



FINAL SURVEY REPORT

Surveyor Ref:	Insurers' Ref:
No: 14849/ICICI/19-20	Insured Name: M/s. Prime Industries
Report Date 27 th August 2019	Policy No: 1001/172238221/00/000
	Claim No.: FIR001941068

**STRICTLY CONFIDENTIAL & PRIVILEGED FOR THE USE OF
INSURERS AND THEIR LEGAL ADVISORS ONLY**

*Survey report regarding claim preferred by Prime Industries for loss/damage to
their property insured under Standard Fire & Special Perils Policy*

1.0 INTRODUCTION

- 1.1 Prime Industries, 25/12/4a/1 25/12/A/6 25/14 25/15 Lonar Vasahat Railway Godown Road, Kolhapur 416003, Maharashtra Pin- 416003 preferred claim on ICICI General insurance Co. Ltd. , for loss/damage to Building, stocks etc. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 The Insurers appointed us on 12th August 2019 to conduct the survey for the reported loss/damage.
- 1.3 Our basic terms of reference were...
 - a) To investigate into circumstances leading to reported loss/damage.

- b) To assess the physical damage/financial loss said to have been sustained by the insured in the reported accident.
 - c) To determine the liability of the insurers vis-à-vis policy conditions.
- 1.4 Pursuant to above instructions, we visited the insured's premises situated at 25/12/4a/1 25/12/A/6 25/14 25/15 Lonar Vasahat Railway Godown Road, Kolhapur 416003, Kolhapur, Maharashtra Pin- 416003. The premises were inspected thoroughly. It was reported there was inundation at their godowns. The water level was around 3.5 ft inside & 4.5 ft. at outside of the premises. During our inspection The water had already receded during our visit, however, the water level marks varying from 3 to 5 feet were clearly visible on and around the premises. On receipt of minimum available documents, we are issuing the final report.
- 1.5 Based on
 - a) Observations made by us during our inspection
 - b) Documents submitted by the insured during our survey & subsequently thereafter
 - c) Discussions held with and explanations offered by the insured
- 1.6 We submit our findings observations, recommendations as under, for the consideration of the Insurers...

2.0 POLICY PARTICULARS

- 2.1 Insured : M/s. Prime Industries
25/12/4a/1 25/12/A/6 25/14 25/15 Lonar
Vasahat Railway Godown Road,
Kolhapur 416003, Kolhapur,
Maharashtra Pin- 416003
- 2.2 Insurers : ICICI Lombard General Insurance
Company Ltd.

2.3	Type of Policy	:	Standard Fire & Special Perils Policy
2.4	Policy No.	:	1001/172238221/00/000
2.5	Period of Insurance	:	21.5.2019 to 20.5.2020
2.6	Occupancy	:	Rice Mills
2.7	Total Sum Insured	:	Rs. <u>7,50,00,000.00</u>
2.8	Item Affected	:	<ul style="list-style-type: none"> • Building (With Plinth and Foundation) Rs. 15,00,000.00 • Plant, Machinery and Accessories Rs. 10,00,000.00 • Stocks - Raw Material/Finished Goods Rs. 50,00,000.00
2.9	Clauses		<ul style="list-style-type: none"> • Agreed Bank Clause • Designation of Property Clause • Terrorism Exclusion Clause
2.10	Risk Location		25/12/4a/1 25/12/A/6 25/14 25/15 Lonar Vasahat Railway Godown Road, Kolhapur 416003, Kolhapur, Maharashtra Pin- 416003
2.11	Policy Excess	:	5% of claim amount subject to a minimum of INR 10000/-

3.0 INCIDENT

3.1 It was well known that Kolhapur, Sangli, Satara and adjoining cities in Western Maharashtra were flooded due to incessant torrential monsoon rains from 4th August 2019 onwards. Insured's godown was also flooded in the incident. It was informed that the water level reached around 5-9 ft height at the insured's premises due to flooding/inundation. Building /Stocks were submerged into the muddy/contaminated water for 4-5 days. The stagnated flood water receded on 13th August 2019.

4.0 CAUSE OF DAMAGE

4.1 Heavy rains poured in Maharashtra (Kolhapur, Sangali, Karad, Belgam, Ichalkaranji, Satara, Hatkarangale, Meraj etc), Karnataka, Kerala & other many states from 26th July 2019 to 12th August 2019. Due to this flood situation occurred at many places. The incidence is well reported in TV and print media all over the countries. Due to this, water logged at insured's named location.

4.2 Thus, based on our observations and information provided to us, the cause of loss could reasonably attributed to **flood**.

5.0 OUR OBSERVATIONS & EXTENT OF DAMAGES

► About The Insured

5.1 The insured is dealing in the Rice mills including trading. Insured have around 15 staff working there. They are working around the clock.

► Description of The Risk

5.2 The risk situated at 25/12/4a/1 25/12/A/6 25/14 25/15 Lonar Vasahat Railway Godown Road, Kolhapur 416003, Kolhapur, Maharashtra Pin-416003. Two sheds are constructed at the premises. Front shed was around 4800 sq ft. & rear side shed was around 10000 sq ft.

► Observations

5.3 The premises were inspected thoroughly on 13th August 2019. It was reported there was inundation at their godowns. The water level was around 3 ft inside & 4 ft. at outside of the premises. During our inspection the water had already receded from the building and outside the premises (compound wall) water inundation was observed. However, the water level marks varying from 3 to 4 feet were clearly visible on the premises and the surrounding. The Maharashtra flood incident was covered by media channels all over and printed in local as well as national newspapers. The entire mill (storage, manufacturing, office section) was flooded completely. The stacks were found collapsed and in wet condition. These bags were in puffed condition due to prolonged contact with water. The whole site was filled with the typical odor released from the damaged/ rotten rice. The stock of rice and paddy was damaged due to flood water. Broadly speaking following damages were observed

- **Building** : Due to muddy water the electrical cables were affected. The painting of the wall was also affected. One corner of the paddy godown found cracked and brick masonry found departed. The compound wall on west side found tilted and sagging observed.
- **Contents/FFF** : The FFF such as printer, computer, Tables and chairs found with water marks at bottoms side. The plywoods and sunmica found in uprooted condition. The contents /FFF were not covered under the policy hence not considered.
- **Plant and Machinery** : The various control panels, compressor and MCB's, switches were found water affected. Receiver dryer motors ,blower and its control switches found water affected. Insured advised to prepare the list for the damages items and quantity.

- **Stock :** Broken Rice, Paddy rice, full rice, packing material etc., were affected due to water. The stacks were found collapsed and in wet condition. These bags were in puffed condition due to prolonged contact with water. The stock of rice and paddy was damaged due to flood water. Verbal enquiries were made with the insured regarding any other storage location (other than the subject risk) and whether they stored any third party stock. Insured confirmed that they did not have any other storage godown and no stock of third party was stored in the insured premises. It was also confirmed by the insured prior to loss some of the finished and raw material stocks was shifted to friends godown approximately costing 70 laks. This lead to loss minimization measure initiated by insured.

5.4 Later on the insured provided us a tentative quantum of bags stored in the premises and a rough layout drawing of the premises. As per the list given by the insured the stock of full rice 368 Bags (9200 Kgs), Broken Rice 41 Bags (2050 kg.) and paddy of around 144375 Kgs stored & affected by the inundation/flood. During our joint inspection the stocks for finished rice bags, Broken rice bags and Paddy bags were verified and accordingly list of the damaged bags were prepared and the same was verified and the same is considered in the final loss assessment.

The insured have given rough idea of the stacking of these bags. Based on the same, the volumetric measurement was carried out & final quantity of damages was decided. The details of the affected stock is as under...

Description	Qty in Bags	Estimated Qty in kg	Considered after verification
Full Rice	368	9200	368

Broken Rice	41	2050	41
Paddy Rice	1875	144375	1875

6.0 **INSURED'S CLAIM VIS-À-VIS ADMISSIBILITY**

6.1 The insured had lodged their claim for **Rs 42,75,625.00** for damages to stock, building, FFF etc. The detailed claim statement is attached to the report.

► Cause	Flood/ inundation
► Date of loss	In between 6-8-2019 to 12-8-2019
► Risk location	Prime Industries 25/12/4a/1 25/12/A/6 25/14 25/15 Lonar Vasahat Railway Godown Road, Kolhapur 416003, Kolhapur, Maharashtra Pin- 416003

6.2 The claim is lodged under Standard Fire & Special Perils Policy. The operated peril – flood-inundation – is covered under the policy. The policy was effective as on date of loss & location is covered under the policy. Thus, the claim lodged by the insured falls within the purview of the policy issued to and held by the insured.

7.0 **ASSESSMENT OF LOSS**

7.1 Our assessment of loss is based on our inspection & documents submitted by the Insured. The supporting documents are enclosed with the report.

7.2 Following points are crucial from the assessment of loss point of view:

► **STOCK**

7.3 Insured have provided few supporting documents. We have relied on these documents

- Supporting purchase invoices
- Quantity verification sheet
- Balance sheet 2016-2017, 2015-2016,
- Total stock as on date of loss
- Average rate calculation sheet

Suitable deductions are made towards Qty. & rate variance from the stocks loss.

► **FFF**

The FFF is not covered under the policy. Thus, assessment is not done.

► **BUILDING**

Insured have claimed Rs. 1,61,000.00 towards the building. No supporting documents were submitted to us. Based on our inspection, reasonable charges were considered.

7.2 The assessment of loss works out to **Rs. 23,00,419/-**. The detailed assessment is attached as **Annexure** to the report.

The assessment has been explained to the Insured, who have given their verbal consent for the same.

8.0 WARRANTIES

8.1 We have not observed any breach of general or specific warranties attached to the policy issued to & held by the Insured.

9.0 CONCLUSIONS

9.1 The cause of loss is flood/inundation, the peril that is covered under the scope of policy issued to & held by the Insured. Thus, the claim falls within the purview of the policy & is tenable.

10.0 This report is issued without prejudice & subject to the terms, conditions and warranties to the policy issued to & held by the insured.

11.0 DECLARATION

- *We hereby declare that the photographs of the affected property as detailed in our report were snapped by us by our Digital Camera and uploaded on our Office Computer. These were got printed in-house and are not manipulated.*
- *We hereby declare that we have no interest in the subject matter in question and reported as above. We are neither related to the Insured nor the business either by blood, business or share-holding of whatsoever nature.*



K R BIYANI

KAMAL BIYANI ASSOCIATES

License No. SLA 34365 valid till 27.11.2019

Encl:

- *Assessment as annexure*
- *Policy copy*
- *Claim form*
- *Claim bill*
- *Average rate details*
- *Purchase invoices*
- *Agreement copy*
- *Total stock details Rs. 28948518.82*
- *Balance sheet 2015-2016, 2016-2017*
- *Fixed asset schedule*

- *Pan card details*
- *Cancelled cheque*
- *Discharge voucher*
- *Photographs*
- *Our Fee Bill*