

## **Insurance Regulatory and Development Authority IRDAI is set to introduce new Home Insurance Policy**

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Relevant to Mahindra LifeSpaces

### **What are the Policy Features?**

- The policy will cover a wide range of dangers such as Natural catastrophes like cyclone, storm, tsunami, Hurricane, floods, earthquake, landslide, fires, bushfires, impact damages of any kind, strike, riot, acts of terrorism, malicious damage of, overflowing of water tanks, pipe leakage from automatic sprinkler installations, bursting of water tanks and test within 7 days from the occurrence.
- The policy will also offer "General Home Content Insurance" apart from insurance coverage for home building.
- The policy will offer 20% of sum insured for the building subject to a maximum of 10 lacs of rupees.
- There are two optional covers offered by the policy. They are insurance for valuable content such as jewellery and insurance for personal accident of insured and spouse due to and insured danger under the policy.
- The policy provides complete waiver of Under insurance. If the sum of the insured general home content is less than that declared, the policy will still pay the entire amount.
- For instance, assume that, the policyholder has insured home content for 50,000 rupees. On the other hand, the actual value of the home content is 1 lakh rupees. This means that the insured value is less than the actual value. In such cases the policy will pay the entire sum insured and not in proportion in spite of the fact that the insured value is less.

### **More Coverage**

- Besides offering coverage for the home building, the policy will cover 'General Home Contents' automatically (without any need for a declaration of details) for 20% of the

sum insured for the building subject to a maximum of ₹10 lakh. One can also opt for a higher sum insured for general contents by declaring the details.

- The policy offers two optional covers -- Insurance for 'Valuable Contents' like jewellery and curios, and Personal Accident of the insured and spouse due to an insured peril under the policy.
- The policy also gives a complete waiver of underinsurance. In other words, if the sum insured declared by a policyholder is less than what ought to have been declared for the property in question, the policyholder's claim will not be settled proportionately but up to the sum insured that is declared.

### Other Features

- The policy does not provide complete waiver of under-insurance. In other words, if the sum insured declared by a policyholder is less than what ought to have been declared for the property in question, the policyholder's claim will not be settled proportionately but up to the sum insured that is declared.
- For example, if the general home contents (such as fridge, television, washing machine) are insured for a sum of Rs 50,000, while the actual value is Rs 1 lakh, the policy will still pay the entire sum insured (Rs 50,000).
- Like all standard insurance policies introduced by IRDAI, the product has been designed with policyholder friendly features and are worded in simple language for the convenience of the general public.
- The policy will have Key Features Documents (KFD) which give basic information about the products, apart from answers to Frequently Asked Questions (FAQ). Insurers have been permitted to file innovative add-ons (additional covers) over and above the basic cover, in-built cover, optional cover, if any, and standard add-ons that these retail products already offer.

### For Further Reading

1. <https://www.goodreturns.in/personal-finance/insurance/bharat-griha-raksha-5-things-to-know-about-the-standard-home-insurance-cover/articlecontent-pf16893-1196459.html>
2. <https://indianexpress.com/article/business/banking-and-finance/irdai-to-roll-out-standard-home-insurance-policy-7136074/>

3. <https://www.livemint.com/money/personal-finance/irdai-to-introduce-standard-home-insurance-policy-bharat-griha-raksha-11609918460302.html>
4. <https://www.policybazaar.com/home-insurance/articles/irdai-to-introduce-standard-home-insurance-plan-bharat-griha-raksha/#:~:text=Covered%20Perils%3A%20Bharat%20Griha%20Raksha,kind%20of%20impact%20damage%2C%20strike>