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Findings of Examination of Travel Insurance Claims for Loss or Damage to Personal Items

The Financial Regulator has completed an examination of travel insurance claims practices for loss or damage to personal items. This examination was undertaken as a result of concerns about the claims process experienced by consumers, in particular the requirement to produce receipts or other proof of purchase.

The themed examination focused on compliance with Provision 1 to the General Principles in Chapter 1 and Provision 14 of the Claims Processing requirements in Chapter 5 of the Consumer Protection Code, which relate to dealing fairly with consumers and taking reasonable steps to verify claims validity.

The main findings of this examination of travel insurance claims for loss or damage to personal items were as follows:

- Most insurers indicate in their terms and conditions that receipts / proof of purchase may be required when a claim is made for loss or damage to personal items.
- A number of insurers identify in their terms and conditions that they may request receipts / proof of purchase for items that are valued over a certain amount, typically €100 or over per item.

- Most insurers will accept a claim even if a receipt / proof of purchase is not available. However, insurers may request proof that a loss or damage has occurred and this could be by way of a police report etc.

- A small number of insurers require receipts to be provided in all circumstances.

The Financial Regulator has informed insurers that it considers it unreasonable to expect travel insurance claimants to have to produce receipts or other proof of purchase in all cases, especially where the item being claimed for is of low value or not bought immediately prior to the claim being made. The Financial Regulator has indicated to insurers that they should take a balanced and fair view before deciding whether or not to require claimants to produce receipts or other proof of purchase and has requested insurers to clearly identify in their terms and conditions the circumstances in which receipts / proof of purchase may be required.

In addition, the Financial Regulator has also requested insurers to give consideration to the development of a standalone information sheet that explains to consumers what they need to do in the event of incurring loss or damage to personal items.