

# Simple home content policies see better offtake

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**H**OME and home contents insurance is an under-penetrated category in India. Insurers who have simplified their policies are seeing significantly high growth in offtake.

Royal Sundaram re-launched its home structure and contents policy in January this year, making the product simpler for customer both at the time of purchase and claim. Between April and September this year, the policy has seen 100 per cent growth in premium. The new and old home insurance category has been growing by 10-12 per cent.

"Good products for home contents are still not available in the market. Many policies are complex, as they require invoices of most contents at the time of purchase. Listing all contents and providing invoices is a difficult task. Customers may not have invoices of articles bought at different points of time. Our Gruh Suraksha has done away with invoices in the new policy," said Nikhil Apte, chief product officer, Royal Sundaram General Insurance.

Similarly, Bajaj Allianz General Insurance is witnessing higher off-take after it re-launched the home contents policy. "We, at Bajaj Allianz GIC, always focus on making insurance purchase convenient for customers. We launched 'My home all risk policy' in May 2014 and the rationale behind was to intro-



duce a simple home insurance policy with a convenient buying procedure," said Sasikumar Adidamu, chief technical officer (non-motor) of Bajaj Allianz GIC.

**I**n the older policy all contents had to be listed and invoices and bills were required. Further, the documentation was tedious as there were different segments like fire, theft & flood and the customer had to mention contents under each segment.

"The new all-risk policy enables customers to cover their contents under one single section and only bifurcation they need to make is on the basis of assets such as structure, contents, jewellery and art. Bajaj Allianz has made the documentation simple for customers and there is no need for them to submit the list of contents if value of the contents is above Rs 5 lakh," he said.

One can just select 'content' section with Rs 5 lakh option along with the

basic credentials and the policy gets issued. Additionally, there is no depreciation applied for contents up to 5 years old," he said.

Both these companies are trying to bundle home insurance policies with consumer durables, jewellery and consumer electronics. When a customer buys the product, an insurance cover is provided for that product for a small premium.

"Customers will understand the need for insurance when they make a claim for that product. This will increase awareness and they will go for a contents policy. We also plan to sell home contents policies with these goods. As the volumes increase the premium can be brought down," said Apte.

Retailers can also sell insurance as a value-add for the gadgets they sell. Association with large retailers and big e-commerce companies too will open up a large market for home insurance, he added.