Article Date	Headline / Summary	Publication
31 Jul 2026	Bank Locker Insurance: Why Your Valuables May Not Be Fully Protected by Banks	Outlook Money

Bank Locker Insurance: Why Your Valuables May Not Be Fully Protected by Banks

Although many home insurance policies offer coverage for valuables, including those kept in bank lockers or at home, very few insurance companies in India provide Bank Locker Insurance currently as a standalone policy or as part of their Valuables Insurance policies. The policy provides coverage for the loss or damage of the contents kept in the bank locker due to any accident, fire, burglary, hold-up, theft, act of terrorism and infidelity of bank staff. Additionally, the policy protects the valuables against theft or forced break-ins, ensuring financial security.

It is common practice in many Indian households to keep valuables, such as gold jewellery, diamonds, ornaments, important documents, and other precious items, in bank lockers for greater safety and security. But did you know that banks compensate locker holders only up to 100 times the annual locker rent in the event of a loss due to theft, burglary, fire, or similar incidents? In March this year, while replying to a question in the Lok Sabha, Union Finance Minister Nirmala Sitharaman explained that banking regulations do not permit banks to inspect or record what customers keep in their lockers.

"This limit exists because banks cannot inspect or evaluate the contents of lockers. Requiring customers to disclose the valuables they intend to keep in lockers would be a breach of banking rules," Sitharaman told the Lok Sabha. Typically, the annual rent for a bank locker ranges between Rs 2,000 and Rs 10,000. Accordingly, in the event of a loss, the maximum compensation payable by the bank would range from Rs 2 lakh to Rs 10 lakh, irrespective of the actual value of the assets kept in the locker. Therefore, to adequately protect your valuables against potential financial losses, you may consider opting for a bank locker insurance policy. BY Sanjeev Sinha. Industry experts say many customers tend to ignore the need to insure their valuables while keeping them in a bank locker.

“Though storing jewellery, gold and other costly possessions in a locker is safe, it doesn't help you cover the financial loss if an unexpected event occurs. These assets are often accumulated over many years and can represent a significant portion of a household's wealth,” says Gurdeep Singh Batra, Head-Commercial Underwriting, Risk Engineering & Global Accounts, Bajaj General Insurance.

From an industry perspective, protection for such valuables is typically available through home insurance solutions, where customers can opt for cover for valuable contents, subject to policy terms and conditions.

“While coverage for valuables is typically available under home insurance solutions, the industry also offers specialised insurance products for banks and financial institutions to cover risks associated with locker operations. The premium varies depending on factors such as the nature and value of the asset, storage arrangements, and underwriting considerations. As ownership of high-value assets continues to grow, there is increasing recognition that protecting valuables requires a combination of secure storage and appropriate insurance coverage as part of a broader financial risk-management strategy,” adds Batra.

Although many home insurance policies offer coverage for valuables, including those kept in bank lockers or at home, very few insurance companies in India provide Bank Locker Insurance/Bank Locker Contents Insurance currently as a standalone policy or as part of their Valuables Insurance policies. IFFCO TOKIO General Insurance Company Limited is one such company which provides a separate Bank Locker Protector Policy, which is also claimed to be India's first comprehensive Bank Locker policy offering all-round protection with coverage ranging from Rs 3 lakh to Rs 40 lakh and above.

Talking about their policy, Subrata Mondal, Managing Director & CEO, IFFCO-TOKIO General Insurance Company Limited, says, “The policy provides coverage for the loss or damage of the contents kept in the bank locker due to any accident, fire, burglary, hold-up, theft, act of terrorism and infidelity of bank staff. Additionally, the policy protects the valuables against theft or forced break-ins, ensuring financial security. The policy also covers losses or damage resulting from extreme events such as terrorist activities, offering an added layer of protection for your valuables.”

The policy offers optional add-on covers for extended protection, including loss or damage to share and stock certificates, deposit receipts, insurance policies, title deeds, plans, manuscripts, passports, and other personal records and certificates. “However, the policy does not cover losses or damage arising from war or acts of war, or damage caused by any order of the Government or a lawfully constituted authority,” he adds. Other exclusions include losses or damage resulting from the wilful act or gross negligence of the policyholder, nuclear radiation, damage occurring before the commencement of the policy, unexplained or mysterious disappearance of items from the locker, any loss in value or losses arising from accounting errors or omissions, wear and tear, depreciation, consequential loss and/or gradual deterioration.

To apply for such a policy, one needs to fill out the proposal form by providing all the required information, including their personal details, bank locker number, and details of the valuables kept in the locker, along with their description and value.

Also, specify that a valuation report is mandatory in case below points:
1. If the sum insured is Rs 40 lakh or above.
2. If value of an individual item is more than Rs 10 lakh.

Also, the valuation must be done by a government approved valuer only. It is not required to submit any documentary proof at the time of purchasing the policy. The information provided and the declaration made in the proposal form are generally sufficient. In the event of a claim, the insured must notify the insurer as soon as possible. The insured must submit a written intimation of the claim along with a duly-completed claim form. “The written claim, together with all supporting documents such as estimates, vouchers, invoices, proof of loss, investigation reports, and any other relevant documents (prepared at the insured person's expense) as well as details of any other insurance covering the same risk, should be submitted to the insurer within a reasonable period after the loss or damage, or within 15 days of completing the required documentation,” informs Mondal.

The police must be informed immediately in the event of theft, attempted theft, or damage caused by rioters, strikers, malicious acts, vandals, or any other criminal act. It is important to note that in cases of burglary, hold-up, fire, terrorism, or infidelity by bank staff, the claim will be admissible only if the bank authorities lodge an FIR with the police