

Burglary Insurance

The policy is meant for business premises like factories, shops, offices, warehouses and godowns which may contain stocks, goods, furniture fixtures and cash in a locked safe which can be stolen. The scope of cover is clearly expressed in the policy.

1. Risks covered under burglary insurance

- a) Loss of property following actual forcible and violent entry into the premises or loss followed by actual, forcible and violent exit from the premises or hold up.
- b) Damage to insured property or premises by burglars. Property insured is covered only when it is lost from the insured premises and not from any other premises.

2. A) Cash cover

An important part of burglary cover is cash cover. It operates only when the cash is secured in a safe, which is burglar proof and is of an approved make and design. The common conditions applicable for granting cash cover are given below:

a) Cash lost from the safe following the use of the original key to open it is covered only where such key has been obtained by violence or threats of violence or through means of force. This is generally known as “**key clause**”.

b) A complete list of the amounts of cash in safe is kept secure in some place other than the safe. The liability of the insurer is limited to the amount actually shown by such records.

B) First Loss Insurance

In the cases, which are of low value in high bulk, (such as cotton in bales, grain, sugar etc.) the risk of losing the entire stock on a single occasion is considered remote. The value that can be burgled is ascertained as probable maximum loss and the premium is charged for this maximum probable loss while covering the entire stock at risk. It is assumed that a second burglary may not follow immediately or the insured may take additional security measures from its recurrence.

C) Declaration cover and floater cover is also possible in respect of stocks, similar to fire insurance.

3. Exclusions

The policy does not cover theft by employees, family members or other persons who are lawfully on the premises, nor does it cover larceny or ordinary theft. It also excludes losses that are covered by a fire or plate glass policy.

4. Extensions

The policy can be extended to cover riot, strikes and terrorism risks at extra premium.