

## Case 16

### Type of Insurance: Household

The insured accidentally dropped a luxury watch on the floor at home. He immediately brought the damaged watch to the designated service centre for repair. He collected the repaired watch two weeks later and lodged a claim to the insurer for the repair cost of the watch under his household insurance policy.

The insurer appointed a loss adjuster to carry out the investigation. As the watch had already been repaired when the claim was filed, the loss adjuster was unable to investigate the cause of the incident and the extent of the damages. The insurer, having no chance to evaluate or assess the reasonable or genuineness of the claim, declined the insured's claim on the grounds that he had breached the policy condition which requires the insured to advise the insurer in writing as soon as reasonably possible in any event of any happening which may give rise to a claim.

The insured contended that the insurer's allegation of late notification of claim was not appropriate as the claim was lodged within 20 days after the watch was damaged. Moreover, the debris of the hands and dial of the damaged watch was shown to the loss adjuster during his visit.

Whilst the Complaints Panel agreed that the insured's reporting of the claim after the watch was repaired had prejudiced the insurer from investigating the claim, the Complaints Panel was convinced that this was a genuine case as the circumstances leading to the damages were simple and consistent with the statement given by the insured. Moreover, the insurer was able to verify the extent of damage from the repair slip issued by the service centre stating that the dial, hands, glass, case, bezel and band of the watch had been scratched, cracked and dented, as well as from an inspection of the damaged parts of the watch.

While the Complaints Panel noted that reporting a loss only after repair was not desirable, it believed that a layman, in this particular instance, would expect a claim which was lodged within 20 days after a loss to be considered as "as soon as reasonably possible". In the absence of any proof that the insured had a poor claims record, the Complaints Panel resolved to give him the benefit of doubt and award him the repair cost of the watch for nearly HK\$3,200.