

# Worried about Clumsy Packers? You could Insure Your Gadgets

Find out the conditions under which the insurance company will cover your gadgets and appliances, and not reject the claim

Buying a house is probably the single largest investment in one's lifetime. The spending does not stop there. A considerable sum then goes into kitting out the interiors. Yet, scores of home owners fail to insure this asset, typically due to lack of awareness. Here are the five common situations under which you may require a householder insurance plan, and the circumstances under which the contents may not be insured.

## YOU DROP AND DAMAGE

If you damage a gadget, a home insurance policy may not come to your rescue. Insurers can attribute the damage to carelessness and reject the claim. However, some insurers are more accommodating. Sanjay Datta, Chief, Underwriting and Claims,

ICICI Lombard GIC, says, "A basic home insurance policy covers only risks like fire, earthquake, burglary, etc. However, if one opts for the all-risk (functional equipment) cover for contents as well, the policy will insure the cost of damage to an equipment while shifting within the house."

Bear in mind that the policy will only reimburse the cost of repair or, in case of total damage, the cost of equipment, subject to depreciation. Certain insurers cover accidental damages subject to the age of the equipment.

## SUDDEN POWER SURGES

Most insurers do not cover any damage to an electrical equipment caused by power fluctuation. One can stake a claim only if the appliance is destroyed due to a fire from power fluctuation or short circuit. Insurance

companies such as Bajaj Allianz cover electrical and mechanical breakdown if the equipment is not more than 10 years old.

## DOMESTIC HELP OR A RELATIVE IS INVOLVED IN A THEFT

Some policies, such as the HDFC ERGO Home Insurance, cover valuable contents, including gadgets and ornaments, against the incidence of theft—irrespective of who the culprit is—if it happens in your absence. However, insurers can simply deny the claim citing that the loss has been caused by a person who had

authorised access to the house.

## YOU LEAVE A GADGET OR AN APPLIANCE ON, AND IT LEADS TO FIRE

If the insured can establish that he or she did not deliberately cause fire, the loss is typically covered.

"Damage to household equipment due to fire, as long as it is not due to wilful negligence, is covered

under our policy, provided the equipment is less than 10 years old," says R Suresh Nair, Head, Product Development, Bajaj Allianz General Insurance.



## BASIC COVER

A basic home insurance policy covers only risks like fire, earthquake, burglary, etc

Sanjay Datta, Chief, Underwriting and Claims, ICICI Lombard GIC

## STORM DAMAGES

A storm is a special peril and home insurers compensate the insured for the loss or damage to property due to a natural calamity—storm, cyclone, typhoon, tempest, hurricane, tornado, flood or inundation. However, if rainwater enters your house and causes damage, say, to the contents in the

basement, the policy may not compensate you. If the contents in the basement are specifically mentioned in the policy as part of the contents insured, only then will they be covered.

## THINGS TO KEEP IN MIND

Since the terms and conditions of various household policies differ, it's important to go through these carefully. These policies come with a compulsory deduction. It can either be a percentage of the claim amount, usually around 5%, or ₹2,000-20,000, whichever is higher, for cover. This is the sum that you will have to pay from your pocket before you can avail of the indemnity cover. For electronic and electrical items, the deductible could be as low as ₹250. The premiums of household insurance policies are in the range of ₹2,000-10,000.