

Secure your belongings

Your worldly goods are as important as your life and health; use insurance to mitigate the risks they are exposed to, says **Preeti Kulkarni**



Every morning when you leave your home, you lock the front door to protect your personal belongings inside. But, is that protection enough for your life's biggest financial asset? In the hurry-burry of our daily lives, we tend to overlook some very potent risks that some of our cherished possessions face. The list is long—your gadgets, your car or bike. Worry not, there are insurance policies available to bring all these under the ambit of insurance, and providing you the necessary financial cushion.

The beauty of these policies is that they do not cost you a bomb, which is what you would end up paying were your house was to get

impacted by a short circuit, ruining all the gadgets that you are so used to. The non-life insurance domain is such that there is insurance cover for practically every type of risk. There is a personal accident insurance, motor insurance, home insurance, insurance for professionals like doctors and architects and travel insurance, besides health insurance, which is an ocean (Read story on page 62) in itself.

The right choice

Choosing a suitable insurance plan can be an arduous task. To make it easy, start by listing your valuable possessions and evaluate what it will cost you to replace them. If you can afford the replacement on your own,

you can ignore insurance, but were you to find the cost of replacement expensive, you would be better off with an insurance policy. For instance, for a small sum, you could have your high-end Smartphone insured than rue over paying a tidy sum to get it repaired or purchase a new one.

Although insuring your vehicle is a must to ply it on roads as mandated by the Motor Vehicle Act, you also need to insure it for damages due to accidents. "There are additional features in the motor insurance policy which provides for on the spot repair, towing services and zero depreciation, which could come in handy," explains Rajiv Kumar, MD and CEO, Universal Sampo General

Insurance. Of course it costs to take these additional covers, but they are worth every rupee when one experiences a claim.






Some covers like engine protection come in handy in case of monsoons or floods and the Return to Invoice (RTI) is an add-on option which covers the gap between the insured declared value and the invoice value of the car. It's an option that will fetch you the entire amount of loss (the on-road price you paid for your car) that you incurred. Typically, an RTI costs around 10 per cent more than the normal policy but considering that a submerged car in rains is a huge loss, this cover acts like the accident safety bag for your finances.

The importance of home insurance crops up every time there is a natural calamity like floods or earthquakes. People who lose their houses and valuables are left to pick up pieces and prepare for the long road to rebuilding. "Majority of households are uninsured against these risks. The lack of insured homes is reflected every time there is a natural calamity in the country," rues G. Srinivasan, CMD, New India Assurance. People spend their savings and even borrow for their dream house, but tend to miss out on securing it with insurance.

Typically, a householder's insurance covers both the structure and contents inside the house. The structure is insured for damage and the contents of the house are covered for damage due to fire and other perils, besides theft. Some policies necessitate listing of all items in the house to be insured, while others are much simpler, having done away with the need to declare each item if the total value is over a particular threshold, say, ₹5 lakh, making it easier for individuals to calculate the sum insured.

"Normally for a home valued at ₹50 lakh and contents worth ₹5 lakh, the premium would come to ₹,000 per

General Insurance Reckoner

Insurance Type	What it offers	Suitability
 Motor Insurance	<ul style="list-style-type: none"> Covers all classes of vehicles, third party liability, own damage Covers theft and fire on the vehicle 	Third Party or liability-only cover is mandated by law for all vehicles plying on roads
 Personal Accident	<ul style="list-style-type: none"> Death Permanent total disability Temporary Total Disability Temporary Partial Disability 	A standalone policy works better than one which comes as rider on health policy. Low on cost, this policy covers for several types of disability
 Householder's Policy	<ul style="list-style-type: none"> Covers fire and allied perils Building and its contents against theft, burglary and larceny. There are several sections that expand the scope of this policy to include electrical equipment, plate glass, jewellery, cash, public liability. Gadgets such as laptop, tablet, mobile, etc., can be insured under the home policy 	The policy is available as a package. There are discounts available when several sections are included. Include only those you need and not everything listed for the sake of discounts.
 Professional Indemnity	Covers professionals such as doctors, lawyers, accountants and interior designers against errors and omissions	Professional indemnity insurance protects you from legal action taken for losses incurred as a result of your advice.
 Travel Insurance	Covers both domestic and international travel. The policy cover spans from delays, loss of baggage, ill-health, loss of passport and theft, among other things	There are variants for specific travellers such as students, tourists and businessmen. Select a policy based on the need

The above is an indicative list of policies and benefits that are available to help you shortlist and prioritise insurance plans. Insurers offer specific covers for each policy and price it accordingly

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year," says Sasikumar Adidamu, CTO, Bajaj Allianz General Insurance. Like any insurance, a home insurance plan also comes with exclusions like misrepresentation, suppression of key information and pre-existing damage to buildings. In case of contents, your policy may not cover loss of money, securities, stamps, bullion, and antiques unless independently insured. Damage to documents like bonds, shares and stock certificates are also excluded.

An international holiday is meant to be rejuvenating, but one does occasionally come across tales of unpleasant experiences. Imagine a scenario where you land up losing your baggage or passport? Interconnecting flights are prone to cancellations. Most importantly, what if you were to fall sick when traveling? The odds that you would



RAJIV KUMAR
MD & CEO, UNIVERSAL SOMPO GENERAL INSURANCE

Take policy from a company with best claim settlement ratio and easy claims process. Understand the terms for a hassle-free claims settlement.

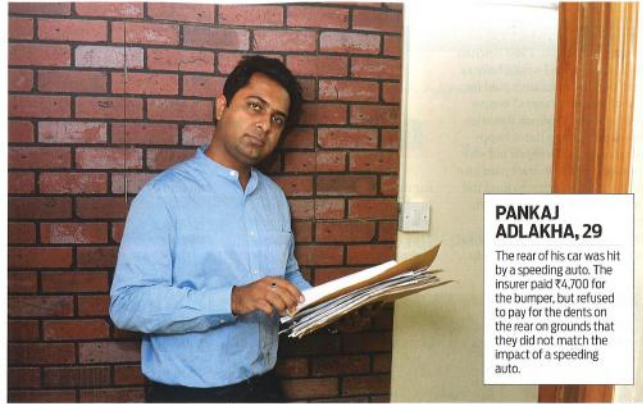
have factored in all these exigencies are very remote. The power of travel insurance is felt only on such instances.

There are policies to address every type of traveler's needs—short stay, long stay and even for frequent travelers. The short stay is for a typical vacation taker, while long stay could be for students pursuing courses abroad. The frequent traveler is a business traveler who

travels abroad regularly and would rather have a policy taken once to address the travel schedule than take multiple policies.

The claim game

Most people take insurance policies with the hope of not making a claim. After all, who would want to meet with an accident just because they have an accident cover? However, the proof of a policy's promise is



PANKAJ ADLAKHA, 29

The rear of his car was hit by a speeding auto. The insurer paid ₹4,700 for the bumper, but refused to pay for the dents on the rear on grounds that they did not match the impact of a speeding auto.

Digitisation is making insurance customer-centric

Digital infrastructure is transforming the insurance sector and helping deal with the challenges faced by them for over decades.



Tapan Singhel
MD & CEO,
Bajaj Allianz General Insurance

Let's reflect on a scenario few years back. In 2001, if you lodged a claim for your car, it would take the insurer three to four months to settle the claim. Subsequently, we introduced cashless claim settlement and the settlement of claims started happening at the dealership. Today we have come to a threshold where motor insurance customers can get their claim on the spot of the accident. The insurance industry has existed in India for over 150 years, yet the penetration has been less than 3 per cent. Today, digitisation has opened opportunities for us and has given us a breakthrough to deal with challenges that we have been battling for over decades.

Solutions at your doorstep

Digital infrastructure and rise in mobile connectivity in the country has enabled insurers to directly sell online to customers and provide all policy or insurance related information through mobile phones or tabs. Employees and business partners armed with smartphones and cashless payment solutions are not only facilitating efficiency but are also taking insurance to customer's doorstep and into unrepresented geographies. It also ensures that the collection of data is also systematised, enabling insurers to use more analytics in underwriting, claims and curbing frauds.

Insurers today are not limiting the transformation to just segments such as claim settlement or convenience in making a purchase but they are also innovating and using technology for product modelling, better service and continuous engagement. Considerable progress has been made when it comes to offering motor, health and travel insurance solutions to customers on an online or mobile platform. These products can be easily bought and renewed by the customer either online or via a mobile device within a couple of minutes.

The future will see influx of flexible and simple products that can be tailored according to the need of an individual and bought conveniently through mobile platforms with minimal documentation. For example if a family is looking at a home insurance cover for protection against burglary only for the specific time period when they are on a holiday, they should easily be able to tailor the product that fits their requirement as well as the budget.

Rising mobile connectivity has enabled insurers to directly sell online.

When it comes to claims, a customer today can instantly lodge a claim using a mobile app and upload details of the loss which ensures that the insurer can access and assess the loss faster. In order to further ease the process, in the near future, we are planning to launch a facility where the customer will not only be able to lodge claims through the mobile app but will also be able to survey and settle their own claims within 30 minutes. Once the customer uploads the required documents and claim details along with the pictures of the damaged parts, we will send the customer the claim estimate and if the customer accepts the estimate, the claim amount will be transferred into the account immediately.

The future offers an exciting prospect to the Indian insurance sector. Even as technology evolves and new age innovations like telematics catch on, it may fundamentally change the way in the future insurance is sold. In the form of generic policies and pave the way for insurers to offer more personalised and simple solutions to customers that also extend beyond insurance. The time is not far when your insurance provider will not just provide you with a cover against a plausible risk but will predict the risk and prevent the loss for you. □

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experienced when you make a claim. "My car met with an accident with damages all around. I was worried over the expenses I would have to incur. But, the insurance paid for most of the repair costs," beams Kolkata-based Pushpak Banerjee. Banerjee is among those happy policyholders. The repair bill was ₹1.5 lakh and the insurer paid him ₹1.2 lakh, leaving him to fund the balance, which was in-line with what the policy covered.

However, Gurgaon-based Pankaj Adlakhia is an unhappy man. His



SASIKUMAR ADIDAMU

CTO, BAJAJ ALLIANZ GENERAL INSURANCE

Home insurance is based on market value method, which takes into account depreciation or new value basis, which assumes assets are as good as new.

car met with an accident last June where his car's bumper and rear got hit by an auto rickshaw. "The insurer agreed to pay the claim pertaining to the bumper

amounting to ₹4,700, but refused to compensate the damage on the car's rear. The surveyor's contention was that the dents did not confirm that it was hit by an auto," he complains. Yes, there are probably more instances of being unhappy with insurance at the time of claims, but, that is also to do with policyholders not fully understanding the benefits.

"While opting for an insurance cover some people do not even compare the price of similar products available from different insurers. This can be simply done by a bit of research on the websites of different insurers in order to make an informed choice," says Kumar. "In case of complex products where detailed information on the coverage is variable and dynamic, the customers could consider opting the same through agents, brokers or other intermediaries," says Pushan Mahapatra, MD and CEO, SBI General Insurance.

The onus is on the policyholder on fully understanding what policy they are buying. "Online route is beneficial for a well-informed customer, others need to consult agents," stresses Adidamu. It is a good step to take the right policy to mitigate risks, but do so with the right information and understanding, lest you are left high and dry when you need the policy the most—when you experience a claim scenario. ■



PUSHPAK BANERJEE, 33

His Ford car met with an accident on the expressway damaging it from all sides. The cost of repairs touched ₹1.5 lakh, of which the insurer paid ₹1.2 lakh.

Photo: SANDIPAN CHATTERJEE

With inputs from Anjali Adlakhia