LEARNER GUIDE

Unit Standard Title:	**Apply Knowledge of Personal All Risks Insurance**
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Apply knowledge of Personal All Risks Insurance

Introduction

Welcome to the module: *Apply knowledge of personal all risks insurance.* Throughout the Module we will learn about Specified and Unspecified all risks insurance. The classification for insurance purposes, including but not limited to, sports equipment, contact lenses, caravan contents, cell phones and jewellery. We'll also look at the limited indemnity applicable to certain collectables.

Module 1

Personal All Risks Insurance

This Module deals with:

- The concept of personal effects with examples
- The events covered by an all risks policy with reference to the value of the items covered in each event
- Situations where it is advantageous to have an all risks insurance as well as household contents insurance with examples
- Territorial limits on an all risks policy with examples
- The underwriting criteria in respect of high value items with reference to the requirements of a specific insured

1.1 The concept of personal effects with examples

Personal effects are the items that you carry on your person on a regular basis. When you leave the house in the morning there are certain items that you always carry with you outside of your home (risk address).

Examples of these items are:

- Wearing apparel, including furs
- Luggage containers, handbags and briefcases
- Sporting equipment, but excluding pedal cycles, motor vehicles, trailers, hand-gliders, aircraft or watercraft
- Watches, jewellery, trinkets and toilet requisites
- Photographic equipment, pocket calculators and binoculars
- Other personal effects generally carried on the person, but excluding contact lenses, radios and sound reproductive equipment, firearms and cellular telephones.

Personal effects are provided cover for of loss or damage by an all risk policy.

1.2 The events covered by an all risks policy with reference to the value of the items covered in each event

An all risk policy is what may be described as a policy of exclusions. Most other policies will provide a detailed list of the perils which they provide cover against. Should the cause therefore not be mentioned in this list, the loss would not be covered.

A policy of exclusions like the all risk policy, states simply that “loss or damage” is covered and then will proceed by simply identifying what is NOT covered. By this we can infer that as long as the cause of the loss is not specifically excluded, then it will be covered.

This allows the all risk policy to provide cover against all of the perils provided for by listed peril policies, but also for additional cover not usually afforded by other policies. Examples of the perils covered would include:

- Loss or damage is covered
- Full accidental loss or damage
- Theft

Examples of events covered under this section:

- Having your suitcase stolen while on holiday.
- Losing your handbag during a mugging
- The theft of items from your car
- Misplacing your watch or wedding rings
- Accidently dropping your cellular phone in the swimming pool

The value that each specified item must be insured for, is the current replacement value of a new item of the same specification. The basis of indemnity will be *new for old* and the sum insured must therefore be sufficient in order for the insured to replace the used item with a new one should a loss occur.

There are however certain items for which the insured limits their liability in terms of value on the cover that they provide for some of the events. These include:

- Collectables such as, coins and stamps
- Wheelchairs
- Contents of caravan
- Car radios

1.3 Situations where it is advantageous to have an all risks insurance as well as household contents insurance with examples

When claiming for Jewellery under the contents section of your policy, the cover is very often limited to 20% of the amount specified for contents. If you have opted to specify your jewellery, you will not only prevent yourself from being underinsured in terms of your contents cover, but you will be able to claim for 100% of your loss if the insured amounts for the items are current.

People are tempted to keep computers covered under contents cover only. Laptops and notebooks however, are portable items which may be removed from the home (risk address), even when used for personal use only. Thus must be specified, in order to enjoy cover.

Bicycles have limited cover under contents, but will enjoy full cover when specified and the insured amounts are current.

Furthermore, in terms of most household contents policies, accidental damage is excluded, therefore should an item be dropped or accidently damaged, the insured will enjoy limited or no cover whatsoever, depending on the insured and product.

1.4 Territorial limits on an all risks policy with examples

There are no territorial limits specified in the all risk policy as *worldwide cover* is provided. Because it refers to items that you carry on your person that is specifically defined and insured, this would also be the case should you leave the borders of your own country. It is always advisable to check your policy documents to ensure that this is the case as some companies might choose to apply limits to this section. With most insureds though, the coverage is worldwide.

If you go on holiday to America, you would need to insure your personal effects (clothing etc.) as well as specific items like cameras, video equipment and cell phones etc.

The only limit often imposed on the worldwide coverage would be a time limitation. Meaning that should you leave the borders of South Africa for longer than a specified period of time, cover will cease. These limits range from 90 days to 12 months. The reasoning behind this time limitation is to ensure that no insured who is permanently residing in foreign territory enjoys cover in terms of a South African policy.

1.5 The underwriting criteria in respect of high value items with reference to the requirements of a specific insured

In order to ascertain the risk involved, the insured will seek to determine as much detail as possible. These are referred to as underwriting criteria. As the nature of all risk items are extremely variable along with the situations they may be found in, the underwriting criteria at initiation of cover would mainly consist of information such as:

- Current replacement value
- Use
- IMEI numbers for cellular phones,
- Serial numbers for other electronic items where applicable and,

IMEI numbers and serial numbers will assist with identification of the property and will further assist in “blacklisting” processes after a loss in order to render the item unusable, therefore making these items more unattractive in respect of theft.

Other information

As explained previously, insurers always insure items at the current replacement value. It is the responsibility of the client to ensure that they regularly update the values of the insured items under this section of their policy.

The insured will only pay the maximum value of the item at the time of the loss even if the sum insured is more. If the sum insured is lower than current replacement, they will only pay out up to value of the sum insured.

Valuation certificates and proof of ownership are requirements in terms of determining the value of expensive items once they have been lost or stolen.

In order to reduce the risk in terms of all risk items, insurers will add additional underwriting requirements with which the insured must comply in order to enjoy cover. Depending on the particular insured these could include:

- Proper precautions must be taken by the insured to safeguard his/her belongings. As a client you have to look after your belongings as if you don’t have insurance. (Duty of care)
- Items must be kept in a locked compartment of a locked vehicle if left in an unattended vehicle.
- As far as possible, items must be hidden and not left in plain sight.

Module 2

Specified and Unspecified All Risks

This Module deals with:

- The concept of a specified or unspecified risk as it applies in an all risks policy
- The differences between the sum insured and limited liability with examples
- Limit of liability for specified and unspecified all risks in three different policy schedules
- Reasons why valuation certificates or proof of purchase are required in the event of a claim with reference to the type of risk and fraud
- The consequences of giving incorrect advice in terms of Policyholder Protection legislation, FAIS and Professional indemnity

2.1 The concept of a specified or unspecified risk as it applies in an all risks policy

The all risks policy is divided into two sections; specified all risks and unspecified all risks.

Unspecified

- Property not referred to in detail
- Items of a reasonable low value
- Items might be likely to change daily
- Limited cover provided per item and per incident
- Not otherwise excluded in terms of the unspecified items definition as provided in the policy wording

Unspecified items are also known as the Clothing and personal effects section of all risks. The items insured under this section are low in value.

This cover is provided for the items with which we leave the home, but where the value does not justify them being insured. These items are also likely to change on a regular basis. E.g. clothing, shoes, jackets and bags etc. These are all items of a reasonably low value.

One global amount is provided to cover an event. An additional limit per item will also imposed. E.g. The overall unspecified sum insured may be R5,000, and the limit per item might be R1,000, meaning that the insured will enjoy cover up to R5,000 should an insured event occur, but if one of the items lost exceeds the value of R1,000, the insured will only pay up to R1,000 regardless of the number of items being claimed for.

These limits will differ from insured to insured.

In order to limit liability in respect of high value items, the insured will provide a definition of what they view as unspecified items in which they will list the items which may not be claimed under this section. These items will differ from insured to insured, but will often refer to items such as cellular phones, reading glasses and hearing aids. All of which must be specified in order to enjoy cover away from the insured premises.

Specified

- Property, which is referred to in detail
- Insured amount is specific
- Premium charged per item on risk

Higher valued items and items which are precluded from unspecified cover, needs to be insured under a different section of the All Risks policy, known as the "Specified all risks" section. Each item under this section will have its own value assigned to the item. At the time of a claim the insured might request proof of ownership or value of the item lost or damaged before any claims are paid. Claims may be repudiated if no such proof can be provided. Examples of the above would be quotations, till slips or valuation certificates. When insuring cameras, radios, cell phones etc., serial numbers should be provided to the insureds.

The insured has the option to replace or repair the item at the time of loss, or to pay the client out.

Other items which may have to be specified to enjoy cover, is:

- Bicycles
- Contact lenses
- Furs
- Borehole and swimming pool equipment

2.2 The differences between the sum insured and limited liability with examples

Under the unspecified all risks section of the policy items are covered as follows:

- All items under the value of Rx up to the set amount per event. The specific amount limit per item will be different from insured to insured, but normally between R1 000 and R2 000. This is referred to as limited liability as the insured determines the limit.

Under the specified all risks section of the policy items are covered as follows:

- Insured amount / replacement value as specified by the insured. Here the limit of liability is based on the current replacement value which is provided by the insured. For example, the client insureds their cellular phone. To purchase a new phone of the same specification, the insured will pay R7,000. This will be the sum insured.

The client suggests the insured amount of items to the insurance companies. The insured provides valuation certificates and receipts to show the value of the items and then insures them for those amounts.

2.3 Limit of liability for specified and unspecified all risks in three different policy schedules

Whilst the limited of liability was discussed in detail in previous sections 2.1 and 2.2, we need to take a more detailed look at the limit of liability as applied to specified all risk items.

The limit of liability comes into effect when the insured neglects to update his policy to ensure that the amounts that the items were insured for are still valid. Product value depreciate or get discontinued and it is the responsibility of the insured to update his policy accordingly. You also find that some items increase in value, i.e. jewellery. The insurance company is only liable for the amounts that the insured is paying a premium on, if the amounts are current.

Case study 1:

Chris insured his Nokia 3110 for R2 500, which is what he paid for it in 1999. When he needs to claim for the cell phone in 2008, he finds that the phone has been discontinued. The cell phone company assures him that there is no reason to panic, because the replacement phone for that model is the Nokia 3120, which is still in production. The Nokia 3120 can be purchased for R1 000.

How will Chris be compensated?

Answer:

The insurance company will provide Chris with a brand new Nokia 3120.

Chris is furious; because he has been paying insurance on his phone valued at R2 500 and does not understand why he will only be receiving a phone valued at R1000. He is insisting that the insurance company pay him R2 500 compensation for the phone that he has lost.

Chris has neglected to keep his policy updated. Insured's are obliged to place the client back in the position they were before the loss occurred. By replacing the Nokia 3110 with the new Nokia 3120 they have committed to their part of the contract. Chris has been placed back in the position he was before the loss occurred.

Insurance is not allowed to enrich the client. Therefore, the insurance company cannot pay Chris the R2500, because it would mean that he would be better off than what he was before the loss occurred.

Case study 2:

Helen got engaged and was married ten years ago. Her husband paid R2 500 for her wedding ring and engagement set. They insured it for double the value at the time to accommodate value increase in the future. They recently had the set valued again and the set is valued at R8 500 at the moment. If Helen were to lose her rings, how will she be compensated by the insurance company?

Answer:

The insurance company will compensate her at R5 000 if she can provide a valuation certificate. Even though the value on the certificate reads R8 500, she only insured her ring for R5 000 and that is what will be paid to her. The limit of indemnity in this case is the insured amount if current; whichever is the lesser of the two. The insured value of the item should have been R8 500.

2.4 Reasons why valuation certificates or proof of purchase are required in the event of a claim with reference to the type of risk and fraud

Insured's require valuation certificates for items that exceed a certain amount. Items that require these certificates are jewellery, Persian rugs, furs, antiques and paintings. It is advised that the insured keep these certificates updated and have the items re-evaluated every 3 to 5 years. Proof of purchase will also be accepted if the purchase was made within that recent period.

For items like cameras, radios, cell phones, etc. a supplier can be contacted to provide a quotation of what the item would cost to replace. It is important for these items to be insured at replacement value and the values have to be updated annually to keep them relevant.

It is important to note that a valuation certificate does not necessarily prove ownership, but it does confirm the value of the item.

Valuation certificates are very important in terms of the prevention of fraudulent claims. It serves as a confirmation that the item actually existed and the true value thereof.

2.5 The consequences of giving incorrect advice in terms of Policyholder Protection legislation, FAIS and Professional indemnity

The Financial Advisory and Intermediary Services Act

This Act is aimed at protecting consumers by regulating anyone who provides financial advice or sells financial products by increasing their accountability and transparency. It will also provide you with legal recourse against bad advice, unfair practices and unprofessional services from financial advisers and financial intermediaries.

The Act and its regulations attempt to weed out incompetent advisers by requiring anyone who gives financial advice or sells you a financial product to be licensed.

In order to obtain a license, advisers have to meet certain "fit and proper" requirements, such as having minimum qualifications and experience (competence). "Fit and proper" requirements are also expected to, for example prevent anyone who has had a criminal conviction in the last five years, or been fined or censured by any professional, regulatory or financial services industry body for negligence, incompetence or mismanagement, from acting as an adviser (honesty and integrity).

Regulations in terms of the Act will also deal with codes of conduct for advisers and financial service providers, and failure to comply with these could result in the withdrawal of a license.

The Act implies that you, the investor, be given more information, often in writing, about your adviser (such as contact details and credentials), the company supplying the product, the product itself and the costs and commissions you pay.

The Act stipulates that you must be given enough information about a financial product in order that you can make an informed decision about whether or not to invest in it.

Another important feature of the Act is that it provides for an ombudsman for financial services who will deal with your complaints.

<u>The Policyholder Protection Rules</u>
Before the introduction of FAIS, these rules - promulgated in terms of the Long and Short-term Insurance Acts - were designed to protect you when you took out a life assurance policy or a short-term (vehicle, home or household) insurance policy.

Some of the provisions of the Policyholder Protection Rules, particularly those relating to what you must be told about these policies, now overlap with those under FAIS.

Besides stipulating that you must be given enough information to ensure you can make an informed decision about taking out a policy, the Policyholder Protection Rules state that before selling you a policy, a broker or agent must give details of expected increases in the premiums, explain the consequences of non-payment, and give you the surrender value of the policy at various stages.

The agent must tell you whether he or she represents only one company, or is an independent broker able to sell a range of products.

If the agent represents a company, the agent must tell you the nature of his or her relationship with that company - for example, if that company pays the agent most of his or her remuneration.

In terms of the Policyholder Protection Rules, you enjoy a 30-day cooling-off period during which time you can cancel a policy you have accepted, but not yet claimed under. This is intended to counter the effects of high-pressure sales tactics.

The Policyholder Protection Rules place certain responsibilities on the insurer, something that will remain in force when FAIS is fully implemented.

The insurer is obliged to send you documentation confirming the policy and including important information, such as how much your premium is; whether you are paying a loading for, for example, poor health; what the ongoing expenses on any investment element of a life assurance policy are; and how to institute a claim.

Another important issue the Policyholder Protection Rules address is what happens when you switch policies. In the life assurance industry, in particular, sales people often encourage consumers to cancel one assurance contract and replace it with another. This is not always in the consumers' best interests, and may simply be a ploy to earn more commission.

The Policyholder Protection Rules stipulate, among other things, that when you cancel one policy to take out a new one, you must be told all the implications, including how this will affect your benefits; the additional costs incurred; any tax disadvantages; any new waiting period before benefits are paid; any risks to your future insurability; and any additional investment risks.

Who to contact
If you have an unresolved complaint regarding...
The financial services industry:
The Financial Services Board
Tel toll free: 0800 110 443
Tel: (012) 428 8000

Short-term insurance:
Dennis Jooste,
Ombudsman for Short-term Insurance
Tel: (011) 726 8900;
Email: info@insurance ombudsman.co.za

Professional Indemnity
One of the licensing requirements for financial service providers is the mandatory purchase of Professional Indemnity cover.

Professional indemnity insurance will provide the financial service provider with protection against claims resulting from the provision of incorrect advice. Professional indemnity insurance covers gross negligence, errors and omissions on behalf of the financial service provider. This would mean that the service provider would be able to settle a client's claim without placing the business under financial strain, thus also protecting the rights of any other clients.

Module 3

The cover in a Personal All Risks Policy document

This Module deals with:

- Analysing a policy document to determine the terms and conditions of the policy
- All risks cover for laptops and cell phones for a specific insurer
- Analysing a policy document to determine exclusions common to specified and unspecified sections
- Limitations on cover of items stored in a bank vault with reference to a specific policy document
- Analysing a policy document to determine additional cover

3.1 Analysing a policy document to determine the terms and conditions of the policy

The terms and conditions of the policy
A financial service provider will be required to analyse various policies in order to determine the terms and conditions as these may differ from insurer to insurer and must be relayed correctly to a client.

The terms and conditions stipulate the requirements and dealings under the all risks section of the policies will be conducted.
It contains:

- What will be covered
- Limits to the cover
- What is excluded; and
- What is required

In general the principles are the same with all insurance companies, but each company will personalise their terms and condition with things that will make their product unique.

It is advisable to read through the terms and conditions of a couple of different product suppliers to get a feel for what the general cover, limits, exclusions and requirements are for the all risks policies in the market.

3.2 All risks cover for laptops and cell phones for a specific insurer

Laptops and cell phones are high risk items. This means that the loss ratio on these items is very high, especially in the case of cell phones. These items have to be insured under the specified all risks section of a policy. Serial numbers and current insured amounts must be stated on the policy.

The excesses that are paid on these items are also high in comparison. For cell phones the excess is sometimes up to a third of the actual value of the phone. In the case of a laptop, the excess is normally about 25% of the value of the item.

Precautionary measures have to be taken with these items. When traveling in a vehicle, the laptop has to be kept in a locked boot or otherwise out of site, to deter would be criminals from being tempted to smash-and-grab.

It is therefore imperative to take note of each specific insurer's requirements in respect of these items in order to bring the insured's attention to these factors when insuring these items.

3.3 Analysing a policy document to determine exclusions common to specified and unspecified sections

Many insurers will provide for exclusions pertaining to the specified and unspecified sections separately.

However there are a number of exclusions that will apply on a blanket basis across the entire all risk policy.

For example, although sporting equipment may enjoy cover away from home, they might not enjoy cover whilst being used in a competition. An example would be to have your bicycle destroyed in a fall while you were competing in "The Argus" bicycle race.

There are also some policies that don't cover the equipment whilst it is being used, for example, covering the tennis racquet on your way to the courts, but not actually during your session on the court.

Other exclusions that would apply to both sections would include:

Detention
You will not enjoy cover for your items lost or damaged due to the following processes:

- Detention
- Confiscation
- Destruction or
- Requisition

Theft from motor vehicles
Items lost or damaged during theft or attempted theft of a vehicle will not be covered unless the items were inside the glove compartment or boot and there has to be signs of forced entry.

Wear and tear
Cover is not provided for:

- Wear and tear
- Depreciation
- Rust

- Moth, vermin, insects or larvae
- Any process of cleaning, dyeing, repairing or restoring
- Gradual deterioration, which includes the action of;
- Light;
- Atmospheric, or
- Climatic conditions

Breakdown
Mechanical or electrical breakdown is excluded unless a policy specifically offers this cover. This is normally done at an additional cost to the insured.

Cash
There is no cover for:
- Cash, bank notes, currency notes
- Bonds, coupons
- Stamps
- Negotiable instruments
- Title deeds
- Manuscripts
- Securities of any kind
- Travel tickets

Data
Software and data is never covered on computers or other electronic devices.

Business use
Items that are solely used for business use will not be not enjoying cover.

These exclusions may be similar from policy to policy, however it is still the responsibility of the financial service provider to be able to analyse these exclusions and relay them correctly to the insured especially if any of these exclusions may pertain to their specific circumstances.

3.4 Limitations on cover of items stored in a bank vault with reference to a specific policy document

Each insurance company has a different view on how they insured items that are stored in a bank vault.

Generally the insured will be required to specify the item under the all risk policy. Cover will then be provided for the item whilst it's in the bank vault, at a reduced rate due to the additional precautions taken by the client. Should the item be removed from the bank vault however, then cover will fall away unless the insurer is advised in advance.

3.5 Analysing a policy document to determine additional cover

Additional cover is sometimes provided at no extra cost to the insured. This cover is very limited and can seldom or never be increased. Examples of this cover are:

- Clothing & personal effects
- Personal docs
- Transport of goods & groceries
- Wheelchairs
- Bicycles

Module 4

Indemnity under an All Risks policy

This Module deals with:

- The basis of indemnity for a specified all risks policy
- The limit of indemnity in a specified all risks policy for three case studies
- The cover under the pairs and sets clause for three case studies.
- The locked boot warranty in a specified policy wording is explained in terms of exclusions

4.1 The basis of indemnity for a specified all risks policy

Indemnity is when the insurance company has to place the client back into the position they were before the loss occurred. A client may not be enriched by this action. The basis of indemnity is that the insurance company has the right to choose how they would like to indemnify the client.

They can choose to replace the item lost if they are able to do so. They can choose to repair the item if the item is reparable or they can choose to pay the client for the item lost.

There are two main bases of indemnity utilised:

Market Value
With market value the insured only receives payment in respect of reasonable market value of the item taking into consideration the age and condition of the item. The insured will thus receive a reduced amount when claiming for an older item. The argument has been made however that as the client will not be able to purchase a similar item of the same specification for the market value payment, this could not be seen as indemnity. The most popular basis of indemnity used by insurers today is therefore, new for old.

New for old
On this basis, the insured in provided with a new item to replaced his older lost or damaged item, regardless of the age. It is for this reason that the insured is required to insure any item at current replacement value and not market value.

4.2 The limit of indemnity in a specified all risks policy

The limit of indemnity for specified property will be dependent on the specified sum insured stated on the schedule, this is the separate sum insured selected for the item. The insured will be expected to produce some proof of value at the time of a loss i.e. valuation or quotation.

- **Valuations**

Before the insured goes on risk they will also require valuation certificates for items over a certain value, this value varies with each insured. Jewellery, paintings and furs would require a valuation, as it might be difficult to establish the value post loss.

Using the valuation certificate and possibly the proof of purchase, the insured will be able to contact their suppliers to establish the current replacement cost of an item which has been lost or stolen, should the replacement cost be less than the sum insured stated in the schedule, then the insured will only be liable for this amount. Should the replacement cost of the item be more than the sum insured then maximum amount payable will be the amount stated in the schedule less any applicable excesses.

For example a digital camera is specified and the underwriting department at the time issuing the policy has recorded the details of model and serial number. The video recorder is reported as stolen during a burglary, the client may be asked to produce the original invoice and manuals for the item. With this information at hand the insurer will be able to establish what a similar replacement item would cost, taking into account the large volume discounts available to them.

Provided the sum insured is adequate the policyholder would be given a similar replacement to the one lost, with the up-dating of technology these days the policyholder if likely to be more than pleased with his updated replacement.

It must be born in mind at all times however that the insurer will never pay out any amount in excess of the sum insured or the actual current replacement value (should these amounts differ) of the item respectively. Meaning that, should the item be insured for more than the replacement value, the insurer will only pay up to the current replacement value and in the event that the current replacement value exceeds the sum insured, the insurer will only pay up to the value of the sum insured.

4.3 The cover under the pairs and sets clause for three case studies.

The “pairs and sets”- clause refers to items that would normally come in a pair or a set. Examples of such items would be earrings and cufflinks etc.

Insurers who have this clause in their policy wording do so to limit the liability to paying only for the lost item and not the whole set. In a case where only one part of the set was lost or damaged and the insured opts to replace or indemnify the set instead of only the lost item, the insured will collect the remaining item as salvage.

One of the insured’s wordings reads as follows:
“Where an item consists of articles in a pair or a set the company will not pay more than the value of the parts lost or damaged.”

Some examples of pairs and sets are a pair of diamond earrings, a set of golf clubs or an antique set of china.

An example of a claim where the pairs and sets clause may apply would be for a pair of antique statues, whilst the pair together may be worth a substantial amount of money, if one is accidentally damaged the pair's value is substantially decreased. In terms of the pairs and sets clause it is not the responsibility of the insured to compensate the policyholder for the loss of the pair, but to merely indemnify the policyholder for the actual value of the one statue that has been broken.

4.4 The locked boot warranty in a specified policy wording is explained in terms of exclusions

If items are stolen from the boot of a car, there has to be signs of forced entry for the claim to be a valid one. In terms of safeguarding your belongings you are supposed to think and act as if you don't have insurance, therefore many insurers require items left in an unattended vehicle to be safeguarded by placing them in a locked boot or compartment.

Some insurers will place a locked boot warranty onto an unspecified policy wording, this can usually be found in the specific exception or exclusions sections. Loss or disappearance of the insured property from any motor vehicle left unattended is excluded unless, the disappearance follows upon forcible violent entry into or exit from the vehicle, and the cover is restricted to the property contained in a locked boot or concealed in a compartment forming part of the locked vehicle.

This exclusion normally does not apply to fitted car radios unless the radio or its face is detachable or to any other item where it may be not be reasonably possible to expect the persistent removal of the item. For example, a baby car seat is designed to be a semi-permanent fixture of the vehicle as the secure fitment ensures the safety of the baby travelling in it.

An example of a case where this warranty may apply however would be if a policy holder left his Rayban sunglasses on the dashboard of his vehicle, they were not contained in a locked boot or compartment but merely inside the locked vehicle, the vehicle is forcibly and violently entered and the glasses stolen.

If the warranty were applicable then there would be no cover for the glasses.

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