

[Why should you get a house insurance cover?](#)



Home insurance policies usually cover fire, earthquake, floods, storms, cyclones and thefts, burglaries. Comprehensive policies cover construction cost as well as the valuable items in the house.

Compensation received from home insurance policy can be used towards repairs and to replenish the items in the house such as furniture and electronics. (AP)

Social media is suffused with images of violent earthquake that hit parts of Turkey and Syria, killing thousands and destroying the houses and workplaces of many more.

Regardless of geography, every calamity exposes us to situations we were always aware but perhaps ignorant of.

This time around, one can discern the physical devastation of mammoth proportions that one unanticipated natural event can trigger. And to brace ourselves for this, the least one can do is to not only take a much-needed life insurance cover, but also an insurance for the house and the contents inside it.

Why to buy a house insurance cover?

Just as any other insurance, house insurance helps minimise the losses caused to the house as a result of any unanticipated event such as fire, earthquake, storms and cyclones.

Insurance experts recommend taking an insurance cover for the house as well as for the items inside the house.

And the compensation received from policy can be used towards repairs and to replenish the items in the house such as furniture and electronics.

Gurdeep Singh Batra, National Head, Retail Non-Motor Underwriting & Coinsurance, Bajaj Allianz General Insurance, says, "The risk of natural disasters, which might strike without warning, can leave one in a condition of utter devastation. Opting for a home insurance is a step towards protecting your dwelling against the threats that natural calamities pose, where you can shield not only the structure of your house but also the contents."

Premiums for house insurance is one of the lowest. For instance, a regular home insurance policy that covers losses up to ₹ 40 lakhs comes for a premium that costs anywhere between ₹ 2,000 to ₹

Coverage it offers

Home insurance policies usually cover fire, earthquake, floods, storms and even cyclones in the cyclone-prone areas. Usually, home insurance policies also offer coverage for the damage caused by war, aircraft, thefts and burglaries.

But it is vital to note that most home insurance policies cover reconstruction cost and not the property's market price, says Abhishek Misra, chief executive officer and principal officer, Bonanza Insurance.

He recommends that everyone should buy a comprehensive wide-ranging home insurance policy that covers not only the cost of construction but also the items inside the house. "Usually, builder or society takes the insurance plan that covers reconstruction cost. Besides this, one should take a cover that covers the valuables and other items kept in the house," says Misra.

A comprehensive home insurance coverage also covers the cost of furniture, electronic items such as TV, and luxury items such as watches and even jewellery.

Types of policies on offer

There are a number of insurers offering home insurance policy covers. HDFC Ergo also offers home insurance cover under three categories: Bharat Griha Raksha, Home Shield Insurance and Home Insurance.

In the first category, the in-built add-ons include terrorism, rent for alternative accommodation, architect, surveyor and consultant engineer and debris removal clearance.

ICICI Lombard offers Bharat Griha Raksha Policy that gives coverage for rented and owned homes. The coverage covers home building, home contents and home building & contents.

IFFCO-Tokio offers 'All in one home protector policy' that gives coverage against natural calamities like fire, explosion, earthquake, etc. but excludes war, invasion and civil war, etc.

The policy also covers a maximum of 12 category of coverages including domestic appliances, loan payment protection, increased living expenses, personal accident, fixed glass and sanitary fittings, among others.

Digit Insurance also offers house insurance that covers coverage against fire, explosion & aircraft damage, storms, floods and earthquakes. There are three kinds of covers in this policy: only content, building & content, and only building cover.

Lack of awareness

Although home insurance has benefits galore but even financially literate people also refrain from taking this cover.

"We have seen that home insurance in India has witnessed an uptick of about 60 per cent in policy purchases in Q3'2022 vs the same quarter last year. Despite this, home insurance penetration in India is abysmally low at 1 per cent perhaps due to awareness and myths around it. Contrary to popular belief, home insurance is affordable. For example, for a sum insured (structure) of ₹ 50 lakhs and sum insured worth ₹ 5 lakhs (General content), the premium for five years would be ₹ 7500," said Tarun Mathur, Chief Business Officer, General Insurance, Policybazaar.com.

On this, Mr Misra says: "There a lack of awareness. People take auto insurance because it is enforced by law. And most people have started taking health insurance after the Pandemic. Also, most people are now open to taking a life insurance cover. Still, a large number of investors in India still prefer investment schemes packaged as insurance plans. But it is really important that people take home insurance cover along with life and health insurance covers."