

# Buy cover for your gadgets

For a very low premium, you can now insure your costly appliances and other gizmos.



by Ira Puranik

In 2021, Delhi-based Anwiti Singh's washing machine broke down barely a month after the warranty expired. She had to pay ₹10,000 out of her pocket to get the appliance repaired. Unwilling to face a repeat experience, Singh got all her expensive gadgets insured, including a smart remote worth ₹4,000.

Given our reliance on gadgets and appliances to keep our lives moving smoothly, a malfunctioning unit can be a major disruption. To make matters worse, repairs are not cheap. Enter pocket or sachet insurance, that covers everything from your air conditioner to your designer sunglasses for a small price. Like in a regular insurance cover, repair/replacement costs are borne by the service providers, backed by general insurance companies.

For instance, Bajaj Finservmarkets offers about 380 products under its pocket insurance segment. These include policies for wallets, handbags, watches and more. The policies are underwritten by its general insurance partners, namely Bajaj Allianz General Insurance, Acko and HDFC ERGO General Insurance.

Says T.A. Ramalingam, Senior President, Bajaj Allianz General Insurance, "Pocket insurance is very new. The segment has been created with the online shopping boom in mind. With premium being low, these require minimal underwriting. In fact, the segment does not contribute more than 1% to our entire business".

But he expects the idea to catch on. Be it your fridge, laptop or phone, buying devices that are of better quality than your existing ones is a natural progression. That means more money spent and more the willingness to extend the device's shelf life. That's when having some insurance at the time of product purchase can help.

UP-based Suryakant Sharma realised the benefits of pocket insurance when his smart TV broke down. Bought in 2020, the gadget came with a one-year warranty.



## Popular products covered under pocket insurance policies

Product	Average annual charges	What's covered (Standard Plan-1 year)	What's not covered (Standard Plan-1 year)
Mobile phones	₹1,000-5,000 covers 100% device in-invoice value	<ul style="list-style-type: none"> <li>Accidental damage to screen/device</li> <li>Damages due to liquids</li> <li>2 claims/year</li> </ul>	<ul style="list-style-type: none"> <li>Theft</li> <li>Manufacturing damages</li> <li>Mechanical/electrical breakdowns</li> </ul>
Laptop	₹5,000 usually covers 100% of device value	<ul style="list-style-type: none"> <li>Accidental physical and liquid damage</li> <li>Electrical and mechanical breakdowns</li> </ul>	<ul style="list-style-type: none"> <li>Negligence</li> <li>Damage from unauthorized repair, accessories, cosmetic damages</li> <li>Device purchased outside India</li> </ul>
Television	₹2,700 covers 100% of device value	<ul style="list-style-type: none"> <li>Screen damage</li> <li>Coverage for damaged parts</li> </ul>	<ul style="list-style-type: none"> <li>Unauthorised repair</li> <li>Failure due to physical damages, liquid spillage.</li> </ul>
Fitness wearables	₹250 for cover up to ₹20,000	<ul style="list-style-type: none"> <li>Accidental and liquid damage protection</li> <li>Theft</li> </ul>	<ul style="list-style-type: none"> <li>Negligence</li> <li>Used smartwatch</li> <li>Purchased outside India</li> <li>Manufacturing defects</li> </ul>

Figures, inclusion and exclusions as per Bajaj Finservmarkets, OneAssist websites. Assumed cost of TV, phone and laptop up to ₹50,000. Premium/charges calculated excluding deductibles.

Last year, he began encountering issues with the display. "Getting just the vision panel changed is extremely costly. But on purchase, I had insured this device for ₹3,000. Thanks to that, I could get it replaced easily, without spending from my pocket," he says.

However, not everyone's ride is easy. Loopholes and exclusions in policies, if overlooked, can hurt. Gurugram-based Anuj Agarwal was in for a frustrating time when he went to claim damage coverage for his refrigerator, which he had purchased for ₹80,000.

"For an annual payment of ₹1,250, I got a cover for ₹50,000. But post-warranty, there were issues with the refrigerator. The first time, I called a local guy to fix it, since it was urgent and far quicker," he recalls. But when the fridge began malfunctioning again, Agarwal applied for a claim. However, his claim was rejected since the equipment had been damaged due to prior, unauthorized repair. On revisiting the policy document, he found that damages caused to the product due to repair, renovation and maintenance were excluded from any claims.

Companies like Bajaj Finservmarkets and OneAssist are among the active insurance providers in this segment. Says OneAssist CEO and co-founder Subrat Pani, "We work with many general life insurers in India for our offerings. At the backend, all our customer plans are linked to the corresponding policies of our partner general insurers."

According to Parthani Ghosh, President, Retail Business, HDFC ERGO General Insurance Company Limited, popular products under pocket insurance would also include ticket cancellation, disease-specific covers, individual cyber protection cover, EMI Protect, accidental/liquid damage, extended warranty for white goods, flight delay protection, cycle insurance and spectacle insurance.

As per OneAssist data, mobile phones remain the most-insured device. Around 60% of its customer base of 6.5 million opt for it. Last year, the company processed 3 lakh claims across all categories.

"Having insurance for your products augurs well for its resale value. Timely and expert repairs can lengthen the product's life. But more than just vanilla insurance, what's needed is a proper resolution system in place," says Pani.

However, experts call for caution. Says Mahavir Chopra, Founder, Beshak.org, an independent consumer awareness platform for insurance, "Generally, I do not recommend buying pocket/sachet insurance, simply because it's cheap. Their underlying objective is to simply upsell, and drive monetization and traffic for a platform. Most of these policies are only about maximizing prices and commissions for companies and contextualizing them for the consumer." He adds that viability of pocket insurance should be evaluated product-wise.



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