

No Fire Peril (Property Insurance)

What does this mean?

No Fire Peril means a property insurance policy **does not cover losses or damage caused by fire.**

Fire is normally one of the main risks covered in standard property insurance. When a policy states “No Fire Peril,” it specifically excludes fire-related damage from coverage.

In simple terms, fire damage is not insured under this policy.

Why is this Important?

Fire is a major risk

Fire is one of the most common and costly causes of property damage.

Significantly reduces coverage scope

Removing fire coverage reduces the protection offered by the policy.

Usually lowers premium

Policies without fire cover are cheaper because a major risk is excluded.

Important to understand before buying

Many people assume fire is automatically covered in property insurance.

How does it Work in Insurance?

The policy covers other insured risks such as flood, earthquake, or theft, but excludes any damage caused directly or indirectly by fire.

If a fire occurs, the insurer will not pay for:

Repair costs

Rebuilding expenses

Damage to insured property caused by fire

The entire loss must be borne by the policyholder.

Why Would a Policy Exclude Fire?

Fire peril may be excluded when:

- Property already has separate fire insurance
- Property has high fire risk
- Specific risk-based policies are chosen
- The policy is designed for limited or specialised coverage

Sometimes it is removed to reduce premium.

What May Still Be Covered?

Even without fire peril, policies may cover:

- Flood and storm damage
- Earthquake
- Burglary and theft
- Impact damage
- Riots and strikes

Coverage depends on policy wording.

Where is it Applicable?

No Fire Peril may appear in:

- Specialised property policies
- Add-on based insurance plans
- Commercial or industrial risk policies
- Selective or limited coverage policies

When Should You Avoid This?

You should avoid removing fire cover:

- For residential homes
- For buildings with loans
- For high-value property
- When no separate fire policy exists

Fire risk is usually too significant to ignore.

Simple Example

Ramesh buys a property insurance policy without fire cover to reduce premium.

A short circuit causes a fire that damages his house costing ₹15 lakh to repair. Since fire peril is excluded, the insurer does not pay the claim.

Key Points to Remember

- Fire damage is completely excluded
- Premium is usually lower
- Reduces overall protection significantly
- Suitable only in specific situations
- Important to read policy exclusions carefully

Simple Summary

No Fire Peril means fire damage is not covered under the property insurance policy, leaving the policyholder responsible for fire-related losses.