

Proving Your Loss

When making a claim to their insurer, many consumers are surprised to learn that they have to prove their loss by satisfying the insurer regarding ownership of items, which have been lost, stolen, or damaged. It is required to establish the items are owned by the person/s insured by the policy.

The claim process

Each insurer's policy document sets out the steps to be taken when a claim is made, which include providing any information and documentation required by the insurer. The policy does not specifically set out what will be required in support of the claim, because this will vary depending on the nature of the claim.

What can the insurer reasonably expect in support of a claim?

It is reasonable to expect some proof of purchase or ownership of items, which were purchased a few months before the loss. On the other hand, in most cases it is unrealistic to expect proof for items, which were purchased many years before the loss. However, many items are now purchased by credit card and this provides a good record of transactions, even when receipts are not retained. Such evidence can be provided in support of a claim. It would not be reasonable to make a large claim and provide no proof of purchase or ownership.

How to assist the smooth process of a claim

For gifted items and all other valuable and important household goods and personal effects, it is a good idea to keep an up-to-date photographic record. However, be aware that, while photographic evidence may prove that certain items existed, it does not usually provide conclusive proof of ownership.

Jewellery provides special difficulties for insurers in the event of a claim. It is not possible to establish the quality and value of jewellery from photographs and it is unsatisfactory for an insurer to have to rely on post-loss valuations completed from photographs and/or vague descriptions of the jewellery.

Expensive items of jewellery should be professionally valued every few years and items of ethnic or dowry jewellery, purchased or gifted overseas, should be valued in New Zealand for insurance purposes. Copies of the valuations should be provided to the insurer and items specified on the policy as necessary. If copies of valuations are not held by the insurer, ensure they are kept in a safe place because, in the event of a loss of any of the specified items, the valuations can be used to substantiate a claim.

Your obligations, in the event of a claim, are always clearly set out in the policy. This includes having to provide the insurer with any documents, which the insurer requires, like proof of ownership. An insurer can legally decline a claim for a breach of the conditions of the policy. In addition to the obligations in the policy, you also have the common law duty of utmost good faith, which requires you to tell the truth when making a claim.

Tips

1. Make sure you have a copy of the relevant policy wording; read it carefully and, if unsure about any aspect of the insurance cover, discuss with your insurer.
2. Keep a photographic record of major items of household contents (e.g. furniture, appliances, stereos, TVs, pictures etc) and keep photographs in a safe place. Update records as you replace items.
3. Valuations for personal effects such as jewellery should be kept in a safe place.



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