



INSURANCE & FINANCIAL SERVICES
OMBUDSMAN

Jewellery Insurance

Lost, stolen or damaged jewellery is usually covered by your contents insurance. Your insurance policy will give details of when your jewellery items will or won't be covered.

When is my jewellery covered?

Not every insurance policy offers the same cover for jewellery. Make sure you read the policy carefully to see whether:

1. there are overall limits or limits on specific items
2. you need to provide valuations for high-value items
3. there are special requirements for the insurance to apply, e.g. special storage like a safe, or limited to when you are wearing it
4. there are circumstances when you will or won't be covered, e.g. if your jewellery was stolen by someone you allowed into your home.

If you don't understand what is covered, ask your insurer or financial adviser to explain.

What limits apply to jewellery cover?

Most policies require you to specify items over a specific value (e.g. \$2,000 or more). If you do not specify these items on your policy schedule, then the maximum sum in the policy for individual items will apply, irrespective of the value. This is because having an expensive piece of jewellery increases the risk to the insurer. If you did not tell the insurer that you had this item, it did not take the correct risk into account when setting your premium.

What is the value of my jewellery?

It is a good idea to get regular professional valuations for items of jewellery over the policy limit, or for any unusual or special items (even if they do not exceed the individual policy limit). Jewellery purchased or gifted overseas should be valued in New Zealand when you return.

Valuations should be obtained from a qualified jewellery valuer, and should include a photograph and full description of each item and its **replacement value** or its **present day (indemnity) value**, depending on the policy type you have. While having a valuation is a cost, it can speed up the claims process and enable you to claim an item's full value.

What to do:

- ① **Read your insurance policy carefully to see what is covered, and what limits your policy has for special items.**
- ② **Specify high-value or special items on your insurance schedule.**
- ③ **Get a valuation for high-value or special jewellery items.**
- ④ **Keep receipts and valuations in a safe place, separate from your jewellery.**
- ⑤ **Lock up or remove your jewellery during open homes or house renovations.**
- ⑥ **Notify the police immediately of any loss and get written confirmation.**

What do I have to do when I make a claim?

Your insurance policy will require you to provide proof of purchase or ownership, such as valuations, receipts, credit card statements and guarantees. Photographs are also useful, however, they are unlikely to prove whether your jewellery contained genuine gold or precious stones.

Proof of ownership can greatly facilitate the claims process. When proof is not available, your insurer might not accept a claim. If it is accepted, your insurer will settle on what it considers is the most likely value, from your description.

Will my insurer give me cash or replace my jewellery?

Your insurance policy will explain how your insurer will meet the claim - repair, replace, or cash settlement. Generally, insurers will not cash settle based on the replacement value; instead, cash settlements are likely to be based on the cost of buying a similar second-hand item (sometimes 50-60% of replacement cost). Some insurers have arrangements with preferred suppliers so they can replace your jewellery for less than you can.

My jewellery has gone missing during house renovations. Will it be covered?

It is likely that your insurance policy will exclude cover for theft by someone who is lawfully at your house. This means that if you have allowed someone into your house (e.g. during an open home or house renovations) and that person steals something, you will not be covered by your insurance.

Real Examples

Cathy* was selling her house. During an open home, her jewellery was stolen by someone who gave false details to the real estate agent. Cathy's insurer declined her claim on the basis that the theft was committed by someone who was lawfully at the house. The real estate agent had a register for those attending the home, but there was unrestricted access during the open home. The ISO Scheme said the insurer was entitled to rely on the exclusion in the policy for theft by someone lawfully at the house.

Cameron* and **Claire's*** house was burgled. Their insurer met the claim for most of the stolen items, but not for their jewellery, as Cameron and Claire had no proof they owned it. Cameron said the receipts for the jewellery were stolen during the burglary. The insurance policy clearly stated that if an insured didn't comply with the insurer's requests for information, it could decline a claim. The ISO Scheme said the request for proof of ownership was reasonable and, as this was not sufficiently provided, the insurer did not have to pay the claim.

**not their real names*

Insurance values for Jewellery

Replacement Value* is the cost for you to replace the stolen item with an equivalent item, without any deduction for depreciation or wear and tear. Hand-crafted items are valued at the cost to be remade as closely as possible. If not hand-crafted, replacement is with a reasonable equivalent without reproducing it exactly.

Present Day Value* can also be called indemnity value or market value. It's the cost for you to purchase an equivalent of similar age, quality and condition as your item was in at the time of loss.

***Please refer to your policy document for how it defines these terms.**