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[Five must have insurance covers](#)

Insurance covers can help save your hard-earned money in times of distress and can be a security net for a rainy day

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As an insurance professional, I am often asked to recommend insurance covers that would ensure an all-round coverage. My answer to this is simple, you should take insurance covers that help save your hard-earned money in times of distress, basically a security net for rainy days. In the unpredictable lives that we lead today, we cannot anticipate what may happen in the next hour or second.

With myriad risks ranging from health emergencies, accidents, loss of valuables, damages to assets and cyber risks, insurance is a comprehensive solution that helps us be prepared.

In today's modern times with changing demographics and evolving risk patterns, there is a strong need to reassess basic insurance covers that will fundamentally protect and safeguard you, your family and assets. In terms of life insurance, if I have to buy as a customer, I would choose a term insurance policy to protect my loved ones. As a general insurance expert, I would suggest the below mentioned covers that will protect you against various exigencies of life.

Health insurance:

You will be surprised to know that having a health insurance cover can mean an increase in life expectancy by 10 to 15 years. Healthcare costs are increasing at a rate of around 15 percent annually. I feel that one should have a holistic health cover with a base cover, super-top up plan and a critical illness cover for taking complete care of all their medical needs throughout their life. A comprehensive health insurance cover is a must so that you can avail the best possible treatment whenever expert medical assistance is required. The minimum sum insured currently should be Rs 5 lakh, keeping in mind the increasing expenses of quality healthcare.

Due to rising healthcare costs, your existing health insurance cover may not be adequate. Also, buying a health insurance cover with a large sum insured may not be affordable for some. In such a situation, a super top-up policy takes care of the additional medical expenses. It is a perfect fit for a wider health insurance cover and to address the issue of under insurance.

Also with increasing longevity, a critical illness cover is an extremely important cover as financial outflow in case a critical illness is diagnosed is not restricted to one-time hospitalisation expenses. There are many other consequences such as the inability or reduced ability to be employed, a change in lifestyle and recurring expenses.

Home and content insurance:

A simple thing like having a home insurance makes sure that your 30 years of labour doesn't go waste because of a catastrophic event. We invest our life's savings and pay huge EMI's to realise the dream of owning a house, yet majority Indians do not feel the need to protect it. Despite being prone to natural and man-made catastrophes, industry figures of home insurance vis-à-vis individual investments in real estate, indicate that home insurance does not even figure at the fringes of an individual's financial planning.

Home insurance is a necessity as it covers your house from various dangers like accidents, perils damages and thefts. Also one must ensure coverage of all assets within the house, especially electronic items like television sets, mobile phones and other equipment in the house. You can opt for a new cover for your old equipment and also reinstatement or market value cover for your home structure.

Unlike the prevalent misconception, home insurance is not expensive especially when compared to other means that one invests in to secure their home or property.

Personal accident cover:

A personal accident cover costs as little as Rs 2 per day for a cover of Rs 5 lakh and ensures that your family's financial health suddenly doesn't go off track due to an unfortunate accident. It covers you against death or disability due to an accident and costs less than a cup of tea.

It provides financial support to the policyholder if she/he is disabled after an accident. Second, the magnitude of the mishap doesn't matter. Even minor ones like falling off a bicycle and breaking an arm, or fracturing a leg while playing a sport are covered by this policy, as this is a benefit policy.

Motor insurance cover:

It is mandatory by law to have a third-party liability cover for your vehicle in India. We must realise that third-party insurance protects the owner against legal liability arising from an accident causing any permanent injury or death as well as any damage to the property. However, a comprehensive car insurance policy is a must as it covers your vehicle against any loss or damage caused to the vehicle and its insured accessories as a result of natural and man-made disasters and accidents.

For complete protection of your vehicle, it is vital to get motor insurance with add-on covers such as depreciation shield, engine protect covers, etc. One can now also opt for the telematics service where the car tracking device installed by the insurer provides you with the relevant diagnostic data and analysis of your vehicle and driving performance. It will also help you take calculated decisions, resulting in higher safety and security features with more fuel and overall savings.

Cyber insurance for individuals:

Not too long ago, I was afraid of having my pocket picked. But now, we live in perpetual fear that our banking details and data stored online could be stolen, hacked, damaged or erased.

With rise in the number of internet users, frequency of online transactions and significant personal information being available on social media and e-commerce sites, individuals today are exposed to new age risks. To address risks such as phishing, identity theft, cyber stalking, harassment and hacking of bank accounts, you need to have a secured insurance cover that offers protection against such perils.

Why go for insurance protection?

While most of us work hard to succeed, do well in our careers or build businesses, plan and create assets and wealth, not enough thought is putting into securing them. Most Indians still feel that paying for insurance is like putting money down the back hole if they don't make a claim and get an immediate return. While a crisis hitting one is not something that we like to think about, however securing your hard-earned assets and health is indispensable and fundamental to a sound financial plan. Let insurance not be your afterthought but something that gives you peace of mind by securing and protecting you, your family and all your precious possessions.

(The writer is MD & CEO, Bajaj Allianz General Insurance)