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[Be catastrophe ready through insurance](#)

Covering property, health and motor is crucial to minimise financial loss from catastrophic incidents

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Tapan Singhel

Let me not tell you India is vulnerable to almost 30 different types of disasters. Let me also not quote numbers on the lives we lose to disasters, or the amount of damage caused in the wake of these calamities. I will also not tell you that from 2005 to 2014, at least 167 disasters struck India, ranking it among the top four countries in the world's highest number of reported disasters, according to the UN Office for disaster risk reduction.

That would be a melancholic start to this article. True, but melancholic.

So rather, let's dwell on what happens after a disaster. People suffer with medical conditions, injuries, or contract some epidemic due to lack of municipal supplies.

Their most prized possessions, house, vehicles, business – get affected. This sounds gloomy too. But as an insurer, this is what we have always witnessed as a disaster aftermath. Whether it was the Mumbai floods of 2005, the 2011 Sikkim earthquake, the flooding of J&K in 2014 or the submerging of Chennai in 2015 or the recent Kerala deluge, only the regions vary, the stories remain all the same.

Special insurance teams would be sent out to the affected regions, dedicated help lines will be set up, since there will be a lot of claims to be settled on a priority basis. But it is not the insured losses that irk me, rather the uninsured and the under-insured ones.

In a risk prone country like India this severe insurance gap is a faceless behemoth. Lack of financial awareness, lack of trust in insurance products, the mentality that 'God' would take care of one's well-being are major road-blocks to the use of this incredible socio-economic security tool. Though insurance penetration among the educated urban class is on the rise, majority of the people belonging to the lower income groups still remain unaware of insurance and its benefits.

People at the bottom of the economic pyramid suffer the most when disasters strike. They are left stranded in floods and losing their homes due to lack of home insurance. When a family member falls ill, the entire life savings are spent for the treatment.

Though most of us work hard to succeed and do well in our careers or build businesses, plan and create assets and wealth, we do not put enough thought into securing them.

Here is a quick list of the basic important covers that you must look into for protecting yourself and your assets from a calamity:

Health Insurance: Did you know, you can add close to 10 years to your life by opting for a good health insurance plan. If you don't have insurance, your best doctor is your pharmacist. A good health insurance gives you access to the best quality health care at your disposal. A comprehensive health insurance cover comes a long way in a disaster like situation. It is a must so that you can avail the best possible treatment without being hassled about the financial outgo.

The minimum sum insured should be Rs 5 lakh, keeping in mind the increasing expenses of quality healthcare. Also, since the rising healthcare costs might render a basic health insurance cover adequate and buying a health insurance cover with a large sum insured may not be affordable. In such a situation, a super top-up policy takes care of the additional medical expenses. It is a perfect fit for a wider health insurance cover and to address the issue of under insurance.

Home and Content Insurance: Home insurance is a necessity as it covers your house not only from fire, flood, earthquake and landslides but also from various dangers like accidents and thefts. Also ensure to cover all your assets within the house, especially electronic items like television sets, mobile phones and other equipment in the house. You can also opt for a new for old cover for your equipment and also a reinstatement or market value cover for your home structure.

Motor Insurance: Though it is mandatory by law to have a third-party liability cover for your vehicle still a comprehensive car insurance policy is a must. While third party insurance protects the owner against legal liability arising from an accident causing any permanent injury or death or damage to someone else's property, a comprehensive protection covers your vehicle against any loss or damage caused to the vehicle and its insured accessories. For complete protection of your vehicle, it is vital to get motor insurance with add-on covers such as depreciation shield and engine protect covers.

Personal Accident Cover: Personal accident schemes cover the policyholder against accidental death or disability. For as little as Rs 2 per day, you can get a cover of Rs 5 lakh. One must look at buying this policy as soon as they start earning. It provides financial support to the policyholder if he is disabled after an accident. Secondly, the magnitude of the mishap does not matter; even minor ones like falling off a bicycle and breaking an arm, or fracturing a leg while playing a sport are covered by the policy.

Getting Your Business Covered: Natural calamities are increasing in intensity with every passing year, and a well-rounded insurance protection for your property and business projects is a must have for your disaster emergency kit. Along with a basic property insurance, you must also get a Business Interruption (BI) cover for yourself.

To make it simpler, consider the following example. If you own a restaurant and it gets flooded, the property insurance covers you for the physical damage caused. But the loss of income suffered by you because your restaurant is rendered unfit for use is borne by you. Also any extra expense that you incur in order to restore your business, like renting a temporary premise while refurbishing occurs at the original location is not taken care of by

your basic property policy. All these expenses are bound to occur, are hence out of pocket expenses for you, which at a time of a calamity can be a costly affair.

A business interruption insurance cover protects you against loss of profits that you incur in the wake of an accident and also supports you to avoid a complete shutdown during the restoration period.

Life is all about uncertainties and to emerge unscathed, you need to be financially prepared to handle things that may go wrong. Insurance, shall surely serve as a valuable ally in times of turmoil, and hence should adequately be stocked in your personal disaster management kit.

The writer is MD & CEO, Bajaj Allianz General Insurance