

[Separate tax deduction for home insurance would be ideal, says Tapan Singhel, CEO, Bajaj Allianz General](#)

TAPAN SINGHEL | JANUARY 11, 2021 / 03:57 PM IST



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For the upcoming Budget 2021, Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance says:

"A home is not just an asset that one owns, but a dream in which a person invests his/her life's savings and pays huge EMIs for it. While people do invest a lot in buying a home, they don't realize that their responsibility doesn't stop there. They also need to be prepared if an unfortunate event shatters their dream. The penetration of home Insurance in India is less than 1 percent today.

While earlier the natural calamities were once in 5 years phenomenon, we now see 4-5 natural calamities in a year. This has led to massive devastation with property being impacted the maximum. Hence, I believe an incentive in the form of tax deduction to opt for home insurance will motivate people and ensure that they are financially secure in case a natural calamity damages their houses and/or its contents.

I feel the limit for deduction under section 80C should be increased to Rs 1.75 lakh after inclusion of home insurance or a separate deduction should be available for home insurance of up to Rs 25,000. Alternatively, the limit for deduction under section 80D should be increased to Rs 1 lakh with inclusion of both home and health insurance.

This step will gradually lead to people realizing the importance of home insurance, the way it has for health insurance."