S U M M A R Y

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Suitable TV insurance
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Consumers are often offered product insurance when they purchase electronic products. If the consumer accepts, the insurance agreement is printed out and signed in the store.

It is not always easy for a consumer to know whether the insurance offered is useful or not. What can be good for one consumer may not be for another. Examples of factors that influence the usefulness are which home insurance the consumer has, the risk of damages, the product's price, the consumer's financial situation and the need for the product.

It is the consumer's own responsibility to identify the needs and conditions. In addition, the consumer needs sufficient and correct information in order to be able to make the choice.

There is a risk that the consumer will pay for a protection which he or she already has.

During the autumn, Finansinspektionen and the Swedish Consumer Agency together have investigated the product insurances within the home electronics industry. The reason for the investigation is that many consumers have complained and asked about these insurances. We have compared the consumer protection for flat screen TVs by investigating what protection the product insurance provides in relation to the consumers' other legislated and voluntary protection: guarantee, refund claims, home insurance and supplementary home insurance.

If the flat screen TV breaks down due to a manufacturing defect, the consumer is protected by law for claims over a three-year period. The consumer is also normally protected against manufacturing defects through the seller's guarantee. The most common guarantee period is one or two years. As for manufacturing defects that occur within three years from the purchase, in other words the home insurance, the supplementary home insurance and the product insurance have little significance for the consumer. However, if the damage has been caused by misfortune, the supplementary and product insurance may have significantly greater value for the consumer. The home insurance covers damages that were not original or due to misfortune, such as a damage or loss due to fire or theft.

A supplementary home insurance can be utilised for most consumer products, unlike the product insurance's protection which only applies for a specific product. As for protection of damages caused by misfortune, the consumer can either choose between a supplementary insurance with a higher excess or a higher age deduction which covers most of the consumer’s belongings, or an insurance that only covers the insured object but where both the excess and the age deduction are significantly lower. In the assessment, the consumer should also take into account what happens if damage occurs and the product is replaced with a new one. In this case, if the consumer has a supplementary insurance, it can continue as usual, while a consumer with a product insurance must pay a premium for a new insurance for the substitute product.