

Readers' Corner: General Insurance

Cyber risk is relevant for e-commerce business as customers share their personal details with the website from where they buy products

KG Krishnamoorthy Rao December 07, 2017 Last Updated at 00:15 IST



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My daughter is going on a school trip. I am not sure whether the organisers are buying travel insurance for the students. Can I buy an individual travel insurance for my daughter alone?

Generally, organisers/schools buy a group travel cover for students. It would be advisable to check with the organisers. If they have not procured a group travel policy and the school trip is abroad, it is essential to buy an overseas travel insurance for the period of travel. There are various options available for individual travel policies. Even for domestic travel, there are products available in the market on the individual basis.

My mother was admitted to a hospital for an infection in the gall bladder. A night before discharge, the hospital gave us a bill of Rs 90,000. The next morning, they gave us a new bill of Rs 1.15 lakh. When inquired, we were told that they

thought the third-party administrator was different than the one we have. We were shocked to see different rates for different TPAs. Why do hospitals have such differential pricing based on the TPA?

There could be some negotiated packaged rates offered to some insurers where there could be some differential (lower) costs in treatments. But the cost of treatment should not differ with TPAs for the same insurer. In any case, it would be advisable to lodge a complaint with the insurer as well as the hospital.

I have a land parcel. Is there any insurance policy that can provide cover for encroachment or its misuse by a third party?

Unfortunately, though you may have suffered a genuine loss, there is no such insurance cover available as this is an illegal activity.

We are on a five-month vacation outside the country. I have a home insurance. Will the house be considered occupied or unoccupied for the home insurance coverage?

The home insurance policy covers the risk when the premises remain unoccupied. During the unoccupied period, insured need to take reasonable care for the safety of the premises. Some policies have a condition that if the home is going to remain unoccupied for a longer period, as specified in the policy, intimation should be given to the insurance company. Hence suggest that you should read the conditions in your home insurance policy and act accordingly.

I am in the process of upgrading my car. If I stick to my earlier insurer, will there be any benefit? Can I carry forward the no-claim bonus on a new car?

In the current situation, terms and conditions of all insurer are same, sticking with one insurer will have limited benefits. As far as NCB (no-claim bonus) is concerned, it can be availed for your upgraded car with any insurance company if you have not claimed anything on your earlier car policy.

I am a vendor on e-commerce websites. I also have my own website where people can buy goods directly. Does cyber insurance make sense for me or is it for companies into information technology business only? What is the extent of its coverage for a small company?

Cyber risk is relevant for e-commerce business as customers share their personal details with the website from where they buy products. The details may be leaked by the website company or their employees to other parties, which in turn may lead to loss by sharing confidential information. Also, a website might be similar to other e-commerce websites, which may lead to infringement claims (Intellectual Property rights claims) and various other scenarios. Cyber insurance policy can help the owner of the website in covering financial losses in such situations.

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