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[Home insurance doesn't cover all bases – know the add-ons available](#)



Any damages due to war, invasion, act of foreign enemy hostilities, etc. are typically not covered by the home insurer. Any loss of earnings or any consequential or indirect loss or damage is also typically not covered.

There are add-ons or insurance covers available that provide extended protection for your home.

Home insurance penetration in India is very low. In fact, five years back, it was only %. However, in recent years with floods in major cities and hill towns, the awareness of home insurance products has gone up.

Thus, if you have purchased home insurance or are considering one, it is important to know what it covers and what it doesn't. While home insurance covers the majority of the risks, there are some which are excluded and some of these risks can be covered by having add-ons to your policy.

“The Bharat Griha Raksha is a standardised policy for all your residents and buildings introduced by April 2021 . It is very wide coverage policy. Some things like earthquakes, which were not covered earlier is also an inbuilt cover. IRDAI has mandated all insurers to provide this policy,” says Gurdeep Singh Batra, executive vice president, commercial underwriting, Bajaj Allianz General Insurance. Even acts of terrorism are covered as per the terrorism clause. What is not covered

Apart from understanding the coverages in the home insurance policy, one should clearly comprehend the exclusions of the policy. Dilip Baba, head, commercial and specialty underwriting, Digit General Insurance, explains.

Any damages due to war, invasion, act of foreign enemy hostilities, etc are typically not covered by the insurer. Any contamination by radioactivity from any nuclear component is also typically not covered. Any loss to bullion, precious stones, manuscripts, vehicles, etc, (unless expressly stated) is also not covered by the insurer.

Any damage due to pollution or any damage to electronic items due to excessive overuse, etc are also not typically covered by the insurer. Any deliberate, willful, or intentional act or omission, or of anyone on your behalf, or with your connivance is also not covered under the policy.

Further, any loss of earnings or any consequential or indirect loss or damage is also typically not covered.

Also, any loss or damage, or destruction caused to the insured property caused by burning of insured property by order of any public authority is not covered. Any loss or damage caused by pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds, is also not covered.

Some of these occurrences may not be very common and may seem far-fetched, but it is important to be aware of the exclusions.

Add-ons to enhance coverage

There are several add-ons you can take to enhance your home insurance policy, which come over and above the basic coverage.

“There are several add-ons or insurance covers available that provide extended protection for your home insurance policy. These add-ons offer complete protection for your home and help safeguard you from financial burdens,” says Baba. Let's take a look at a few of them.

Additional living expense cover: Under this cover, the insurer will pay for any extra living expenses in case the house is considered inhabitable due to the damage. This will include costs for temporary accommodation, storage or replacement of household items, and moving expenses to an alternate place of residence, among others.

Tenant's liability insurance: This insurance policy extends indemnity to the insured for any legal liability that may arise from damage to the home occupied by the insured or surrounding third-party property as a tenant.

Accidental damage cover: Accidental damage protection covers your home and its contents against a range of accidents that may lead to financial loss or damage to the contents of your home such as television set, refrigerator, air conditioner, electrical appliances, furniture and fixtures, among others.

Incidental costs: Under this add-on, the insurer will also pay for any incidental costs like repairing, moving, storing, renting, etc that is incidental to the repair, replacement of property covered under the policy.

Involuntary betterment: In the policy, if any property is damaged, you will be able to reinstate the same to the same condition it was prior to the loss. If the damaged property can't be replaced with a similar kind and quality, this add-on will cover the cost of getting a replacement that is better with the same functionality.

For example, if the new item acquired needs a different technology, the insurance will also cover the cost for that as well. The aim of the insurer under this is to get things back to the same condition they were before the damage.

The coverage provided by add-ons will vary from insurer to insurer.

How to get adequate coverage

The items or belongings within your home are insured for the amount necessary to replace them. There is automatic coverage for general contents, equivalent to 20% of the sum insured for home building cover, up to a maximum of ₹10 lakhs, provided you have acquired both home building and home contents coverage.

“You have the option to increase this amount by declaring the details (which then becomes the sum insured for contents). If you have solely purchased home contents cover, you must declare the sum insured for general contents,” says Tarun Mathur, co-founder and chief business officer, General Insurance, Policybazaar.com

In the event of damage to your home or belongings, the policy will reimburse the amount spent on repairs. If your home or possessions are lost or entirely destroyed, the policy will compensate based on the sum insured for that specific item.