card and valid driving license.

Note: Specific requirements may vary between insurers and takaful operators. It's advisable to consult with your chosen provider for a comprehensive list.

Step 3: Explore Coverage Options

If the vehicle was previously covered by a particular insurance or takaful operator (ITO), it's worth reaching out to them first. They may already be familiar with the vehicle's history and condition, thus are in a better position to underwrite and offer you the best protection for your vehicle – especially if they have past claims or records on file.



Step 4: Consider the Malaysian Motor Insurance Pool (MMIP)

If, due to exceptional circumstances, you're unable to secure coverage from ITOs, you may approach the (general insurers and takaful operators) GITO that originally declared the vehicle as BER. Alternatively, you may also consider the Malaysian Motor Insurance Pool (MMIP), which acts as the insurer of last resort and is managed by Malaysian Reinsurance Berhad.

To apply for MMIP:

- Contact your GITO for the necessary arrangement, then submit a standard requisition form to be insured by MMIP.
- Provide required documentation, including **Vehicle Inspection Provider (VIP)** report, vehicle ownership details, and driver's license.

What to Expect: Premiums/Contributions & Coverage Options

When insuring a BER vehicle, it helps to know what's typically offered:

- **Coverage type:** Comprehensive or at the minimum third-party coverage, which meets the legal requirements for road use.
- **Premiums/Contributions:** Your premium/contribution may be adjusted based on factors like the vehicle's age, condition, and classification, ensuring the plan is suited to your needs.
- **Conditions:** Some providers may request supporting documents or inspections to better understand the vehicle's conditions and roadworthiness.

Conclusion

Securing insurance or takaful coverage for a BER vehicle is achievable by following these steps. Always ensure your vehicle complies with safety standards and maintain open communication with your chosen insurer or takaful operator to facilitate a smooth coverage process.



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

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