

Building a House is Not Enough... You Must Do This One Thing!

Owning a house is more than just having a place to stay; it represents social status and personal achievement. A home is one of the biggest financial investments in a person's life, often requiring years of savings or loans. However, ensuring that the house remains a source of joy and security rather than stress is crucial.

One of the biggest risks to a home is damage from natural disasters or accidents. This is why **home insurance** is essential. Buying or constructing a house should always be followed by securing **home insurance** to protect it from unforeseen events like floods, earthquakes, fire, and theft.

Key Points to Consider When Choosing Home Insurance

1. What is Covered?

Before choosing a home insurance policy, it is essential to understand what is covered. Coverage usually includes:

- **Structural protection:** Damage to the house due to fire, floods, or other disasters.
- **Content protection:** Coverage for appliances, furniture, and valuable possessions inside the house.
- **Theft or burglary protection:** Coverage for stolen or damaged items.

Different insurance companies offer various types of coverage, so it is essential to choose one that fits your needs.

2. Customize Your Plan

Not every insurance feature may be necessary for your home. Customizing the plan based on your specific needs and budget can help you avoid unnecessary expenses.

3. Location Matters

The location of your house plays a major role in insurance costs.

- If your home is in an area prone to **floods or earthquakes**, you may need additional coverage.
- Houses in high-risk areas generally require **higher premiums**.

Knowing the risks in your area can help you choose the right insurance.

4. Provide Accurate Information

When purchasing home insurance, providing **accurate details** is crucial. Incorrect information can lead to claim rejection. Important details to disclose include:

- Number of floors in the house.
- Total area and property value.
- Security features in place.

5. Additional Protection Plans

Many insurance providers offer **add-ons** for extra security, such as:

- **Lost key replacement.**
- **Pet protection.**
- **Protection against accidental damages.**

These add-ons require an extra premium but can be beneficial in the long run.

6. Claim Settlement Ratio

Before choosing an insurance provider, check their **claim settlement ratio (CSR)**—the percentage of claims successfully settled by the company.

- A **high CSR (above 90%)** indicates a **reliable company** that is more likely to approve claims.
- A **low CSR** suggests possible delays or denials in claim processing.

7. Know What is Not Covered

Just as it is important to know what is covered, it is equally important to understand **exclusions** in a home insurance policy. Some common exclusions include:

- **Pre-existing damage.**
- **Normal wear and tear.**
- **Damages due to negligence.**

Facts & Figures

- In **India**, only **1% of homeowners** have home insurance, despite frequent natural disasters.
- The **global home insurance market** is valued at over **\$300 billion** and is expected to grow significantly.
- The **average home insurance premium** in the U.S. is **\$1,428 per year**.
- Flood damage alone costs the **U.S. over \$17 billion annually** in uninsured losses.

Final Thoughts

A well-chosen home insurance policy can **protect your biggest investment** from unexpected disasters. If you already have home insurance, review your policy periodically to ensure it still meets your needs. Always read the **terms and conditions** before finalizing your insurance to avoid surprises when filing a claim.