

# He modifies car, insurer voids policy

**Car owner claims modifications LTA compliant, did not declare on form**

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**I**S IT modification when you change your car's stock rims to sports ones?  
Mr Jefri, 28, found out it is.  
When his insurer discovered he had switched to sports rims and made other modifications, it cancelled his policy and returned his premium.

This happened after an accident in April this year, when the teacher was driving in Johor Baru and a Malaysian-registered car rear-ended his 1.4-litre Hyundai Verna.

He had made a third-party claim against the Malaysian driver, but as a matter of procedure, alerted his own insurer - Aviva Singapore.

But to his surprise, his insurer said his policy was cancelled because he had modified his car.

Mr Jefri posted his experience with Aviva Singapore on a local Hyundai forum last month.

So, did he modify his car?  
Yes, said Aviva Singapore.

## Changes

Modification refers to any change to a car that directly relates to how it works, said the insurer.

This includes changes to engine performance, air intake systems, exhaust systems, and the handling characteristics of the car, such as suspension systems and strut bars.

On top of that, changes to wheels, rims or tyres that are not within the manufacturers' defined and acceptable specifications are not allowed under the terms of Aviva's car insurance policies.

Under LTA rules, some modifications are allowed as long as the changes stick to the manufacturer's recommendations.

These include items such as sports rims, steering wheels and spoilers. (See report above.)

But Mr Jefri claimed his modifications are LTA-compliant.

He had paid about \$3,000 to add sports rims, a strut bar, brake vacuum tube, voltage stabiliser, exhaust tail tip and meter gauge.

He said: "Do all the above modifications affect the safety of the car?"

"(Aviva) terminated my notice immediately and expected me to search for an insurer immediately, and yet it would refund my premium only in one month's time."

A check on LTA's website showed that some of his modifications, such as the sports rims, strut bar and meter gauge, may be allowed. But we were unable to verify the rest of the items as they were not listed on LTA's website.



## Get approval and declare

A CHECK of LTA's one.motoring website showed that some of Mr Jefri's modifications, such as the sports rims and meter gauge, are allowed.

This is provided they are installed in accordance with the product manufacturer's recommendations.

For sports rims, the size should be in accordance with the car manufacturer's recommendations.

According to the one.motoring website, vehicle owners may modify their vehicles for many reasons, be it to improve the vehicle's performance or to create a distinctive appearance.

LTA's website has a list of items that are allowed, those that need LTA's approval, and those that are not allowed at all.

The rest of Mr Jefri's modifications are not listed on LTA's website.

Owner of car workshop JMotowerkz, Mr Wong Soon Leong, 32, said the additional accessories that Mr Jefri installed on his car only enhance the car's performance in terms of road handling, not power.

The largest motor insurer here, NTUC Income, told The New Paper that if its policy holder installs LTA-approved parts such as the strut bars, sports rims or meter gauges, it doesn't void the coverage.

However, the policyholder should declare these items.

Said an NTUC Income spokesman: "Generally, a motor insurance policy covers all the standard parts and accessories that come with the car sold by the distributor."

"More expensive accessories that are not factory-fitted can be insured for an additional premium."

Mr Jefri received a letter from Aviva dated May 5 stating that his policy had been cancelled and he would be refunded fully.

The insurer refunded him his premium of about \$1,300 in full on May 20.

He said he has since insured his car with another insurer for \$700 for the remaining eight months.

Mr Jefri told The New Paper that he purchased a motor insurance policy for his off-peak Hyundai Verna last December. The five-year-old car cost him \$27,000 then.

He said one of the questions asked on the Aviva form that he filled up was: "Has your vehicle been modified from the manufacturer's standard specifications?"

Mr Jefri said he answered no. He said: "As far as I am concerned, modification refers to engine enhancement in terms of performance."

In its letter, Aviva said if Mr Jefri had answered "Yes" to the question, the insurer would not have even provided a quotation. Aviva said it doesn't insure modified vehicles.

Mr Jefri said he knew something was wrong when the insurer sent people over twice to take pictures of his car after the accident.

He said that on the second trip, "instead of taking the pictures of the damage, they took photos of my engine bay, tyres and interior. I found that strange because the damage was on my bumper".

## Repaired

He said the bumper has since been repaired for a few hundred dollars, and he's in the midst of claiming the amount from the Malaysian driver.

Mr Jefri said that Aviva should be clearer on what constitutes a modification on its website.

Aviva said it is unable to disclose information regarding specific claims or policy holders due to confidentiality reasons.

The insurer added that if a policy is de-

"If these expensive accessories or modifications are not declared in the application for insurance, then, in the event of a claim, the insurance company will pay only for the cost of the original parts and accessories."

Motorists seeking to enhance the performance of their vehicles must seek approval by LTA, added NTUC Income.

We understand that the number of motorists who had their policies cancelled by NTUC Income due to vehicle modifications is negligible.

The other insurers that do accept modified cars charge a 10 to 50 per cent more to cover them, reported The Straits Times last November.

And the onus is on the owner to ensure that the modifications are declared in detail.

declared void because of car modifications not being disclosed, it will refund in full any premiums that have been paid by the policy holder.

It does not insure modified vehicles, and if a customer says he has modified his vehicle, the quote process is stopped immediately.

Mr Andrew Tait, Aviva's head of general insurance, said: "This is because we sell insurance online direct to the consumer, so simplicity and clarity are important."

"Modified vehicles require more complex underwriting."

This definition does not include routine maintenance where like-for-like compatible non-manufacturer parts are used, said the insurer.

Aviva said it has declined to pay claims for heavily modified cars but these claims represent only 0.16 per cent of the vehicles insured.

Aviva is the world's sixth largest insurance group, going by its gross worldwide premiums as of Dec 31 last year, as listed on its website.

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**MODIFIED:**  
Mr Jefri's Hyundai Verna was involved in an accident in Malaysia.

PICTURE COURTESY OF MR JEFRI