

# **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.