

HOME INSURANCE FAQs

1. What are the requirements to purchase a property insurance policy?

The proposer of the policy should first and foremost have an interest in the assets being proposed for insurance, i.e. he/she should stand to lose financially in the event of loss or damage to such assets. The proposer should disclose all details, which are true to the his/her best knowledge and other information, which he/she may feel is relevant in the proposal form.

2. What is covered under Fire Policy?

The Fire policy covers damages by Fire and Allied Perils. To mention a few such as Fire, Lightning, Air craft, Riot – Strike & Malicious damage (RSMD), Explosion, Storm – Tempest -Flood & Inundation (STFI), Impact damage, Landslide etc. Earthquake and Terrorism are built in for DHFL customers.

3. What is generally not covered in the Home policy?

Generally below damages are excluded from the scope of policy cover.

- Damage caused by depreciation or wear and tear or which are pre-existing in nature or which falls under the terms of a maintenance agreement.
- Loss or damage or collapse of "Building" due to structural defects, latent defects, poor maintenance, workmanship.

4. What is Building for the purpose of Home insurance?

Building shall mean Flat or Apartment used for Residential purpose owned by the Insured located in a multi storied Building and Independent building used for residential purposes which is not of Kutchra Construction. The Building shall include the superstructure including doors, windows, electrical and plumbing works. It does not include any fixtures & fittings and other interiors.

5. What should be the Sum Insured?

The sum insured should be the cost of building reconstruction– it's not the same as your home's market value, which might be higher or lower or the loan value. Reconstruction value is the cost incurred to reconstruct the home if it is damaged.

To select a Sum Insured, you need to determine the cost of completely rebuilding your home, including features such as compound wall, swimming pools, fences, sheds, paving & landscaping. If you are staying in an independent house, then you can cover above mentioned features also however you should provide a separate sum insured for them in addition to the building sum insured.

For DHFL customers, the Sum Insured would be linked with the Loan Amount initially. Further to keep pace of Sum Insured with the increase in construction cost due to inflation, the Sum Insured would be increased by 5% every year for DHFL customers (Escalation Benefit is incorporated in Policy).

This way underinsurance can be avoided.

6. How does one can fix the Sum Insured – Market Value, Reinstatement Value?

There are two methods. One is Market Value (MV) and the other is Reinstatement Value (RIV). In the case of MV, in the event of a loss, depreciation is levied on the asset depending on its age. DHFL customers would have Reinstatement Clause incorporated in the Policy.

In the RIV method, the Insurance Co. will pay the cost of replacement subject to ceiling of Sum Insured. Under this method, no depreciation is levied. One condition is that the damaged asset should be repaired / replaced in order to get the claim.

E.g. If cost of construction per square feet (sq ft) is Rs 2000 and area of flat is 1000 sq ft as per Registered Sale Deed/ Agreement for 6 years old building then value of reconstruction is Rs 20 lacs which should be the Sum Insured on Reinstatement Value basis. On Market Value basis, the Sum Insured can be Rs 17 lacs after accounting for depreciation on value of reconstruction.

7. What will be the age limit of the building insured?

Maximum age of the building should not exceed 40 years at any time during the policy period.

8. Will someone come and inspect my property and value it before you take the insurance?

There is no inspection needed before taking the insurance policy

9. In recent times, we are experiencing increased activities in Earthquake, Flood. Will my Fire Policy provide cover for these risks?

Flood is covered under the Standard Policy unless it is opted out (DHFL customer cannot opt out). Earthquake is an additional cover but is available to DHFL customer as per agreement.

10. Is Terrorism covered in Fire Policy?

Terrorism is an add-on cover which insured has to opt for at the time of buying insurance policy. However it is available to DHFL customers as per agreement

11. In case of loss, what are the obligations of the insured?

- Every insured is expected to behave as though he is uninsured. Take all precautions to prevent / aggravate the loss.
- Inform Insurance Company immediately for giving an opportunity to inspect the damages.
- Inform fire brigade who will assist to put out the fire. During fire-fighting, any damage caused to remaining insured property caused by water, will be paid by Insurance Company.

- Extend cooperation to surveyor while inspecting and assessing the loss. If arrival of surveyor is likely to be delayed, then, take photos / and shift unaffected assets to a place of safety.
- Give completed claim form and documents as required by Insurer, in support of claim. After repairs / replacement, submit bills to Insurer.

12. How can I register a claim?

Anyone can notify or submit a claim through various modes as listed below;

- Making a call on Toll Free # 1800 123 0004 OR
- By sending an E Mail to mycare@dhflinsurance.com OR
- Through our website www.dhflinsurance.com OR
- Directly walk into our branch office

During Notification of Claim, information pertaining to Policy, Insured, Date of loss, Cause of loss, Property affected, Estimated quantum of loss, Police & Fire Brigade notification will be collected.

13. Process steps for a claim

- Claim intimation to DHFL GI Call Centre immediately but not later than 15 Days of occurrence.
- Not to disturb the affected items before survey is completed by the surveyor appointed by us, unless shifting is required for loss minimisation.
- The surveyor will visit the site of damage within 1 working day of claim intimation to have first-hand view about damages.
- The surveyor will assess the loss, collect the available documents and submit an interim report to the insurance company.
- Later final survey report will be submitted to the insurance company by the surveyor based on policy terms and conditions to substantiate the claim, once damages are reinstated and bills with remaining relevant documents are submitted by the insured.
- The insurance company will review these documents and processes the claim within 7 days. Before disbursing the claim amount, the company will inform the amount of claim.

14. What are the claim documents required?

Below is general list of documents. Depending upon the nature & circumstances of the loss, additional documents may be called.

- Duly completed claim form signed by insured.
- First Information Report (FIR) & Final Police Report; if filed
- Fire Brigade Report; if filed
- Photographs if taken by insured
- Detailed inventory of loss with amount / Repair estimate
- Original Repair & Replacement Bills

- Policy copy
- Any other document that supports the occurrence of the event

15. How is the loss amount arrived at?

The broad pointers for loss calculation are as mentioned below. The assessment depends on the coverage in the policy and adequacy of sum insured apart from the claim bill.

Loss Assessment Pointers	Building Insurance	
What is considered as loss?	Cost incurred to reconstruct a similar house today.	
Assessment Based On	Reinstatement Value (Built in for DHFL Customers)	Market Value
What is not considered?	The market price of home or land	
Example of Sum Insured	If cost of construction per square feet (sq ft) is Rs 2000 and area of flat is 1000 sq ft as per Registered Sale Deed/ Agreement for 6 years old building then value of reconstruction is Rs 20 lacs which should be the Sum Insured on Reinstatement Value basis. On Market Value basis, the Sum Insured can be Rs 17 lacs after accounting for depreciation @ 2.5% per year (if age of building is 40 years) on value of reconstruction.	

16. What if I insure property for higher Sum Insured?

It will be a payment of unnecessary premium if insured for a higher value. When you apply for a Home insurance policy, the value of reconstruction of the building should be the Sum Insured. The compensation payable at the time of claim shall be based on adequacy of Sum Insured. If the amount insured is inadequate, you will receive amounts in rateable proportion to the sum insured only; after accounting for under insurance.

17. What is not covered under the policy?

Claims arising out of below general factors are excluded from scope of policy cover,

- Loss or damage due to War or related perils
- Loss or Damage from Nuclear risk, Radiations.

18. What is Under Insurance?

If at the time of claim, the property insured is found to be of greater value than Sum Insured then it is considered as 'Under Insurance' (inadequately insured). The insured is required to bear the rateable proportion of the loss or damage accordingly. You need to maintain adequacy of Sum Insured throughout the Policy period to avoid any under insurance at the time of claim however DHFL customers will usually have basis of SI as per the Loan Amount.

19. What are terms for Cancellation?

Long term Policy may be terminated by insured subject to the following conditions:

1. No refund shall be allowed if there has been a claim under the policy.
2. If the policy is cancelled within 3 years of inception, the premium will be retained for the period policy has been in force. For this purpose, fraction of a year shall be rounded to the next higher year. For example, if the policy has run for 3 years and 3 months, premium shall be retained for 4 years.

One-year policy will be cancelled on Short period rates as mentioned in policy conditions.

Minimum premium as mentioned in policy will be retained in both the circumstances.

20. Whom the claim will be paid?

The claim will be paid to the financier or the insured as appropriate. The claim will be paid to customer if NOC is received from the financier.

21. What will be the sum insured once the claim is reported?

The sum insured upon various description of property shall be reduced by the amount of loss or damage and such reduced sum insured shall be the limit of liability in respect of any further loss or damage occurring during the current period of insurance unless the insurance company consents, upon receipt of additional premium to reinstate the full Sum Insured.

22. Who is to be contacted for any queries on claim?

For any claims related query, you can contact the Claims Manager at DHFL General Insurance. You can get in touch with us through our toll free number, email id or through website as mentioned above.

23. Multiple Insurance for home has been these policies are in force at the time of loss. What will happen in the event of a claim?

In the event of a claim, each insurer will pay the loss amount in proportion to the Sum Insured under their respective policies, in accordance with the principle of Contribution. The object of the principle of indemnity is to place the insured in the same place as he occupied prior to occurrence. Insured is prevented from making claim for full amount of loss under each policy. Insurance company indemnifies the insured only to the extent of actual loss suffered subject to depreciation, policy excess etc., and not permit to make profit out of a loss.

