

4. **Floating policy** (ভাসমান পলিসি): It covers loss by fire caused to property belonging to the same person but located at different places.
5. **Average policy** (গড় পলিসি): A policy containing an average clause is called an average policy. $[(20000 \div 30000) \times 12000] = 4000$
6. **Excess policy** (অতিরিক্ত পলিসি): It is taken for those assets whose value is always fluctuating like, stock and inventories. Under this policy there will be two policies.
 - a) First loss policy and
 - b) Excess policy
7. **Declaration policy** (ঘোষণা পলিসি): Under the declaration policy, the insured takes out an insurance policy for the maximum amount that he considers would be at risk during the period of the policy and premium is calculated thereon.
8. **Adjustable policy** (সমন্বয় পলিসি): Under adjustable policy value of the subject matter is determined at the time of purchasing the policy.
9. **Maximum value with discount policy** (সর্বোচ্চ মূল্যসহ বাটাকৃত পলিসি): The policy will be purchased for maximum value of the subject matter and premium is paid thereon.
10. **Reinstatement/Replacement policy** (প্রতিস্থাপন পলিসি): Under the reinstatement policy the insurer undertakes to pay the cost of replacement of the damaged property by new property rather than paying the value of the property loss.
11. **Comprehensive policy** (সর্বাঙ্গীক পলিসি): The policy undertakes full protection not only against the risk of fire but combining within the risk against burglary, riot, commotion, theft, lighting.
12. **Consequential loss policy** (ধারাবাহিক ক্ষতি পলিসি): Under this policy the insured is determined for the loss caused by fire and for the loss of profits.
13. **Sprinkler leakage policy** (জল ফুটা পলিসি): This policy insures destruction of damage to properties by water accidentally discharged or leaking from automatic sprinkler installation in the insured premises.

Finally we can say that blanket policy also another policy of fire insurance.



Briefly explain different fire insurance policies.

or, State the classification of fire insurance policy.

BBA (Professional): 2017, 2011

3.38 Valued Policies, Reinstatement Policies and Adjusted Policies

মূল্যবান পলিসি, প্রতিস্থাপন পলিসি এবং সমন্বয় পলিসি

Valued policies, reinstatement policies and adjusted policies are some important policies in fire insurance. These policies are discussed below:-

1. Valued Policy (মূল্যবান পলিসি):

In this policy the value of the subject-matter is agreed upon at the time of taking up the policy. The insurer agrees to pay a pre-determined amount if the subject-matter is destroyed or damaged by fire. The principle of indemnity is not applicable to this policy. The agreed value may be more or less than the market value at the time of loss. These policies are generally issued for those goods or property whose value cannot be determined after their loss or damage. These goods may include works of art, jewellery, paintings, etc.

2. Reinstatement Policy (প্রতিস্থাপন পলিসি):

An insurance policy clause that states when coverage terms are reset after the insured files a claim. Reinstatement clauses typically do not reset a policy's coverage limit, but do allow the policy to restart coverage for future claims.

Individuals and businesses purchase insurance policies to cover themselves from damages or losses caused by specific perils, such as fires and floods. Coverage is triggered when the peril being insured against occurs, at which point the insured can file a claim to receive money to cover damages. The amount that the insured can recoup from the insurer is set at a maximum amount, called the coverage limit. This limit may be set on a per occurrence, per risk basis, or aggregate loss basis.

3. Adjusted Policy (সমন্বয় পলিসি):

This policy is nothing but an ordinary policy on the stock of the businessman with liberty to the insured to vary at his opinion, the premium is adjustable pro-rata according to the variation of the stock.

In case of declaration policy, since the excess premium is refundable at the end of the year, the insured may put fire to the property.

This danger is avoidable in an 'Adjustable Policy'. This is issued for a definite term on the existing stock.

The premium is calculated in the ordinary manner and is paid in full at the inception of the policy.



What do you mean by the following policies in fire insurance valued policies, reinstatement policies and adjusted policies?

BBA (Professional): 2010

Any dispute or difference as to the quantum to be paid under this policy independently be referred to arbitration.


No dispute can be referred to arbitration if the company disputes or its liability under the claim.

A sole arbitrator has to be appointed in writing, agreed by both the parties.

14. Written or Printed (লিখিত বা মুদ্রিত): Every notice or other communication from the company must be written or printed.

15. Currency of the Policy (পলিসির মুদ্রা): The full sum insured has to be paid throughout the currency of the policy. Upon settlement of loss, pro-rata premium is deducted from the claim amount.

Finally, we can say that the above discussed conditions are the important conditions of fire insurance policies.

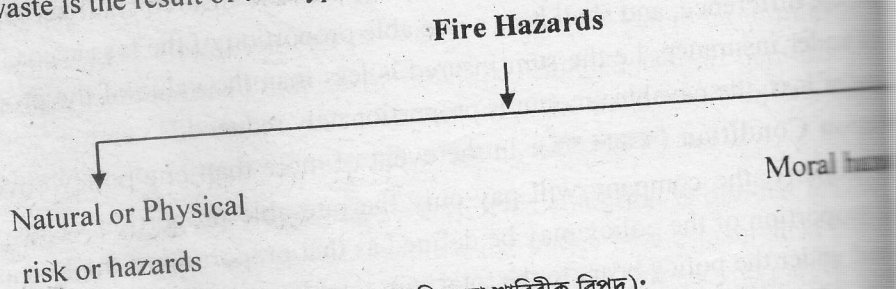
 **What are the important conditions of fire policies?**
BBA (Professional): 2017, 2018

3.40 The fire hazards/peril/risk

আগুনের বিপদ/প্রাণসংশয়/ঝুঁকি

In fire insurance main hazard is fire. According to Mark Dorfman "fire is defined as the cause of the loss."

Fire waste is the result of two types of hazards.



1. Natural or physical hazards (প্রাকৃতিক বা শারিরিক বিপদ):

When any hazard is created by normal cause is called natural or physical hazard. It depends on the property. Various types of physical hazard is discussed below:

- (a) Burning nature of wealth
- (b) Unplanned Constriction

- (c) Artificial lighting and heating.
- (d) Defective division
- (e) Lack of fire fighting and protective instrument.

2. Moral hazard (নৈতিক বিপদ):

In fire insurance morality is very important. When any hazard is create by moral cause then it is called moral hazard. It depends on the man.

- (a) Self firing
- (b) Firing by others
- (c) Negligence
- (d) Carelessness
- (e) Firing by enemy.



What do you mean by moral hazard and physical hazard in fire insurance policy?
BBA (Professional): 2009

3.41 Procedure of settlement of fire insurance claims

অগ্নি বিমা দাবী নিষ্পত্তির প্রক্রিয়া

It is very important to settle the fire insurance claim. The procedure of settlement of fire insurance claims are discussed below:-

1. **Intimation to Insurance Company** (বিমা কোম্পানির অনুবেদন): The insured must give immediate intimation to the insurance company regarding the loss. The necessary details like the day, date, time and causes of fire and in case of marine insurance, ship and voyage taken should be mentioned.
2. **Assessment of the loss** (ক্ষতি মূল্যায়ণ): The insured makes an assessment of the actual loss. Such assessment is required to fill the claim forms correctly in respect of the loss of goods or property.
3. **Submission of the claim form** (দাবী ফরম জমা): the insured must fill all possible details in the claim form. He must lodge the claim form within 15 days of the fire to claim compensation. In case of marine insurance, the insured should lodge a claim with the following documents:.

- Original Insurance Policy;