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The recent attack outside Gate No. 1 of Red Fort metro station claimed innocent lives, shattering the sense of security in Old Delhi. Unfortunately, the embers of that brutal assault will forever remain fresh in the memories of those who survived.

Though the face of terrorism may change, its threat is a grim reminder that safety cannot be taken for granted. Hence, choosing insurance policies that offer terrorism cover is not merely a financial safeguard, but a quiet act of resilience. On this solemn anniversary, let us take a look at the insurance policies that help policyholders stay protected during any such event of violence.

Types of insurance that include terrorism cover

The following types of insurance policies typically include coverage for acts of terrorism:

Property Insurance

Most property insurance policies offer terrorism coverage as an optional add-on, or you might have to pay an additional premium to include it. It typically covers physical damage to property caused by terrorist acts. However, it usually excludes losses from biological, chemical, nuclear, or radiological attacks.

All non-life insurance companies in India are part of the Indian Market Terrorism Risk Insurance Pool (IMTRIP), which was established to provide coverage for terrorism-related risks. The Pool offers insurers a reinsurance capacity of up to Rs 1,000 crore (approximately \$185 million) per location. For exposures beyond this limit, insurers typically seek facultative reinsurance from the international market. The entire terrorism risk underwritten in property insurance policies is reinsured collectively by Pool members. Over time, the Pool has grown significantly, now holding a corpus of Rs 4,600 crore.

Home Insurance

While some home insurance policies are all-risk policies that offer 360-degree protection and come with an in-built terror cover, several others offer it as an add-on cover requiring payment of an extra premium. This terror insurance component covers damage directly caused by the attackers and loss incurred during counter-terror action by the security personnel.

However, it must be noted that home insurance does not provide coverage for loss arising out of burglary, house-breaking, looting, or theft that occur subsequently after an act of terrorism.

Motor Insurance

A comprehensive motor insurance policy generally covers damage to the insured vehicle arising out of acts of terrorism. This coverage falls under the Own Damage (OD) section, which protects against risks like riots, strikes, malicious acts, and terrorist activities. There is no separate add-on required for availing protection against terrorism-related damages if you have a comprehensive motor policy.

If your vehicle is damaged due to a terrorist incident, the first step is to promptly notify your insurer, after filing an FIR with the local police, as this is a mandatory document for terrorism-related claims. If it is safe, it is also advisable to capture photographs or videos of the damage to support your case. Follow the insurer's instructions regarding the survey and inspection, which may involve a surveyor assessing the vehicle.

Personal Accident Cover

Personal accident covers will compensate you for disabilities suffered due to an accident occurring as a result of a terror attack. In case of a death, the nominees are compensated. Such insurance policies cover death due to accidents, including terror attacks, whether in India or abroad. Medical expenses are covered, but only high-end policies cover incidents outside India. Most policies require additional premium for this coverage.

However, medical expenses linked to biological, chemical, or nuclear terror attacks are usually not covered. They might be covered under a comprehensive health insurance policy if such coverage is explicitly mentioned.

Health Insurance

Medical emergencies that arise out of terror attacks are covered under a comprehensive health insurance policy. Hospitalisation expenses for victims of terrorist attacks are covered as they fall under accidental injuries. The insured would also be covered for pre- and post-hospitalisation and ambulance expenses, as well as other expenses as per the policy coverage.

Moreover, insurers have tie-ups with agencies that can facilitate evacuation from the crisis location to a safer place. They can also organise an air ambulance to transport the victim from primary care centres to hospitals of their choice, if such a clause is mentioned in the policy wording.

Travel Insurance

Many travel insurance policies cover expenses that arise out of terror attacks, like trip cancellation, loss of passport, medical expenses, repatriation of remains, etc. Your accommodation expenses will also be reimbursed if you have to extend your stay due to an emergency. Depending on the variant chosen, the company will also pay for your journey back home.

However, it must be noted that insurers will not admit claims if you visit destinations that are known to be facing such risks or knowingly violate safety regulations.

Conclusion

Before purchasing any insurance policy, it is advisable to read the policy wording to better understand the extent of coverage, especially when it comes to terrorism coverage. It is important to verify if some geographical locations are eliminated from such coverage due to their tag as a high-risk area, before opting for a cover.

Today, let us reflect not only on the lives lost, but also on the ways we can protect what matters most. In a world where uncertainty persists, being insured against acts of terror is a way to reclaim a measure of control and a sense of security.

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