

Vehicle Modifications

When you are arranging or renewing your car insurance, your insurer requires information about whether your car has been modified. During the application or renewal process, you will usually be asked for details of any modifications. However, even if the insurer does not ask for this information, you should still tell it about modifications. Insurers want to know about modifications, because they can alter the risk they are agreeing to insure.

What does the term “modifications” mean?

Modifications are any changes to the car, which alter it from the manufacturer's original specifications for your particular make and model.

Modifications fall into two categories:

1. Those which enhance the vehicle's performance, including:
 - larger engine fitted
 - modified air intakes
 - modified exhaust system
 - lowered suspension
2. Those which make the vehicle more attractive to thieves and which affect the security of the vehicle and any accessories within it, including:
 - alloy (mag) wheels
 - spoilers
 - full body kit
 - special paint finish

Expensive sound systems, some of which are worth more than the vehicle itself, may make a vehicle a target for thieves, particularly if the components are clearly displayed. Most insurers want to know about sound systems over a certain value and ask that you disclose this information when you arrange the policy, or when the system is installed.

Why do insurers want to know about modifications?

Information about modifications, along with a number of other factors, helps the insurer assess the risk it is insuring, and what premium it should offer.

For example, a powerful, performance-modified vehicle, being driven by a young and inexperienced driver, statistically presents a very high risk to insurers.

What to do:

1. Read your policy and check wording on modifications.
2. If you modify your vehicle, tell your insurer - either at renewal or immediately depending on your policy wording.
3. When buying a second-hand car, find out whether it has been modified from the manufacturer's original specifications.
4. When applying for insurance or making an insurance claim, answer all questions and provide accurate information.
5. If you are unsure, about what information to provide, ask for clarification.

When should modifications be disclosed to an insurer?

If your car has already been modified when you are arranging insurance, you need to disclose the modifications at that time. If your car is modified after your policy has started, you need to disclose the modifications at the next renewal, unless the policy wording indicates you need to tell the insurer sooner i.e. “*when they are made*”; “*as soon as possible*”; or “*immediately*”.

What are the implications of not disclosing modifications to an insurer?

The consequences of non-disclosure are serious. If you do not tell an insurer about modifications, in the event of a claim, the policy might be avoided from the beginning or from a subsequent renewal (depending on when the modifications were made). This means the policy is treated as though it never existed and the claim is not considered. This can affect both current and previous claims. Avoidance of a policy is also a factor which can affect your ability to get insurance in the future