

<b>Date:</b> 17.2.16	<b>Publication:</b> Financial Chronicle
<b>Page No:</b> 3	<b>Edition:</b> Chennai, Mumbai, Delhi, Hyderabad

# Insure yourself against natural calamities

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EVERY natural catastrophe leaves behind a trail of massive destruction to life and property. It takes years for an individual to regain the financial stability he/she possessed before the calamity struck.

In the last couple of years, there has been a visible rise in the frequency of such natural catastrophes. Life and health insurance policies generally feature in most of our financial security portfolios.

## Personal accident cover

What if a natural calamity injures you severely and renders you incapable of earning an income? In such a scenario, having a term life insurance or health insurance policy won't be of much help. What can salvage such a situation is a standalone personal accident policy.

A term plan comes with a PA rider that provides a basic cover for only accidental death and permanent disability. Also, such a rider offers a restricted cover. Standalone personal accident policies are benefit policies that will provide a cover for accidental disability or death, while also compensating you for loss of income incurred in the course of recovery. Under a personal accident policy, total, partial and tempo-

rary disabilities are covered. A Rs 10 lakh personal accident death cover would cost you just Rs 450 annually while a disability plan would cost Rs 1,000 for similar time period.

## Home insurance

A natural calamity could destroy or cause immense damage to the house and its contents, thereby wiping away a person's entire savings that he/she had invested in purchasing the land/house. If you are uninsured, the first cover you must avail is home insurance. If you have already availed a policy for the structure, it is equally important to be adequately insured by enhancing your policy and extending the cover to the contents of the house as well, which include furniture, fixtures, electrical, electronic and mechanical appliances, clothes, sanitary fittings and so on.

A home insurance cover not only protects your home and its contents against damage due to fire and allied perils, burglary, robbery, theft, electrical mechanical breakdown of electrical, electronic and mechanical appliances, but also against natural calamities such as flood and inundation, earthquake, etc.

It also provides cover against acts of terrorism. Contrary to the general perception that such a cover is expensive, home insurance for the structure and contents is an

affordable product. Insuring a house worth Rs 50 lakh would only cost Rs 2,600 annually for an all risk cover. A policy that covers both the house for Rs 50 lakh as well as its contents for Rs 5 lakh against all perils would come at an annual premium of Rs. 7,000. New age home insurance covers allow you to avail the policy with minimum documentation.

## Motor insurance add on covers

During floods, your vehicle could be damaged due to entry of floods waters or it could be washed away by floods or damaged due to impact caused by collapse of compound walls or falling trees and branches. You could also incur expenses for cleaning of the vehicle due to mud or water deposits. The motor insurance policy would help you overcome the financial burden caused by these damages.

However, the policy would not pay for any aggravation of loss or damage to engine caused by cranking of the engine after the entry of water. Availing add-on covers would come to your rescue in such scenarios. By availing the engine protector add on cover, any engine-related damage to the vehicle due to inundation or seepage of water into the engine could be recovered, while a depreciation cover would take care of the repair and replacement cost.

(The writer is CTO, non-motor, Bajaj Allianz General Insurance)

