

Readers' Corner

GENERAL INSURANCE



KG KRISHNAMOORTHY RAO

I am planning to take a householder policy that will also cover valuables such as gold and jewellery. I do not have the bills for these. I will get valuation done and submit it to the insurer. I wish to know whether insurers have tie-ups with valuers. How much do valuers typically charge, and how are their fees structured?

Normally, the valuation can be done by any reputed jeweller. He will do the valuation based on the current market price of the ornaments. The fee is typically a percentage of the total assessed value, and has to be borne by the insured. If the value of the jewellery is very high, you can negotiate the fee. There is a rule of thumb that you should take at least 10 per cent higher value of sum insured, compared to the

assessed value, when purchasing insurance. This will help you take care of future price appreciation. Also, insurance companies do not have any tie-ups with valuers.

I want to buy a home insurance policy for a housing loan. What is the maximum tenure that I can choose for the policy? My loan is for 25 years.

Generally, the duration of a general insurance policy is one year. However, a relaxation has been provided for a policy covering a residential building. Such a building can be covered for the long term also, irrespective of whether there is a loan on the property. In case there is a loan, the institution providing the loan usually insists that the policy tenure should coincide with the loan period.

I am planning a destination wedding in Goa. The wedding planner is suggesting that I should buy an insurance cover. Can you help me understand what is covered by such an insurance plan, and the exclusions in it?

A wedding insurance plan covers cancellation of the wedding event due to storm/tempest, act

of God perils, loss or damage to the venue due to fire and allied perils, and bride, groom and blood relatives' (which would include parents, brothers, and sisters of the bride or the groom) death or accident. Since it is a specialised package cover, it also covers things like burglary (at the home of the insured), public liability (or third-party liability), and personal accident cover for the bride, groom and their blood relatives.

Each cover under the policy may have separate exclusions. For instance, cancellation of the wedding due to reasons other than the perils mentioned above, due to pre-existing conditions and circumstances known to the insured at the inception of the cover, will be excluded. It will also exclude cancellation due to expected or seasonal rains, storm, sandstorm, high winds, and tempest. Cancellation due to family disputes will also not be covered. To understand the policy coverage and exclusions in detail, read the policy wordings carefully.

We are a family of three. My son is 22. We have a family floater policy. But now that he is getting married, we want to

include our daughter-in-law as well in the policy. How should we go about doing so? By how much should we increase the coverage? Should we purchase additional top-up plans? Will it be advisable to buy two separate covers instead?

Yes, you will need to have two separate policies - one for your spouse and you, and the other for your son and daughter-in-law. If your son pays for his policy, then he can also begin to avail of Section 80D benefit. Both the policies should have a floater sum insured of ₹1 million each. You may also purchase additional top-up plans if you wish to enhance the sum insured.

Alternatively, if your policy allows coverage of non-dependent children and of the daughter-in-law, then you may include her in the same policy. In that case, the sum insured of the single floater policy should be ₹2 million. Only the proposer or the person who pays the policy premium will be able to avail of Section 80D benefit.

The writer is MD and CEO, Future Generali India Insurance Company. Send your queries to yourmoney@bsmail.in