

All you need to know about home insurance

Our home is where we belong, where we painstakingly build our dream home and take measures to protect it by installing security doors, cameras or essential locking systems to ensure that our loved ones are safe. Now, one of the best ways to protect one's house is also Home Insurance which is fundamentally an insurance cover one takes to safeguard his/her home against unknown adversities which cause substantial financial losses.

On an average, we spend most part of our lives in paying our home loans but we forget one essential protection measure which is home insurance. Overall insurance penetration in India is less than 1% which is considerably lower and hence we see a dismal contribution made by home insurance as well.

Who can buy home insurance and what is covered?

Anyone who is the owner or occupant of a property can purchase a home insurance policy. Individuals who have rented a property can also apply for a home insurance policy. An or-

ganisation who is an owner of the property can also now take a home insurance policy. Home insurance provides coverage against fire and allied perils, burglary theft, terrorism, etc. for building, contents, jewellery & valuables, curios and works of art.

Why is home insurance important?

■ Security against natural calamities:

One of the biggest losses in any natural calamity is the loss of one's home. During such calamities a drastic difference has been noted between the incurred economic loss and the insured losses. Thus, opting for a home insurance is a step towards protecting your home against natural



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calamities where you can shield not only the structure of your house but also the contents.

■ **Covers risk arising due to fire and theft:** In case of incidents such as fire, a home insurance policy not only helps you with the cost of construction as per your policy terms and conditions, but also offers add-ons such as re-settlement cover for situations when you need to relocate due to severe damages at your home. In case of a theft in an insured's home, a home insurance policy can cover stolen or damaged contents as well.

■ **Protection towards liabilities:** - At times, physical or property loss of a third person caused by some accident at your home, for instance- a cylinder blast or per-

haps a repair activity at your home may cause a loss to your neighbor's property. All such contingencies can be effectively covered under home insurance by opting for public liability coverage.

■ **Flexible valuation:** Home insurance provides the flexibility to choose one's preferred type of insurance like on agreed value basis where the loss is settled by the insurer on the value of the property or content agreed by the insured at the time of purchasing the insurance policy or Reinstatement basis where the insurer will settle the loss by replacing the damaged property or item with a new one.

■ **Add-on covers:** Home insurance also has add-on covers like loss of rent, temporary resettlement cover, public liability, dog insurance cover, ATM withdrawal cover, lost wallet cover, key and lock replacement cover which provides wider protection for your home.

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