



Know the Difference Burglary Vs Theft



Burglary is defined in the policy as:

1. Theft of property from the premises described in the schedule of the policy following upon felonious entry of the said premises by violent and forcible means, or
2. Theft by a person in the premises who subsequently breaks out by violent and forcible means, provided there shall be visible marks made upon the premises at the place of such entry or exit by tools, explosives, electricity or chemicals.
3. The use of force and violence need not be against property only – it can also be against the person of an individual.

To illustrate:

1. Three people enter a godown of rice. They threaten and assault the guard at the gate and force him to open the godown and then run away with bags of rice. This is a case of forcible entry by violent means and hence will be termed as burglary.
2. Two people sneak into a factory of garments at night, break the windows and enter the premise. They steal the garments and equipments. This is case of forcible entry by breaking windows and hence will be termed as burglary.
3. Two people try to enter the office by breaking the lock and run away with laptops and other office equipments. This again is a case of forcible entry as entry to premise was done by breaking the lock and hence will be termed as burglary.
4. A group of people approaches an unguarded warehouse with an intention to steal. They find the door unlocked, walk in, pick up bundles of cloth and walk away. This will not be covered as burglary under the policy.

Theft

The Indian Penal Code in Section 378 defines as follows “whoever intending to take dishonestly any movable property out of the possession of any person without the consent of that person or any person having for that purpose authority, moves that property in order to such taking is said commit theft.”

To illustrate:

1. Two workers enter the godown of rice where some construction was going and one truck with two people entered the godown on the pretense of delivering the construction material. One of them got down at the gate and started talking to the guard and entered the guardhouse. He picked up the keys and then later opened the premise with those keys and stole the bags of rice and ran away in the same truck. This is case of theft as no forcible means were used to enter the godown. Also, in this case exclusion of key clause will apply and claim will be rejected. Key clause excludes losses following from use of keys to the insured premise unless the keys have been obtained by means of violence or threat.
2. A person entered the godown of electronics through an open space meant for exhaust and stole few types of equipment. The stock was covered only for burglary and no extension of theft coverage was opted by the insured. Hence, the claim was repudiated since the entry was not through forcible or violent means.
3. A solar power plant was being installed in a factory and some people entered the premise by jumping over the boundary wall and took away cables and other accessories. This again is a case of theft and claim can be rejected if theft extension was not taken in the burglary policy.

Both Burglary and Theft are different terms and the insurance companies treat them as different covers. Often customers assume that both the terms entail same coverage which is not the case. Hence one should carefully read the policy document to understand the coverages.

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