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Videoberatung

The all-risk insurance of residential buildings and household contents – a marketing gag?

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When an insurer describes its product as "all-risk insurance", this sometimes resembles the advertising promise of "guarantee certificates". If the terms of the contract are carefully examined, it may be "marketing cheese with huge holes" in the insurance cover. Why everything is never insured against every conceivable risk.

Pepperminzia insurance promises the perfect protection for your home, all-inclusive, so that the customer feels comfortable and builds trust in the agent and insurer. This is followed in the subordinate clause by a reference to all-round protection against all dangers, unless these are expressly excluded. In Germany, there is freedom of construction, meaning that anyone can build anything they want anywhere, unless there is a provision that forbids it – whether the building law will become clearer as a result is open to question.

In the event of a claim, the policyholder's lawyer reads the small print for the first time. However, the insurance conditions exclude gradual damage and damage due to contamination, which is difficult to decipher. At most, a specialist can explain to the customer that this also excludes suddenly occurring damage if this is due to prolonged exposure to precipitation (smoke, soot, dust), temperatures, gases, vapours or moisture. There are judgments on the duration of the necessary exposure, which can last several days, and even decisions on exposure for years. Since no customer can overlook such a thing, every insurer and broker would have to force himself to inform separately about it.

Free-lunch: Alternative cover also from abroad ?

Some industrial and commercial brokers, for example, suggested that self-employed people should open a second office abroad after all, in order to save up to more than 2/3 on insurance premiums and perhaps come closer to the idea of all-risk. However, such “sales advice” involves risks and side effects, so that the term “all-risk” could well be appropriate from this perspective. In the USA, an actor was recommended stocks before the stock market crash. because he should be doing something about getting older. After the crash, he said that this was not a lie, he had actually aged 20 years due to the loss of his assets.insurance from abroad is one thing, foreign law is another. EU international insurance contract law may refer to a different legal culture than that which might be assumed, with the result that costly legal opinions may have to be obtained at a later stage and greater risks of litigation costs.

To be allowed to purchase insurance cover across borders in the EU in all cases under only very simplified conditions is, in the first instance, the aim of the EU regulations in the first place – in reality, however, some insurers will not want to do this because they are unable to assess the legal and insurance risks, and conversely there is uncertainty on the part of the customer.

Surprises with foreign insurance policies

There can be other surprises – e.g. a US insurer does not investigate the claim itself (it is up to him whether he investigates something, in case of suspicion of fraud he will certainly want to do so), but expects that the proof of claim is presented to him in such a way that he can finally convince himself of his obligation to pay on the basis of these documents. Some German branch offices of foreign insurers never settle claims from approx. 5-digit Euro amounts themselves, but always leave it to a court to decide on the matter only after a complaint by the customer.

Certainly, this also varies internationally between courts – i.e. the principle that the plaintiff must provide everything necessary to prove a claim and only rarely, in German social law, the so-called principle of official investigation. Abroad, you also have to take care of the penal system yourself to some extent. So it is judged that the person in question should be stoned to death, but there are no officially ordered stone throwers there, but you have to make sure that there are enough interested parties and stones – and someone who pays the truck driver to dump the required paving stones.

Insurance broker on the rocks?

The valve for direct insurance or private health insurance cover outside the EU could also be the broker, if one listens to some voices from the scientific community. This is because they believe that the broker, who only acts for his customer, is not an intermediary through which the insurer operates the insurance business in Germany, so that the customer would need a licence as an insurer here. According to the Insurance Supervision Act, however, the term “intermediary of the insurer” is not used, as some people read. Just as the insurance broker can not only be the “fiduciary trustee” of the insurance customer, but also the commissioned vicarious agent of the insurer in the mediation itself, in portfolio management, in contract administration, in the collection of premiums, as well as in claims settlement and other marketing tasks.

Advice for customers and insurance brokers

Since there is never an all-encompassing insurance cover in life, the gaps in cover must be painstakingly read from the insurance conditions and the offers on the market compared. It should make you think that many insurers are not able to tell you exactly what the insurance conditions are supposed to cover. Therefore, as an insurer in such cases one is grateful when customers sue and at some point a supreme court tells the insurer what they must have meant. According to the motto "How should I know what I think before I read what others judge about what I've written?"

If the insurance broker relies on widespread ratings or rankings from "the day before yesterday & yesterday", and cannot explain them for lack of understanding, he has lost at the latest in the liability process. Because he has to report on coverage gaps that cannot be closed, i.e. he has to give an account, instead of spreading the cloak of silence about the fact that he only uses software when comparing insurance policies, without reading the small print and looking for individual solutions. Later on, an expert will determine that the undisclosed gap could have been closed by all means, i.e. the damage could have been avoided, and therefore the broker will have to compensate for it.

by Dr. Johannes Fiala and Dipl.-Math. Peter A. Schramm

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Scheuen Sie sich nicht, uns für ein Kennenlerngespräch anzurufen. Gerne nehme ich mir persönlich Zeit, um Ihren Fall zu prüfen und den ungefähren Aufwand für Ihr Anliegen abzuschätzen.

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Dr. Johannes Fiala

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Weiterempfehlung

Sie haben gefunden, wonach Sie gesucht haben? Sie kennen jemanden der unserer Unterstützung benötigt?
Empfehlen Sie uns gerne weiter.

Dr. Johannes Fiala
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