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● GENERAL INSURANCE

Why you need to have home insurance always

Home insurance has add-on covers such as loss of rent, public liability and temporary resettlement cover which provides wider protection for your home

TAPAN SINGHEL

ON AN AVERAGE we spend a big part of our lives paying our home loans but we forget one essential protection measure: home insurance. 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.

Home insurance provides coverage against fire and allied perils, burglary, theft, terrorism, etc., for building, contents, jewellery and valuables, curios and works of art.

Additionally, if a person is staying on rent, he can buy insurance for contents he owns as assets are also valuable and any damage to them can lead to a financial loss.

You can opt for loss of rent cover which is of help if rental property gets destroyed due to some peril, and your tenant vacates it. Some home insurance policies also give customers an option to buy a policy for a



ILLUSTRATION: SHYAM KUMAR PRASAD

period as low as one day to a long-term period of up to five years. The policy can also be extended to organisations or firms who are owners of a property that is being used for residential purposes by employees, partners or other invitees.

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 home insurance is a step towards protecting your home against natural calamities where you can shield not only the structure of your house but also the contents.

Protect content, valuables

Under home insurance, an individual

can insure the contents at home such as your home appliances, furniture, clothes, portable equipment such as cellphone, laptop, television, etc. Valuables such as jewellery can be separately covered under home insurance as well. You can also insure the jewellery you are wearing not just at home, but also while travelling anywhere in the world.

Covers risk arising due to fire & 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 resettlement 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 perhaps a repair activity at your home may cause a loss to your neighbour's property. All such contingencies can be effectively covered under home insurance by opting for public liability coverage.

Flexible valuation

Home insurance provides you the flexibility to choose your preferred type of home insurance as in 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.

It can also be on reinstatement basis where the insurer will settle the loss by replacing the damaged property or item with a new one, or indemnity basis where the insured will get the compensation as per market value of the house/ item damaged after a deduction for wear and tear.

Add-on covers

Home insurance has add-on covers such as 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.

Home insurance is considered to be expensive but premium for it can be as low as ₹5 per day. Most people realise the importance of home insurance only after they have suffered losses but that can be too late.

The writer is MD & CEO, Beje | Allianz General Insurance

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