SUMMARY

The objective of this study was to find out the extent of property insurance cover available with particular reference to the conditions, special clauses and exclusions. In order to achieve this, it was necessary to secure a reasonable understanding of the basic principles of insurance, the components of a policy and the criteria behind the organisation of risk exposure. In order to study the subject to a reasonable depth it was found necessary to conduct surveys of various insurance policies and conduct interviews with those conversant with the property sector and the insurance industry.

The survey has shown that there are close to a hundred endorsements and special clauses in addition to the conditions of fire policies and a similar large number of endorsements for other related policies. The great disparity in risk covered from one policy to another reflects a general lack of awareness among property owners of the need to protect their investments. There is, therefore, an urgent need to educate the professionals, the property owners and the public at large.
In a comparative assessment of policies in Singapore and Malaysia, the survey indicates that property owners in Singapore are more aware and conscious of the need to protect their properties through insurance policies with adequate endorsements, than their counterparts in Malaysia.

The current insurance environment in Singapore where there is fierce competition for business with low, competitive rates providing only minimum cover need to be changed to provide a more steady and balanced growth of the industry to the benefit of all who have the opportunity to own property in Singapore.

Another finding is that there is no weightage given in terms of discount in premium on rebate for policies on properties managed by professional firms of property managers. The insurance industry should therefore play a more positive role to promote the supply and maintenance of a good stock of property which forms part of the nation's assets. In this way the risk is reduced.