



Safeguard Your Abode: The Importance of Home Insurance

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Home is where we can truly enjoy a sense of belonging with those near and dear to us. Therefore, it is important that we protect our beloved abode. This is where [home insurance](#) comes in. By having this safety net, households can be rest assured that they will not be left in financial distress when they encounter thefts, fire, or water damage in their homes.

In this article, we provide [home insurance 101](#) and the importance of choosing the right home insurance plan.

Annual statistics for fire in Singapore

In Singapore, fire incident is one of the most common causes of home damage. According to the [2022 statistics by the Singapore Civil Defence Force \(SCDF\)](#), the two leading causes of fires in residential buildings are unattended cooking and electrical fires. While there has been a 4.2% decrease in the former, the same cannot be said about the latter.

In 2022, the number of electrical fires increased by 18.8% to 228 cases. Most of these fires were caused by electrical faults in electrical appliances and wirings or overloading of electrical outlets.

Just within the first few months of 2023, there have already been a few reported fire incidents, with [one such case](#) involving a power-assisted bicycle battery catching fire in a residential home. This resulted in the destruction of all possessions in the flat and seven individuals being taken to the hospital.

These incidents highlight the importance of having a home insurance plan to ensure that your assets are adequately protected.

Understanding home insurance

Home insurance is a type of property insurance that helps offset the costs of damages and losses to an individual's home, including the furnishings and contents within it. Today, a home insurance plan typically covers damage to the building, personal possessions, and injuries that arise while on the property. In addition, it may also come with third-party liability coverage for accidents that occur on the premises.

The main types of HDB home insurance plans available are:

- **Fire insurance**

HDB flat owners have the misconception that they are automatically covered by the compulsory HDB fire insurance scheme. In actual fact, only those who have taken up a housing loan through HDB need to buy the compulsory HDB fire insurance plan. HDB homeowners who finance their HDB flats through non-HDB financiers are not covered by the scheme.

These fire insurance plans usually provide basic coverage for damages to the homeowner's flat structure (along with the fixtures and fittings built by HDB) but do not include your personal belongings, furnishings, and renovations. To have a more well-rounded protection, one must purchase separate home insurance.

- **Home contents insurance**

Home contents insurance provides more comprehensive coverage to homeowners as it covers not only damage to the building structure but also compensates you for the loss of your household items as well as the cost to reinstate your renovations and furnishings.

In choosing the right home insurance, you need to also consider whether the plan covers only insured perils or all risks. Insured perils only cover specific disasters or events like fires, thefts, floods or bursting of water tanks etc., while all risk protects against a much wider range of situations, making them more expensive.

Moreover, it is important to note that several factors can affect how much your insurance premiums will set you back, such as the level of coverage you're getting, the type of property you own, and so on.

What does home contents insurance cover?

For most homeowners, the basic coverage the HDB fire insurance offers are never enough for their needs. No matter how old or how basic a home may be, one still needs to incur tens of thousands of dollars to reinstate it back to a liveable condition after an unfortunate fire event. Even if the fire did not start from their home, it could have spread from a neighbouring unit.

Getting additional home insurance is well worth the added peace of mind with extensive financial protections, including emergency home assistance, alternative accommodation, and even added personal legal liability coverage. Below is a rundown of the many other advantages that home insurance provides.

1. Coverage for building structure

Like fire insurance, home insurance also offers the option to cover the insured property's internal building structure, fixtures, and fittings.

2. Coverage for renovation

Should the unforeseen happen to your house (e.g. fire), you will need the money to renovate your home. Given that the average renovation cost for a 4-room HDB flat is minimally around S\$48,000 to S\$60,000, this extended protection can be incredibly useful for quickly reinstating your home.

3. Coverage for home contents

In basic fire insurance, any home contents that get destroyed in a fire or other perils will not be compensated. However, a home insurance plan fills this gap by including the contents of your home, such as appliances and furniture, and personal belongings, including valuables, fixtures and fittings not provided by HDB, just to name a few.

4. Alternative accommodation and loss of rental

If the property is made uninhabitable by an unfortunate event, you can be compensated for expenses incurred to rent a temporary place for you and your family to stay. Or, if your property is being rented out, you can claim for loss of rent while the home is being restored.

5. Other miscellaneous expenses

After a catastrophic fire, there are many other miscellaneous expenses to be incurred, such as the removal of debris, fire extinguishing expenses, and additional cost of temporary domestic help.

6. Non-home coverages

Besides covering events that caused damage to your home, some home insurance products also provide extended coverages such as replacement of locks and keys, loss of cash due to break-in and robbery at ATM, and accidental death or theft of pedigree pets.

[China Taiping Singapore's UniHome Safe](#) even includes dengue fever medical benefits and death coverage, as well as SARS home quarantine benefit.

Another unique benefit is the Emergency Home Assistance cover that reimburses you for repair works such as a burst water pipe, power outage, or choked toilet. With our UniHome Safe, you can claim up to \$100 per repair and up to twice a year.

Why you should not delay getting home insurance?

While it may seem like disaster is the last thing that can befall your home, there is still a chance that a fire from your neighbour's house may spread to yours, or a burst water pipe in the attached bathroom, causing water damage to your parquet flooring or bedroom cabinets. Given the recent increase in house fires caused by over-charged Personal Mobility Devices and power banks, there is a growing awareness of the importance of having a home insurance plan. For just a small premium, it is a worthy investment to buy peace of mind to protect your most prized possession.

• Customisable plans

With China Taiping Singapore's UniHome Safe, you can fully customise the sum insured for your home insurance plan. For instance, if your renovations cost more than your home contents, you can request for a higher insured sum coverage under renovations, fixtures and fittings for your plan.

• Personal liabilities by home visitors

Most home insurance plans cover personal accidents on the premises of your home that lead to injuries among family members. However, did you know that these accidents, should they occur to guests in the same context, can make you legally liable for such mishaps? Home insurance with personal liabilities coverage, like UniHome Safe, allows you to make a claim for such cases.

Conclusion

When it comes to the highly valuable things in life, such as our health, cars, and homes, having sufficient financial protection is crucial to avoid costly losses that may potentially arise. With additional home contents insurance on top of the basic fire insurance, homeowners are saved from financial nightmares should the worst befall their homes.

Interested in a comprehensive all-round protection for your home? Get it today with China Taiping Singapore's [UniHome Safe](#). UniHome Safe offers four plan options that cater to everyone's needs and budget. Our plan features many incredible benefits, such as a No Claim Discount (NCD) at renewal, additional coverage against disease, and compensation loss of rental or alternative accommodation, among many others. Speak to your preferred China Taiping Financial Representative to find out more.