

Fire & Burglary Insurance

Just ask yourself. How do you know your property and possessions are secured? Just a single spark of fire and all your valuable properties and possessions will turn into ash. It's important to remember that your home or business is an asset and keeping it safe from unexpected dangers is crucial. Fire and Burglary insurance is a type of insurance that protects your property from losses caused by fires, burglaries, and thefts. Here, we'll discuss why fire and burglary insurance is important, its inclusions, and exclusions and how it can give property owners financial security and peace of mind.

Eligibility Criteria to Buy Fire and Burglary Insurance Policy

Here is a list of the eligibility criteria to buy a fire and burglary insurance policy.

- If you own a house, furniture, or other items, you can get this insurance.
- It's for shop owners, warehouse managers, and anyone who runs a business.
- Banks, schools, research centres, and other institutions can also get coverage.
- Even if you own a clinic, restaurant, hotel, or store, this insurance is for you.
- Industrial companies and transporters can also benefit from it.

Understanding Fire Insurance

Fire insurance is a type of insurance that protects against losses caused by fire or fire-related accidents. The insurance helps by providing financial support to repair or rebuild damaged property, replace destroyed belongings, and cover additional expenses incurred due to fire damage. When filing a claim for fire insurance, it's essential to keep in mind two conditions: the loss must be caused by a real fire, and the fire must be accidental, which means that it wasn't intentionally started by the policyholder.

Types of Fire Insurance policies

Let's take a look at the types of fire insurance policies.

- **Standard Fire Policy**

It is a basic form of fire insurance policy that it's essential to keep in mind two conditions: the loss must be caused by a real fire, and the fire must be accidental, meaning it wasn't intentionally started by the policyholder.

- **Householder's Policy**

Another form of fire insurance is a householder's policy that not only covers fire damage to your property but also covers personal injuries, thefts, and legal issues arising from such incidents. Furthermore, the policyholder has the right to customize the policy to fit your specific needs.

- **Industries All Risk Policy**

It is one of the popular forms of fire insurance policies that cover fire damage and other risks such as business interruption, machinery breakdown, and boiler explosions.

- **Consequential Loss Policy**

Lastly, this kind of fire insurance policy compensates for lost profits, fixed expenses, and increased work costs due to business interruption caused by fire and other risks.

What are the Key Features and Benefits of Fire Insurance?

Here is a list of the salient features and benefits of fire insurance.

- **Protection Against Financial Losses**

One of the biggest benefits of choosing fire insurance is that it can provide maximum protection against fire-related accidents and can protect you against financial setbacks. Operating any business requires some form of property insurance to mitigate financial risks. This is especially crucial because unexpected events like fires and natural disasters can lead to significant or total loss of goods. Without insurance, businesses would need to cover these expenses themselves, which can be financially burdensome.

- **Covers Property Damage**

Another major benefit of considering fire insurance is that it provides coverage for the repair and replacement costs of both movable and immovable property in the event of a fire explosion. This includes various types of property such as furniture, office buildings, plant and machinery, fixtures, fittings, and stock. By covering these damages, fire insurance helps businesses recover and rebuild after a fire-related incident.

- **Coverage to Other Perils**

There is no denying the fact that accidents may happen to anyone, anytime. Fire insurance policies extend coverage to various other perils such as malicious damage, land subsidence, impact damages, natural disasters, and theft. Most importantly, coverage for these perils typically extends to events occurring within seven days caused by an insured event.

- **Business Continuity**

Another major feature and benefit of fire insurance is that in addition to property coverage, this kind of policy may also provide coverage for the loss of profit, fixed expenses, and increased work costs that result from the interruption of business operations due to fire and other covered perils. This ensures business continuity and helps mitigate the financial impact of such interruptions.

- **Peace of Mind**

Last but not least, when you know you have dedicated fire insurance in hand, you will have peace of mind that in case anything goes wrong, fire insurance has got your back! Moreover, having fire insurance can enhance a business owner's reputation and credibility as a responsible and prudent property owner, further contributing to peace of mind.

What are the inclusions and exclusions under Fire Insurance?

Here is the list of inclusions and exclusions under fire insurance. Let's first discuss inclusions and then move on to exclusions.

Inclusions Under Fire Insurance:

- **Physical Damage, Loss, or Destruction**

Fire insurance covers physical damage, loss, or destruction caused to the insured property. This includes fires resulting from its own fermentation, natural heating, or spontaneous combustion.

- **Due to Extreme Weather**

Another major coverage under fire insurance is that it covers fires caused by extreme weather conditions or by setting fire to overgrown bushes.

- **Damages due to Lightning**

Another important coverage included under fire insurance is that it provides coverage for damages and fire outbreaks caused by lightning strikes.

- **Damages Due to Land Subsidence**

It includes damages that arise from land subsidence (the sudden sinking of land), landslides, and rockslides.

- **Damages Due to External Objects**

This kind of insurance covers damages caused by the impact of external physical objects such as vehicles, animals, falling trees, aircraft, or walls.

- **Damages Due to Water**

If the fire is caused by water damage, then it will be included under fire insurance.

- **Violent Destruction & Loss**

It covers violent destruction and loss caused to insured property or goods from the mentioned perils.

Exclusions Under Fire Insurance:

Listed below are the things not included under fire insurance.

- **Fires Caused by Heating or Drying Processes**

The common form of exclusion is fires resulting from heating or drying processes are excluded from fire insurance coverage. Additionally, the burning of insured property by order of any public authority is not covered.

- **Repairs or Alterations**

Another form of inclusion includes pairs or alterations in the building where the business is located, including the removal or extension of sprinkler installations. Remember that construction defects known to the insured are also not covered.

- **Damage to Machinery**

Damage caused to boilers, machinery, or other vessels in which steam is generated, resulting from their explosion or implosion, is excluded from fire insurance coverage. Similarly, damages caused by centrifugal forces are also excluded.

- **Pressure Waves**

Pressure waves caused by aircraft or other aerial or space devices travelling at sonic or supersonic speeds are not covered under fire insurance.

Understanding Burglary Insurance

Burglary insurance is a kind of insurance that is designed to protect your business from loss or damage due to theft or burglary. It provides coverage for assets such as furniture, fixtures, machinery, equipment, and more in the event of a burglary or theft. In essence, burglary insurance offers added security for your insured property by extending coverage against specific events like burglary and attempted burglary. This insurance applies to various entities, including private businesses, shops, and any owned business or office spaces.

Different Types of Burglary Insurance

There are three main types of burglary insurance policies.

- **Full Value Insurance**

It is a popular yet common type of burglary insurance policy that provides coverage for the entire value of the insured property. In case of a burglary, the policyholder is compensated for the full worth of the stolen or damaged items.

- **First Loss Insurance**

Another major kind of burglary insurance is first-loss insurance is suitable when the probability of a total loss is low. It allows the policyholder to select a specific percentage of their assets to be insured. In the event of a burglary, the policyholder will be compensated up to the chosen percentage of the insured assets.

- **Stock Declaration Insurance**

This type of policy is beneficial when a large number of stocks fluctuate regularly within a fiscal year. The policyholder sets the sum assured at the maximum expected value of their stock. In case of a burglary, the policy covers the loss or damage up to the declared maximum value of the stock.

What Distinguishing Features and Benefits Does Burglary Insurance Offer?

Here is a list of the distinguishing features and benefits of burglary insurance.

- **Financial Protection**

One of the biggest benefits of a burglary insurance policy is that it provides financial protection by covering the losses incurred due to stolen or damaged property. This helps businesses recover and resume operations smoothly. Since businesses can suffer significant financial losses from burglaries, including stolen equipment, inventory, cash, or sensitive information, it is important to have a good insurance policy in hand.

- **Interruption Coverage**

Another crucial benefit of burglary insurance is that it provides coverage when business operations are interrupted. Burglaries can cause disruptions in business operations, leading to lost income, ongoing expenses, and potential customer loss. Burglary insurance with business interruption coverage compensates for income loss and necessary expenses during the interruption period. This support helps businesses stay afloat and recover financially.

- **Property Damage Compensation**

It is no secret that burglaries often involve property damage, such as broken windows, damaged doors, or vandalized premises. Burglary insurance covers the costs of repairing or replacing the damaged property. This relieves businesses of the financial burden associated with repairs.

- **Rebuilding Trust**

There is no denying the fact that burglaries can even lead to legal complications such as claims of negligence or inadequate security measures. Burglary insurance may offer liability protection, covering legal fees and potential damages in case of a lawsuit related to the burglary. This protection helps mitigate the financial impact of legal disputes and safeguards the business's reputation.

What is covered and not covered under Burglary Insurance?

There are both inclusions and exclusions under Burglary insurance. Let's first discuss things included under burglary insurance.

- **Damages to Premises During Burglary/Housebreaking**

Burglary insurance covers any damages caused to the premises as described in the policy terms during a burglary, housebreaking, or hold-up.

- **Limited Coverage for Damages**

Some policies may provide limited coverage for damages to the premises during burglary or housebreaking, typically subject to a limit of 5% of the admissible claim.

- **Additional Coverage**

Additional coverage can be acquired during the policy period, with liability not exceeding 5% of the sum insured on items as mentioned in the policy schedule.

- **Theft Without Forcible Entry**

On payment of an additional premium, some policies may offer coverage for theft without actual forcible and violent entry or exit from the premises by the person or persons committing the theft.

Exclusions Under Burglary Insurance:

Here are the things not covered under Burglary Insurance.

- **Exclusion of Specific Items**

The policy doesn't include coverage for certain items such as precious gems, jewellery, business books, cash, designs, plans, etc., unless specifically covered in the policy.

- **Involvement of Insured or Associates**

Loss or damage where the insured or their staff/family members were involved in the actual theft is excluded from coverage.



- **Uninhabited Premises**

Coverage may be excluded if the property of the insured is left uninhabited for 7 or more consecutive days.

- **Material Alterations to Premises**

If material alterations are made to the premises that increase the risk, coverage may be excluded.

- **Transfer of Asset Rights**

Damage resulting from the transfer of asset rights to another individual(s) by the insured through a will or by operation of law may be excluded.

- **Damage from Specific Perils**

Damage resulting from nuclear peril, war, acts of a foreign enemy, invasion, etc., may be excluded from coverage.

- **Government Actions**

Damage caused by nationalization, seizure, etc., by government authorities may also be excluded from coverage under burglary insurance.

Who Needs Fire and Burglary Insurance?

If you're in a dilemma about whether you need fire and burglary insurance or not, check whether you come on the list or not.

Homeowners:

Homeowners can protect their properties, personal belongings, and valuable assets against fire and burglary incidents. This insurance provides financial coverage for repairs, replacements, and losses resulting from these events.

Renters:

Even if you are renting a property, you can still benefit from fire and burglary insurance. It allows you to protect your own possessions, such as furniture, electronics, and other valuable items, against fire damage and theft.

Small & Medium Business Owners:

Small & medium business owners, such as those running independent shops, stores, or businesses, can secure their premises and assets from fire and burglary risks. This



insurance helps cover the costs of repairs, replacements, and losses that may occur due to such incidents.

Large Business Owners:

Large-scale businesses with extensive operations, multiple properties, and valuable assets can greatly benefit from fire and burglary insurance. It offers comprehensive coverage for significant damages caused by fire outbreaks or burglaries, helping to mitigate substantial financial losses.

How to Buy Fire & Burglary Insurance?

If you're looking to buy fire and burglary insurance then you can do it via online and offline methods.

Via Online Method:

If you don't have enough time to visit the branch then you can simply visit the official website of the insurance provider. Follow the steps to buy the insurance plan of your choice. In case of any issues, feel free to get in touch with the concerned customer care for guidance.

Via Offline Method:

To purchase the fire and burglary insurance, please visit the branch of the respective insurance provider you want to buy the policy from. Whether you're seeking clarification on policy details or guidance on selecting the right coverage, they're there to address all your queries and ensure a smooth and seamless experience. Don't hesitate to approach them to kickstart the purchasing process.

Steps to File Fire and Burglary Insurance Claim

Well, you can file a claim via the online and offline methods. Let's first discuss the online steps to file a claim. Here are some tips to help you file a fire and burglary insurance claim:

Inform the Insurer:

As soon as the incident occurs, inform your insurance provider via the website/app about the fire or burglary to initiate the claim process. Contact them through their designated channels and provide all the necessary details regarding the incident.

Provide Detailed Information:

When filing the claim, provide your insurer with a thorough account of the damaged property. Include detailed descriptions, estimated costs, and any supporting documents such as photographs and videos of the damage. Be as specific as possible about the date



of the loss, type of damage, condition of the property, and any injuries or other parties involved.

Cooperate with the Insurer's Surveyor:

The insurance company may send a surveyor to assess the extent of the damage. Cooperate with the surveyor and provide any additional information or assistance they may require. This will help expedite the claim filing process and ensure an accurate evaluation of the damages.

Take your Time Before Closing the Claim:

While the insurance company may want to close the claim quickly, it's important to take your time before finalizing it. In the aftermath of a fire or burglary, you may discover additional damages or losses that were initially overlooked. Review the claim settlement offer carefully and ensure that all the losses and damages are adequately covered before accepting the final settlement.

Keep Records of all Communications:

Maintain a record of all communications with the insurance company, including phone calls, emails, and written correspondence. This documentation can be crucial if any disputes or issues arise during the claims process.

Follow the Claims Process:

In the next step, you will need to familiarize yourself with the specific claims process outlined by your insurance provider. Adhere to the timelines and requirements specified by the insurer, such as submitting necessary documents or completing claim forms. Promptly provide any requested information or evidence to avoid delays in the settlement.

Seek professional assistance if needed:

If you encounter difficulties or have concerns during the claim process, consider consulting with a professional, such as a public adjuster or an attorney specializing in insurance claims. They can provide guidance, negotiate on your behalf, and ensure that you receive a fair settlement.