

Case 8

Type of Insurance: Household

The Complaint

While the complainant and his wife were having dinner, the glass dining table being used suddenly shattered. The glass fragments, together with the dishes, fell onto the floor, causing damage to the wall mounted mirror and the wooden floor tiles in the immediate area. The complainant then lodged a claim to the insurer for the damage arising from this incident.

Since there was no evidence to support that the damage to the glass dining table was caused by an accident and it appeared that the damage was caused by inherent fault or defective material, the insurer rejected the complainant's claim on the grounds that his claim fell within the policy exclusion.

Findings of the Complaints Panel

It is stipulated in the 'Contents' provisions of the household policy that 'the Insurer will cover the insured and his family in respect of the insured contents while in the home against unforeseen sudden accidental physical loss unless the cause is specifically excluded. This section does not cover loss or damage caused by wear and tear... scratching, marring or denting... inherent fault or defective workmanship, defective material or design... mysterious disappearance or unexplained loss...'.

According to the complainant, the glass dining table had been purchased for over four years. The loss adjuster appointed by the insurer opined that the shattering of the glass top was most probably due to an inherent fault or defect in its material or its installation workmanship, all of which are specifically excluded under the policy.

Although the incident was an unforeseen and sudden event, the Complaints Panel, after taking into consideration of the loss adjuster's opinions, was more inclined to believe that the sudden shattering of the glass top was probably due to a weak point or inherent defect in the glass. Moreover, the Complaints Panel also accepted that the incident could be regarded as an unexplained loss since the exact cause of the incident was unknown.

Ruling of the Complaints Panel

Since the cause of the incident fell within the policy exclusion, the Complaints Panel endorsed the insurer's decision to decline the complainant's claim for nearly HK\$6,100.

Message from the Complaints Panel

Policy exclusions list out all the losses, perils, events, conditions or circumstances that are excluded from the policy coverage. The purpose of this is to limit the coverage to only those risks the policies are intended to cover at the agreed premium. If a claim falls within the policy exclusion, the insurer is under no liability to pay the claim.