

Take cover before it starts raining

A suitable insurance plan can ensure financial protection for your house during the monsoon

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After the long, scorching summer heat, the southwest monsoon has brought many parts of the country much-needed respite and freshness.

While the cool monsoon breeze and rains bring joy to our lives, it also brings its own risks. Even as other parts of the country await the northeast monsoon, one major concern for most people during the monsoon is the damage that heavy rains may cause to their houses and belongings.

Each year, various parts of the country witness floods, inundations, storms, landslides, and other natural calamities.

If the monsoon makes you worry about the safety of your home, then there exists a simple solution - home insurance. Home insurance covers the policyholders against unforeseen loss or damage to their house and contents therein.

Financial protection

Such a policy ensures that the insured has financial protection if anything happens to their home. Apart from covering natural calamities, home insurance also covers losses arising out of fire and allied perils, theft and burglary; it also covers the breakdown of domestic appliances due to voltage fluctuations as also accidental damages.

One can insure their flat, apartment, independent build-

ing, or villa. Broadly speaking, home insurance covers the following two aspects:

Building-only cover: This covers the building or structure of the house.

Content only cover: This covers all the belongings or content present in the house such as furniture, appliances, jewellery and valuable items.

The insured has the liberty to buy cover for building-only or content-only or both. However, it is advisable to opt for a comprehensive cover, which includes both building and content, to get complete protection

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for one's home.

If someone lives in a rented house, they can consider buying a 'content-only cover,' which will help the insured protect all their valuable belongings. If you own a flat in a society, then too it is prudent to cover the flat with individual home insurance to make sure one is duly covered during a time of need.

Valuation options

The insured has the freedom to choose among three types of valuation to arrive at the sum

insured for the building - reinstatement value basis, indemnity value basis and agreed value basis.

Reinstatement value: the claim is settled by repairing, reinstating, or replacing damaged assets/property with a new one to a condition that is equal to but is not better than the condition of the assets when it was new. The liability of the insurer will be limited to the sum insured.

Indemnity value: the claim is settled by compensating the insured as per the market value of the assets/property after deducting the depreciated value.



the help of an expert to obtain accurate estimation for the property.

The insured should give the exact details related to the property, such as size, location, floor plan and height of the building, to name a few.

For covering the content, one has to give the approximate value of the contents present. A valuation certificate for jewellery and gold items will also help the insured to accurately assess their worth.

If the insured acquires new assets such as electronic items or other valuable items they wish to cover, they must inform the insurer; the new items can be easily covered by paying some additional premium.

Apart from the standard cover, insurers also offer many useful add-ons such as loss of rent, temporary resettlement cover, keys and lock replacement cover, public liability cover and lost wallet cover to name a few.

What do such policies not cover? Such policies do not cover willful or intentional destruction to the assets, natural wear and tear, loss or damage to contents due to defective workmanship, or manufacturing defects of electrical appliances.

So, now that you understand the advantages of having home insurance and how it can help you protect your most valuable and important assets, it may be prudent to evaluate your needs and opt for home insurance.

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policy period. This is only applicable to a flat or apartment.

Accurate estimation

While assessing the value of the property, it is sensible to take

Agreed value: The claim is settled as per the value agreed between the insurer and insured at the beginning of the