

PRIMER Home Insurance

A beginner's guide

Those living in rented properties can secure contents

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Many citizens are impacted by some or the other natural disaster every year. The destruction caused by the recent cyclone Tauktae serves as a grim reminder. A home insurance policy comes in handy to financially shield you from such losses. Home insurance, in addition to providing coverage against fire, also covers your home for natural calamities such as floods, cyclones, hurricanes, earthquakes, hailstorms, lighting, and mudslides, and rockslides. Here is a guide to understand the nuances of this financial safety tool.

Valuation of property

Home insurance provides the policyholder, the flexibility to choose your preferred type of home insurance, based on how you want the property to be valued. The valuation can be based on what is called 'Agreed' value, 'Reinstatement' value or on an 'Indemnity' basis. The claim amount is determined based on the valuation of the property.

For 'Agreed value basis', the loss is settled by the insurer on the value of the property or content agreed to by the insured at the time of purchasing the policy. In 'Reinstatement basis', the insurer will settle the loss by repla-



cing the damaged property or item with a new one and under the 'Indemnity basis', the insured will be compensated as per market value of the house/ item damaged after deduction for wear and tear.

Valuing contents

A comprehensive home insurance can offer protection against damage to your assets, both fixed and portable, due to any accident, theft or disaster. Contents within the house such as electronic items, home appliances, portable equipment including cell phone, laptop, television and jewellery can be quite expensive too.

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 person across the globe at minimal premiums.

You can customise your policy with add-on covers such as loss of rent, temporary resettlement cover, public liability cover, dog insurance cover, ATM withdrawal cover, lost wallet cover, and key and lock replacement cover which can provide wider protection during disasters. Home insurance is not just limited to those who have home ownership. It can also be purchased by tenants living in rented properties for their contents.. Huge EMIs are paid every month for homes without realising that the premium towards securing a house could be as low as ₹5 per day.

The author is MD & CEO, Bajaj Allianz General Insurance



Safe house

- Choose how your home is valued
- Comprehensive home cover is better
- Customise with add-on covers