

LOOK BEYOND THE BANK LOCKER

Locker or insurance: what should you do to secure your stash of gold?



SHUTTERSTOCK

If you thought bank lockers are safe, here's some shocking data: according to the Union ministry for finance, nearly Rs 180 crore was lost in 2,632 cases of robbery, theft and burglary across India's 51 banks in the past three financial years (from 2014-15 to 2016-17). In November, for instance, robbers dug up a 25 feet tunnel into a Bank of Baroda branch in Navi Mumbai and stole cash and jewellery from 27 lockers. Bank lockers are supposed to be safe. That's the reason we pay fees to banks, invest in fixed deposits. But if the locker is burgled, does the bank compensate the customer? Here's a look at the Reserve Bank of India guidelines and what you can do to ensure the safety of your gold and valuables.

BANKS NOT LIABLE FOR YOUR LOSS

The relationship between a bank and the person who avails of its locker facility is similar to that between a landlord and a tenant. As per the RBI guidelines, banks have to ensure the safety of lockers by properly documenting the security

process, and the internal auditor has to see to it that the procedure is strictly adhered to. However, as the bank is not aware of the contents of a locker, it is not responsible for any loss caused due to theft or natural calamity. The bank does not take out an insurance on its lockers.

TAKE INSURANCE COVER

There are insurance policies/ products that provide cover for gold kept in bank lockers or at home under home insurance policies. The home insurance policies cover gold and jewellery along with the other contents of the house. You don't need to buy the cover for the structure of your house and can get only the jewellery, gold and other valuables insured. In case the jewellery is worth more than Rs 2.5 lakh, you have to get a valuation certificate from a government-recognised valuer and give it to the insurer along with a list of jewellery items insured. If the gold is kept in a bank locker, you have to give the address of the bank branch to the insurer. If you travel with your jewellery outside the country, insurance companies cover the risk of theft during the journey and charge a higher premium for it. Though insurance premium varies from insurer to insurer, it is generally in the region of 0.8-0.9 per cent of the sum insured. Thus, the premium for Rs 10 lakh insurance cover will be around Rs 9,500, including taxes.

In fact, one may even consider insuring one's jewellery rather than paying the rent for a bank locker. However, taking an insurance cover as well as a locker on rent may ensure 'double safety' for your jewellery, some of which may be family heirlooms. ■

by Renu Yadav

EXPERT VIEW



Tarun Mathur
Director, Policybazaar.com

"If you are a frequent traveller and carry your gold and jewellery along, you must opt for worldwide coverage."



Sasikumar Adidamu
Chief Technical Officer, Bajaj Allianz General Insurance

"Buying an insurance policy minimises the risk of losing jewellery, whether it is kept inside a locker or taken out of it."