

Irdai to roll out standard home insurance policy

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THE INSURANCE Regulatory and Development Authority of India (Irdai) has decided to introduce a standard home insurance policy that will cover the risks associated with natural calamities like cyclone, flood, earthquake and also fire. It also announced two schemes that cover insurance cover to micro and small enterprises.

Besides offering coverage for home building, the proposed policy — Bharat Griha Raksha — covers general home contents automatically (without any need for declaration of details) for 20 per cent of the sum insured for the building subject to a maximum of Rs 10 lakh. "One can also opt for a higher sum insured for general contents by declaring the details," the regulator said. The initiative comes after the country had witnessed massive loss of human lives and properties in natural calamities and fire in recent years.

According to the Irdai, Bharat Griha Raksha will offer cover against a wide range of perils, namely fire, natural catastrophes (storm, cyclone, typhoon, tempest, hurricane, tornado, tsunami, flood, inundation, earthquake, subsidence, landslide, rockslide), forest, jungle and bush fires, impact damage of any kind, riot, strike, malicious damages, acts of terrorism, bursting and overflowing of water tanks, apparatus and pipes, leakage from automatic sprinkler installations and theft within seven

EXPLAINED E To boost property coverage

WITH THE introduction of the standard home policy, the regulator aims to boost property coverage against natural calamities as well as damages from fire or other catastrophes. Two other policies, introduced for micro and small enterprises, are aimed at financial protection of the MSME segment.

days from the occurrence of any of the events.

"The policy offers two optional covers: insurance for valuable contents like jewellery and curios and personal accident of the insured and spouse due to an insured peril under the policy," Irdai said.

The policy gives complete waiver of underinsurance. "In other words, if the sum insured declared by a policyholder is less than what ought to have been declared for the property in question, the policyholder's claim will not be settled proportionately but up to the sum insured that is declared," it added.

Irdai said the Standard Fire and Special Perils Policy provided for in the erstwhile All India Fire Tariff 2001 will be replaced by the new policy. It will be mandatorily offered by all general insurers carrying on fire and allied perils insur-

ance business from April 1.

The regulator also announced Bharat Sookshma Udyam Suraksha, that provides cover for the building/structures, plant and machinery, stock and other assets of enterprises where the total value at risk across all insurable asset classes at one location is up to Rs 5 crore. This policy too offers cover against a wide range of perils, quite similar to the policy meant for dwellings, Irdai said.

It also announced Bharat Laghu Udyam Suraksha that provides cover for the building/structures, plant and machinery, stock and other assets of enterprises where the total value of risk across all insurable asset classes at one location exceeds Rs 5 crore but does not exceed Rs 50 crore at the policy commencement date.

"It's a welcome move from the regulator to introduce standard products against fire and allied perils risks for dwellings, micro level and small level enterprises. Property insurance is not given much significance in India, and its importance is realised only when met with an unfortunate event," said Tapan Singhel, MD & CEO, Bajaj Allianz General Insurance.

Irdai said the Bharat Sookshma Udyam Suraksha and Bharat Laghu Udyam Suraksha policies will be useful for financial protection of MSMEs. All the three retail products have key features documents (KFD) which give basic information about the products.

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