

[All you need to know about home insurance](#)

Home insurance is one of the cheapest policies, which should be a must-buy policy to keep your house protected from unforeseen tragedies

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The traditional method or regular method of repaying a loan is to set monthly EMI and pay it on time each month

We Indians are generally emotionally connected with our houses because either they belong to our ancestors or we spend our life's savings to build a house. Surprisingly, despite the level of emotional attachment the home insurance penetration is still very low in India. One of the reasons is, the need to have a home insurance policy is felt only when a calamity such as an earthquake or floods strikes. Soon the memories fade away and we continue with our lives without showing any urgency to buy a home insurance policy. Having said that home insurance is one of the cheapest policies, which should be a must-buy policy to keep your house protected from unforeseen tragedies. Here is a complete low down on home insurance policy including what all it covers how much does it cost:

What is home insurance?

Home insurance covers three kinds of risks. The basic policy protects the building against fire and allied perils such as earthquakes and floods. The second type of risk coverage protects the contents of your house from both natural and man-made calamities and also burglaries. This covers all household items including fine arts and contents kept with children living

outside for the purpose of the study. The third covers peripheral risks such as baggage, increased living expenses, among other things.

“Home Insurance is a very underrated safeguarding tool especially during the current unpredictable environment we have been witnessing. You will be surprised to know that a comprehensive home insurance policy covers damages not just to the structure of your home but also provides protection to your assets; fixed or portable at a very affordable premium which can be as low as Rs 5 per day,” said Tapan Singhel, MD and CEO, Bajaj Allianz General Insurance.

Who can buy a home insurance policy?

- Owner of a house can purchase a home insurance policy for the house as well as its contents.
- Tenant or non-owner can also avail home insurance for his assets and valuables.

Coverage under a home insurance policy

The important point to note is a home insurance policy covers the house and its contents, including electronic items, home appliances, portable equipment like a cell phone or laptop, television, precious artifacts, paintings, jewellery, and even curios.

“A comprehensive home insurance policy with global coverage, offers 24×7 protection for your assets whether they’re kept at home, locker, or carried on the person across the globe at minimal premiums. Many add-on covers can be opted for like loss of rent, temporary resettlement cover, public liability cover, dog insurance cover, ATM withdrawal cover, lost wallet cover, key and lock replacement cover amongst others making home insurance an indispensable tool for protecting your most valuable asset,” said Singhel.

On a packaged policy, you can opt for add-ons ensuring you comprehensive coverage under the policy. “To make sure your home is well protected, there are many types of home insurance policies to choose from. Home insurance is available in package policies along with a combination of other insurance products like public liability, breakdown of domestic appliances, baggage insurance, plate glass, and sanitary fittings, Employee Compensation Insurance, etc.,” said Neeraj Prakash, Managing Director, Shriram General Insurance.

Cost of buying home insurance

The home insurance covers only the building cost. So in case, the market value of a house is Rs 1 crore, of which the building cost is Rs 30 lakh, your policy will insure only Rs 30 lakh.

“For Rs 30 lakh for the building and Rs 5 lakh for the contents a pure fire insurance cover that covers against fire and other allied perils along with a terrorism cover would come to about R 2,000 for a year. Pack in burglary and theft cover for a sum insured of Rs 5 lakh and the premium will be Rs 3,155. Add additional cover for breakdown domestic appliances for a sum insured of Rs 4 lakh, the policy will come for about Rs 5,600 for a year. However, the price varies from company to company and the plan to plan,” said Naval Goel, Founder & CEO, PolicyX.com.”

Interestingly, Goel added, “There is a unique feature also of home insurance that in case there is a guard appointed for the security of the house then the insurance premium becomes a bit cheaper.

Home insurance is one of the cheapest policies. For the complete protection of your family, it is advisable to go for a comprehensive home insurance policy. “Certainly, the add-on features are quite beneficial if selected properly. The basic policy only covers the building cost wherein the house comprises of various other essential and valuable stuff, therefore, add-ons play a crucial role to secure them as well,” Goel added.