



**Fire Insurance**

Remote as it seems, fire is never far from us. If a fire breaks out, it will engulf your valuable property (may be your house, trading stock in warehouse, machine for production of goods, etc.). The loss for material physical damage of your property will be compensated by insurer if you have a fire insurance policy.

Typical fire insurance policy covers loss destruction or damage caused by fire (including damage caused by water used by fireman to extinguish the fire), or by lightning, or by explosion of boilers or gas used for domestic purposes only.

Extra perils

Very often, fire insurance policy is extended to cover the following:

- a. Aircraft dropped on property insured
- b. Earthquake
- c. Damage by caused by impact by any road vehicle
- d. Riot & strike
- e. Malicious damage
- f. Sprinkler leakage
- g. Typhoon, windstorm & flood
- h. Bursting or overflowing of water tanks, apparatus or pipes
- i. Landslide and subsidence

Of paramount importance when buying fire insurance policy, the sum insured must not be lower than the value of the subject matter. Underinsurance will result in proportionate reduction of indemnity in case of a claim.

Change of risk profile

If there is any change of circumstances affecting the risk profile, you should inform the insurer in advance of such changes, otherwise insurer may reject your claim for loss occurred.

- a. Increase of risk, such as but not limited to
  - (i) Carrying out decoration work at the premises
  - (ii) If the premises being unoccupied for more than 30 days
- b. Decrease of risk, such as but not limited to
  - (i) smoke detector installed

You may inform insurer trying to see if premium rate/ claim excess can be reduced.