

# Ensure you are properly insured this monsoon

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WHILE monsoons in India bring the much-needed respite from the heat wave, it quite often leaves behind a trail of losses. In India, clogged roads and inundation is the most common sight after one sees the first heavy spell of the monsoon. It creates a pandemonium due to the damages to property, vehicles and infrastructure and what adds to the mayhem is the lack of adequate insurance coverage against the damages. What affects you and me the most is the damage caused to our assets — either our home, its contents or our cars and bikes. Further, if we do not have the right insurance cover, it takes not only a mental but also a financial toll on our lives as it may take a long time to recover from the loss or build new assets.

The number of claims insurers receive during this season is higher than during any other period of the year. Apart from accidental damage, heavy rains can cause stalled vehicles in waterlogged roads and engine damage. Despite your best efforts, sometimes your vehicle may incur rain damage and you may face a situation wherein your standard motor insurance cover may prove insufficient to cover the losses. It is important to note that a standard motor insurance policy does not cover damages caused to the engine due to water seepage (hydrostatic lock), besides it does not pay the depreciation amount on the repair and replacement of parts, which one ends up paying out of their own pocket. The solution to these problems are "motor add on cover" that provides coverage for such damages that may not be typically covered by a standard motor insurance policy and reduce your out-of-pocket spends towards repairs. The add on covers that could be very helpful during the following eventualities:

■ **Depreciation cover:** The depreciation cover takes care of the complete repair and replacement cost of the parts of your vehicle, thus doing away with any major costs pertaining to depreciation that you would otherwise have to bear yourself.

■ **Engine protector:** It covers engine-related damage that may occur due to inundation or seepage of water into the engine

and also damage caused to the gear box due to leakage of oil.

■ **24x7 spot assistance:** It offers round-the-clock roadside assistance and benefits ranging from that for a flat tyre, fuel assistance, towing facility to medical coordination and legal help, if the need arises. These add-on covers are affordable and light on the pocket. For example, for a new hatchback model with an IDV (market value) of Rs 7 lakh, the add-on covers will cost approximately between Rs. 4,000 and Rs 6,000.

Large-scale inundation in the event of heavy rains that result in flooding cause massive damages to houses. However, though most people avail motor insurance because it is mandatory, many shy away from buying a plan to protect their homes or are unaware that such a policy exists. If you have already availed a policy for the structure, it is equally essential to be adequately insured by extending the cover to

the contents of the house as well, including furniture, fixtures, electrical, electronic and mechanical appliances, clothes and sanitary fittings.

A home insurance cover protects your home and its contents not only against damages caused due to fire and allied perils, burglary, robbery, theft, breakdown of electrical and mechanical appliances, but also against

flood and inundation.

Home insurance for the structure and contents is an affordable product. Insuring a house worth Rs. 50 lakh would only cost approximately Rs 2,600 annually for an all risk cover that would offer protection even for flood-related damages. A policy that covers both the house for Rs 50 lakh as well as its contents for Rs 5 lakh against all perils would come at an annual premium of around Rs 7,000. New age home insurance covers allow you to avail the policy with minimum documentation. For instance, one does not need to submit a list of documents for contents worth Rs 5 lakh and above. It also provides a cover for the contents on "new for old" basis, wherein in case of loss, the item is replaced by a new one of the same kind and capacity.

*(The writer is president and chief technical officer at Bajaj Allianz General Insurance)*

**WHAT'S  
IN IT  
FOR  
YOU**