

Insured Structure (Property Insurance)

What does this mean?

Insured Structure refers to the **physical building or construction that is covered under a property insurance policy.**

This includes the permanent parts of a building such as walls, roof, floors, doors, windows, and fixed installations.

It protects the **cost of repairing or rebuilding the building** if it is damaged due to insured risks like fire, flood, earthquake, or other covered events.

Why is this Important?

Protects your biggest asset

The building structure is often the most valuable part of a property.

Covers reconstruction cost

Insurance helps rebuild the structure after damage or disaster.

Mandatory for home loans

Banks often require property insurance to protect the structure.

Financial security during disasters

Prevents heavy out-of-pocket expenses after unexpected damage.

How does it Work in Insurance?

1. The building's reconstruction value is calculated.
2. The property is insured for this amount (Sum Insured).
3. If damage occurs due to covered risks, the insurer pays for repair or rebuilding.
4. Claim settlement is done after damage assessment.

Insurance covers **reconstruction cost**, not the market value of land.

What is Included in Insured Structure?

Typical inclusions:

- Walls, roof, floors, ceilings
- Permanent fixtures and fittings
- Doors and windows
- Electrical wiring and plumbing
- Built-in cabinets and fixed installations
- Boundary walls and gates (in some policies)

What is NOT Included?

Common exclusions:

- Land value
- Movable items and personal belongings
- Wear and tear or gradual deterioration
- Poor construction defects
- Intentional damage

Movable items are covered under **contents insurance**, not structure insurance.

Where is it Applicable?

Insured structure coverage applies to:

- Individual houses and villas
- Apartments (structure portion)
- Residential buildings
- Commercial buildings and offices

Which Risks are Covered?

Typical insured risks include:

- Fire and explosion
- Flood, storm, and cyclone

- Earthquake
- Lightning
- Riots and strikes
- Impact damage (vehicle or aircraft)

Coverage depends on policy terms.

When Should You Insure the Structure?

You should insure the structure:

- When buying a new home
- When taking a home loan
- At every policy renewal
- When construction or renovation increases property value

The sum insured should be reviewed regularly.

Simple Example

Amit owns a house insured for ₹40 lakh (reconstruction value).

A fire damages a major part of the building costing ₹12 lakh to repair.
His property insurance pays the repair cost as per policy terms.

Key Points to Remember

- Covers building reconstruction cost, not land value
- Includes permanent fixtures and fittings
- Essential for homeowners and property owners
- Must be insured at correct reconstruction value
- Personal belongings require separate coverage

Simple Summary

Insured structure means **the building itself is protected**, ensuring financial support to repair or rebuild after damage.