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# Home insurance covers more than structural damage

It includes damage to electronic gadgets, theft of jewellery while travelling, loss or death of pedigreed pets

**PRIVA NAIR**

In May, when New India Assurance launched a new home insurance policy, Griha Suvidha, the main aim was to make the product simpler for customers, says Mohammad Zafir Alam, general manager.

In a the traditional household-er's policy, customers have to produce bills of their articles while making claims. Often, though, these were not available, as the articles are purchased years ago. Under the new policy, claims up to a certain amount can be claimed without bills. This makes it easier for customers, Alam points out.

Despite initiatives like this, demand for home insurance is low in India, primarily due to lack of awareness. For instance, a resident of a high-rise building may not feel the need for insurance because the housing society is protected against fire and theft. But remember that

the society's insurance only covers common areas in the building. It does not protect individual flats or the contents inside.

Similarly, if you thought home insurance only protects your house from structural damage, floods, fire or theft, you are mistaken. It also covers electronic gadgets from damage or theft even outside of the house, gold jewellery even if it is stolen while travelling and accidental death or theft of pedigreed pets.

"We have seen higher demand for home insurance in case of a catastrophe like earthquake or cyclone or a rise in incidents of theft in a particular area or building,"

says Suresh Nair, head-product development, Bajaj Allianz General Insurance.

#### Extent of coverage

You can opt for a comprehensive package cover or a standard fire and

special perils policy, which covers losses due to fire and allied perils, apart from storms/floods as well. A standard fire policy covers losses caused by a storm, even in the absence of a flood. A comprehensive policy will cover the contents and immovables inside a house. Some policies also offer cover for jewellery and artefacts.

Generally, householder insurance policies cover the following in case of loss or damage due to fire, other perils like earthquake and flood and burglary:

- Loss or damage to building, fixtures, fittings and renovations; loss or damage due to terrorism also, as an option

- Loss or damage to home contents, valuables, appliances (TV, refrigerator, washing machine, air conditioner, laptop, etc.) and items such as glass or sanitaryware

- Personal accident coverage providing for payment of compensa-

tion due to accidental death and permanent total or partial disability of the insured

- Loss of rent if the house or parts of it become unfit for occupation following a fire or other perils;

- Accidental death or theft of pedigreed pets

- Loss or damage to personal baggage due to accident or misfortune while travelling in India

- Accidental death or injury of domestic servants as provided for under the Fatal Accidents Act or Workmen's Compensation Act
- Legal liability to third parties as a result of accidents in the insured's home

Apart from these, comprehensive policies cover other important losses, says Subrahmanyam B, senior vice-president, Bharti AXA General Insurance. These include loss of jewellery while travelling anywhere in India and while being worn; breakdown risk in respect of

domestic appliances such as refrigerator, TV or AC, personal accident cover for the entire family; expenses to obtain duplicates in the event of loss of important documents due to specified perils or damage to household items while being transported to new premises within India.

#### Premium

For flats or apartments, the premium is based on the ready reckoner rate, fixed by the government, multiplied by the area of the flat. These rates change yearly. If you have done additional work inside your house such as marble flooring or false ceiling, you can ask for an independent valuation of the house.

For independent houses or bungalows less than 30 years old, the premium is based on agreed value. This is because there might be land as well, due to which it is difficult to

#### BAJAJ ALLIANZ'S 'MY HOME ALL RISK' POLICY

Cover	Sum insured (in ₹)	Premium (in ₹)
Only structure	50,00,000	2,500
Only contents	5,00,000	4,400
Both structure and contents	55,00,000	6,900
Contents with worldwide cover	*5,00,000	4,800

\*The sum assured remains the same in case of worldwide cover. But premium increases because geographical area is extended

do the assessment of the property. For this, insurance companies go by the standard fire tariffs (rates).

#### Valuables

Jewellery and artefacts can be covered separately with additional premium. Jewellery can be covered either on the agreed value or market value. In the former, arrived at after a valuation of the jewellery, in case of a claim, if the company agrees you can get the full value. In case of market value, if sum assured is lower than claim, you will get only the sum assured.

#### Contents, portables

Contents inside the house such as furniture, utensils or light fixtures not more than 10 years old are included. Portable equipment such as mobiles, laptops or tablets are covered, if not more than five years old. But the price of the contents should not be less than 10 per cent of the value of the house. Those staying on rent, for instance, can take a policy only to cover contents and valuables, and need not take insurance for the flat.

If you shift to a new house, you can transfer the policy by informing the insurer of the change in address.