



Surveyor Ref:	Insurers' Ref:
No: 14391/ICICI/1819	Insured Name: Bharat Wire Ropes
	Policy No: 1003/130432529/01/000
Claim no: FIR000695551	Policy Period from: 03/04/2018 Time: 00:00 hours to: 02/04/2019 Time: 23:59 hours
Report Date 16 th July 2019	Date of loss: 20 th February 2019
	Survey date: 21 st February 2019

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

*Survey report regarding claim preferred by **Bharat Wire Ropes Ltd.**,
Mumbai, for reported loss/damage to their Property insured under
Industrial All Risks Policy*

1.0 INSTRUCTIONS

- 1.1 Bharat Wire Ropes Ltd., Mumbai, preferred claim on ICICI Lombard GIC Ltd, Mumbai for the reported loss/damage to the property covered under Industrial All Risks Policy.
- 1.2 Insurers, in turn, appointed us to conduct the survey for reported loss/damage on 20th February 2019.
- 1.3 Our basic terms of reference were
 - a) To investigate into the circumstances leading to reported loss/damage
 - b) To assess the physical damages/financial loss said to have 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 at Plot No. 4, MIDC Village- Khadki (Bk), Chalisgaon, Maharashtra,

Jalgaon, 424101 on **21st February 2019**. In continuation, the Insured were requested to submit to us the requisite documents in support of their claim. On the basis of the documents made available to us, we are issuing our report.

1.5 Based on

- a) Observations made by us during our visit to the premises
- b) Perusal of the documents submitted by the insured during our survey and subsequently thereafter
- c) Discussions held with and explanation offered by the insured

1.6 We want to submit our findings, recommendations, for the consideration of the Insurers, as under...

2.0 POLICY PARTICULARS

- | | | |
|-----|----------------------|--|
| 2.1 | Insured | : Bharat Wire Ropes Ltd.
701 A Wing, Tradeworld, Kamala Mills
Compound, Senapati Bapat Marg, Lower
Parel (W) India
Maharashtra Mumbai-400013 |
| 2.2 | Insurers | : ICICI Lombard GIC Ltd, Mumbai |
| 2.3 | Type of Policy | : Industrial All Risks Policy |
| 2.4 | Policy No. | : 1003/130432529/01/000 |
| 2.5 | Period of Insurance | : From: 03/04/2018 Time: 00:00 hours To:
02/04/2019 Time: 23:59 hours |
| 2.6 | Location of the Risk | : Bharat Wire Ropes Ltd
Plot No 4, MIDC Chalisgaon Industrial Area
Village – Khadki, Bk Chalisgaon,
Dist: Jalgaon – 424101 – Maharashtra |
| 2.7 | Interest | : Plant and Machinery, Building, Business
Interruption |

- 2.8 Sum insured in : Fire Basic: Rs 588,78,29,250.20
MB-LOP: Rs 423,51,52,510.00
- 2.9 Add on cover : -
- 2.10 Escalation clause : -

3.0 INCIDENT

- 3.1 It was informed that on **20th February 2019** at around 5.40 am, there was leakage in the zinc tank of furnace no - 1640. The leakage of zinc was noticed when there was drop in the level of the tank. Immediately, the molten zinc present inside the tank was pumped out and collected in drums. However, some of the molten zinc had already flowed through the flue gas passage and got solidified inside it. The incident report provided to us is enclosed with our survey report.

4.0 EXTENT OF DAMAGE

- 4.1 We have visited the insured premises on **21st February 2019**. The insured is in the business of manufacturing of wire ropes. One of the stages in the manufacturing is galvanizing of wire. They have installed few lines of continuous galvanizing. The line mainly constituted of precleaing, dipping in molten zinc, cooling and winding. Zinc tank of one of the galvanizing line was found leaking/punctured. At the time of our visit, the line was stopped and the zinc was pumped out of the tank. The pumped out quantity was kept in thirty-nine drums. The weight of this recovered quantity was around 33.44 MT. It was observed that some of the material was contaminated. It was informed that, the contaminated material would not be reused. Rest of the material will be reused.
- During the survey, process of removal of the leaked out material from the flue gas passage was underway. It was informed that, final weight of this collected quantity will be known once all the material from passage and refractory portion below the tank is collected.

It was informed that the tank will be removed and inspected to find out the exact source of leakage and the reason for the same. During our visit, the refractory material was being removed in order to remove the tank.

4.2 We advised the following line of action to the insured:

1. Kindly provide weighment details as under...
 - a. Weight of total material recovered (inside drums and also the strips)
 - b. Weight of material which can be used from the recovered material
 - c. Weight of material which is contaminated and not usable
 - d. Weight of material which is lost/ not traceable (Total weight – weight of material which is recovered)
2. We request you to provide your observations/ report once the tank is inspected and damages are identified.
3. To provide communication exchanged with the supplier of the tank with respect to the reported damages.
4. To undertake the Root Cause Analysis report about the failure

4.3 Subsequently, the tank was removed. Hole was observed inside the tank, which was repaired (by welding) and tank was commissioned. Thereafter, we again visited the plant on **11th March 2019** and gathered following details about the Zinc recovery...

Description	Quantity	UOM
Total Zinc in the tank at the time of loss	45	MT
Pure Zinc Recovered after loss from tank	26	MT
Pure zinc recovered after loss from passage	8	MT
Dross within the molten metal	8	MT
Total Pure Zinc along with dross	42	MT
Pure Zinc Loss (Top + Bottom)	3	MT

5.0 INSURED CLAIM

5.1 Insured had provided loss estimate of Rs 42.15 lacs.

6.0 CAUSE OF DAMAGE VIS-À-VIS ADMISSIBILITY

6.1 The tank was stationary and subjected to continuous heat. The cause of failure to the tank was gradual deterioration / wear and tear / effect of continual use. The subject cause is specifically excluded (exclusion 1-a-i) under Industrial All Risk Policy. Excerpt from the policy is quoted below.

Quote

1) This policy does not cover damage to the property insured caused by: a) i) faulty or defective design materials or workmanship inherent vice latent defect gradual deterioration deformation or distortion or wear and tear

Unquote

Thus the claim is not admissible.

6.2 We apprised the insured about the claim vide mail dated 1st July 2019 and requested to write back if they have any alternate opinion with supporting documents. Till date there is not revert. Thus we are closing our file as “**No Claim**”.

7.0 TENTATIVE ASSESSMENT OF LOSS

7.1 We have worked out tentative assessment of loss basis on of our inspection and the documents submitted by the Insured. Per Metric Ton rate of the zinc was considered from Tax Inv. AM/1166/2018-19 dtd 18th February 2019 of Amex Resource. Tank related expenses viz. Refractory repair Cost, Maintenance Repair Cost including mobile cranes for handling and Tank repair cost were considered as per the estimate. Gross Loss works out to Rs 13.51 lakh.

7.2 The cause of failure to the tank was gradual deterioration / wear and tear / effect of continual use. Thus, tank related expenses attract depreciation, since their life is over.

7.3 Based on the above documents, the loss has been assessed to Rs. 651000.00 as per assessment sheet attached. Since policy has excess clause i.e. 5% of claim amount subject to minimum of Rs.10 lacs, assessed loss comes to below excess. Since loss comes to below excess, under-Insurance working is not carried out.

8.0 **CONCLUSION**

8.1 The cause of failure to the tank was gradual deterioration / wear and tear / effect of continual use. Thus the claim is not admissible. Moreover, it falls below excess. **Therefore, we are closing our file as "No Claim".**

9.0 This report is issued **without prejudice** and subject to the terms, condition, exceptions & warranties of the policy issued to and held by the Insured.

10.0 **DECLARATIONS**

1. 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.
2. 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

License No. SLA 34365 valid till 27.11.2019

Encl:

- **Assessment of loss**
- **Documents**
 - Original copy of Incident report
 - Photocopy of Estimated Loss
 - Photocopy of Invoice no AM/1166/2018-19
- **Photographs**
- **Survey fee bill**