

Insured, but do you know the claim process?

Being insured is only as good as an acceptable claim. Here's what you need to do to make your cover worthwhile

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The floods in Jammu and Kashmir and cyclone Hudhud in Andhra Pradesh and Odisha claimed lives and wrought destruction. The sheer magnitude of such catastrophes brings home the importance of insuring your life and assets. There is little one can do to assuage the trauma and pain of loss, but financially, there is help at hand if you are insured. Insuring your life or assets, however, is not enough; you also need to understand the processes involved while making a claim.

Read on to understand how to get ready to make a claim and how do insurers make your life easier during natural calamities.

Life insurance

In life insurance, upon the death of the policyholder, the sum assured or the insurance money goes to the nominee of the policyholder. The nominee will need to give documents such as the policy papers, death certificate of the insured issued by the municipal corporation and her medical death summary in case she died due to an illness. If death was accidental, a first information report (FIR) and a post-mortem report will need to be given. In addition, the nominee will also need to provide an identity proof.

But in case of catastrophes, insurers waive off certain documentary requirements. "We accept the proof of death from a hospital or any records kept with any government body during catastrophes. In such cases, we also crunch our claims form from a four-page document to a one-page document in which

we capture just the basic details of the insured and the nominee. After the J&K floods, we actively reached out to our policyholders and didn't need documentary evidence such as policy documents to settle the claim," said Tarun Chugh, managing director and chief executive officer, PNB MetLife India Insurance Co. Ltd. According to the insurer, it has over 220,000 policyholders in the region, and it received three claims, which were settled within 24 hours.

But even under normal circumstances, you can secure your insurance policy and make the process simpler by digitizing the policy by opening an e-insurance account. "In the normal course of claim settlement or on maturity, the original policy document is required. If it is misplaced, the customer has to go through the hassle of doing paperwork to get a duplicate policy document. E-insurance reduces this risk," said Chugh.

In fact, this also helps if you are fortunate to have survived a disaster that has, however, destroyed your assets, including important documents. "An e-insurance account also ensures that the surviving customers need not apply for a duplicate policy in case they have lost it. It increases efficiency and convenience. Be it a natural calamity or any other reason, there is no risk of losing the policy documents," added Chugh.

Householder's policy

There are two types of covers for your house—basic fire insurance or a comprehensive policy. Fire insurance covers financial loss due to damage to your house and its contents on account of fire and other allied perils such as earthquake, lightning, storm, flood and riots. "Householder's policy will usually cover all kinds of natural perils as it covers all acts of God," said Rajagopal Gopalan, head-operations and claims, Bharti AXA General Insurance Co. Ltd. Additionally, if you want to cover the contents of



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your house for burglary or breakdown of electronic equipment, go for a comprehensive policy, typically known as the householder's package policy.

The policyholder will need documents establishing the incident of loss, policy number, an estimate of the loss, and the ownership of insured assets. "Insurers typically look for three things. Is the event insurable? What is the extent of financial loss? And does the person claiming have an insurable interest in the asset?" said Rajagopal.

Accordingly, insurers need documents such as the report of the fire brigade in case of fire; a police report in case of an explosion; or a report from the meteorological department or a surveyor's report in case of a natural peril. Insurers will also need the policy papers and proof of you owning the insured asset such as the registration papers of the house and original bills of insured items in the

house. "As opposed to an isolated loss, we do not need proof of an event that is public knowledge. Even for determining the value of the asset, as well as the interest of the person claiming, we are flexible in accepting corroborative evidence rather than strict primary proof in extraordinary circumstances. Examples could be proof of purchase through a credit card bill instead of the original bills or online warranty in the case of household goods to prove date of purchase," said Gopalan.

To assess the quantum of loss, the insurer will send a surveyor who will assess the damage and work out an estimate to give the insurer. "It is mandatory for insurers to assign a licensed surveyor if loss is in excess of ₹20,000. But in both the recent Jammu and Kashmir floods and Hudhud cyclone in Andhra Pradesh, the insurance regulator raised this ceiling to ₹50,000, which helped a lot in reducing settlement time. Also,

we didn't insist on a full surveyor's report, which could take time. An indication over email or phone was accepted to release an initial amount," said Gopalan.

The policyholders, on their part, should try and inform the insurer as soon as possible. "Most insurers give a window of around two weeks after which they will need a valid explanation for a delay in claim. For natural disasters, some leeway is given for the delay in intimation of a claim. But in the regular course of events, we will need a valid explanation because a delay hinders our ability to inspect the damage and assess the loss," said T.A. Ramalingam, head-underwriting, Bajaj Allianz General Insurance Co. Ltd.

Motor insurance

If your vehicle gets damaged in an accident or otherwise, call up your insurance company and inform them as soon as you

can. "Other than huge natural catastrophes, where delays are likely, you should inform the insurer within a day or two, or have a logical reason to explain the delay. Else, you may unnecessarily face problems because the insurer would want to know the reason behind such a delay," said Ramalingam.

Insurers will help you locate the nearest garage that will tow away your car for repairs. An appointed person at the garage will work out an estimate for the repair and a surveyor from the insurance company will come to assess the damage and the cost. The surveyor, after assessing the damage, will accept the bill and the insurer will pay the garage directly.

"These days, most policies are cashless, where the insurer settles the claim directly with the garage. But the policyholder will still need to pay the deductible amount and any depreciation amount to the dealer or the garage," added Ramalingam. In case you don't have the cashless facility, you will need to pay the bill yourself and then claim it from the insurance company.

In case of theft, you need to inform the police station in your area and register an FIR. The police take about 90 days to search for your car. If it's not found in this period, the police issues a non-traceable report. You need to give this report to the insurer, along with other documents such as the policy and registration certificate. After submitting the report, the insurance company will also make some enquiries at its end. Such claims are typically settled within 15 days.

Insurers usually have a proactive approach during catastrophic events, and are encouraged by the insurance regulator to smoothen the claims process. However, during a regular course of events, insurers prefer to carry out their due diligence process. Therefore, as a policyholder or a nominee, intimate a claim without delay and keep necessary documents ready.