



## **FINAL SURVEY REPORT**

<b><u>Surveyor Ref:</u></b>		<b><u>Insurers' Ref:</u></b>	
<b>No:</b> 14824/ICICI/19-20		<b>Insured Name:</b> S M Diagnostics and Research Center	
<b>Report Date</b>	18 <sup>th</sup> October 2019	<b>Policy No.</b> 1001/175236587/00/000	
		<b>Claim No.:</b> FIR001800278	

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

*Survey report regarding claim preferred by S M Diagnostics and Research Center  
for loss/damage to their property insured under Standard Fire & Special Perils Policy*

### **1.0 INTRODUCTION**

- 1.1 S M Diagnostics and Research Center Kolhapur preferred claim on ICICI Lombard General Insurance Co. Ltd., Mumbai, for loss/damage to their assets. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 For the subject claim, the preliminary survey was carried out by Basroor Surveyors, Kolhapur. Thereafter, the Insurers appointed us on 15<sup>th</sup> August 2019 to conduct the final 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 Accordingly, we visited the insured's premises on **15<sup>th</sup> August 2019**. Dr. Mahesh conducted us around and narrated the incident. It was informed that, there was flooding in the Sangli/Kolhapur region due to which the insured's premises was affected. The premises as well as the surrounding was thoroughly inspected and photographed. The list of documents required to finalize the report was conveyed during our visit itself and also subsequently. 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 : S M Diagnostics and Research Center,  
Siemens Financial Services Pvt. Ltd., C. S  
No: 2143, C Ward, Laxmipuri, Opp.  
Treasury Building, Kolhapur-416002
- 2.2 Insurers : ICICI Lombard General Insurance Co.  
Ltd. ICICI Lombard House, 2nd Floor,

		414, P Balu Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai - 400025
2.3	Type of Policy	: Standard Fire & Special Perils Policy
2.4	Policy No.	: 1001/175236587/00/000
2.5	Period of Insurance	: 14 <sup>th</sup> July 2019 to 13 <sup>th</sup> July 2020
2.6	Occupancy	: Diagnostic center
2.7	Total Sum Insured	: Rs. 52,500,000.00
2.8	Property Insured	Plant and machinery and accessories
2.9	Item Affected	: Various machines such as CT Scan, X ray, MRI etc.
2.10	Risk Location	: Assembly Road, Near Basant Bahar Talkies, Kolhapur- 416001
2.11	Policy Excess	: 5% of claim amount subject to a minimum of INR 10,000/-

### **3.0 INCIDENT**

- 3.1 It is a matter of common knowledge that Kolhapur, Sangli, Satara and adjoining cities in Western Maharashtra were flooded due to incessant torrential monsoon rains from 4<sup>th</sup> August 2019 onwards. The incident was covered by various news channels and print media across the nation. Insured's diagnostic center was also flooded in the incident reportedly on **5<sup>th</sup> /6<sup>th</sup> August 2019**. The inundation continued till 12/13<sup>th</sup> August 2019.
- 3.2 There were various machines in diagnostic center to carry out different tests such as MRI machine, CT scan, sonography machine etc. The inundation level was clearly visible inside the insured's premises. All the machines were affected as the level was around 4 feet.
- 3.3 The insured has shared photographs snapped by them. The severity of floods and the water level is evident in the same.

#### **4.0 CAUSE OF DAMAGE**

- 4.1 Heavy rains poured in Maharashtra (Kolhapur, Sangali, Karad, Belgam, Ichalkaranji, Satara, Hatkarangale, Meraj etc), Karnataka, Kerala & other states from 26<sup>th</sup> July 2019 to 12<sup>th</sup> August 2019. Due to this floods had occurred in various region. The incidence is well reported in TV and print media all over the country. 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's farm is a diagnostic clinic in the name of "S M Diagnostic and research center" in Kolhapur which carry out different tests such as MRI, CT scan, sonography, X ray, mammography etc. It is one of the leading diagnostic center in the region.

##### **► Description of The Risk**

- 5.2 The risk was situated at Assembly Road, Near Basant Bahar Talkies, Kolhapur- Maharashtra -416001. The building was multistoried RCC structure with pane walls of the bricks and roof of RCC. The center is located on the ground floor of the building. The plinth height was around 3 to 4 feet. It was occupied as diagnostic and research center. Inside the center, there were separate rooms for different equipment.

► **Extent of damages**

5.3 We carried out the survey at the affected location on 15<sup>th</sup> August 2019 and subsequently thereafter. At the time of our survey, the water had already receded from the premises. The premises were thoroughly inspected and photographed. The entire contents such as FFF, machinery, was submerged in the flood water. The inundation level was clearly visible inside the insured's premises. All the machines were almost submerged completely as the level was around 3 to 4 feet. Insured was advised to clean the premises and get all the machines inspected by the respective agencies & provide their reports. Broadly following machines were found submerged fully/partially...

1. MRI with all accessories
2. CT with all accessories
3. CR system & film printer
4. Generator with amf pannel
5. Network devices
6. Sonography machine
7. X-ray machine
8. Printers
9. Various office equipment

5.4 MRI and CT were the costliest equipment, wherein around 95% of total value was involved. These equipment were inspected thoroughly. The engineers of the suppliers were also called, to facilitate the joint inspection. Brief details are as under...

➤ **MRI (Magenetic Resonance Imaging)**

It is highly sophisticated medical equipment. The equipment was Siemens make (Model: Magnetom Avanto, 1.5 Tesla, Sr. No. 27870). The gantry was under water. The major electronic as well as electrical systems were

under contaminated water for more than 5 days. Thus, these systems are bound to be affected. The equipment has to be generally under controlled atmosphere. However, due to electricity stoppages, it remained under extreme and unstable atmosphere for considerable period. This obviously had affected the reliability quotient of entire system. Nevertheless, Siemens engineers had prepared the list of the visually affected parts. Though some of the parts such as controllers, transformer, drives etc. were field replaceable, many of the affected parts such as backplane racks, internal wiring, magnets, RF cabin parts were not field replaceable. This list of the affected items was prepared by Siemens on the basis of the visual inspection. For further inspection, the system needed to be powered on. However, due to safety aspect, the powering on was completely ruled out. The supplier had provided us the repair quotation amounting to Rs.4,48,00,000.00 based on the external inspection. However, they had refused to give any guarantee of the performance due to reliability loss. Thus, the repairs were not feasible technically as well as economically and hence the equipment was treated as constructive total loss.

➤ **CT Scanner (computerized tomography)**

It is also equally sophisticated medical equipment. The equipment was GE make. The patient table was under water. The major electronic as well as electrical systems were under contaminated water for more than 5 days. Thus, these systems are bound to be affected. The equipment consists of following units....

- Scanner Unit
- Patient Table
- PDU Unit
- Operator's Console

The scanner unit houses major assemblies such as X ray tube, High Voltage generators, many image processing printed circuit boards,

power supplies, detector unit, and many preamplifiers. The flood water had entered inside these critical assemblies and has physically damaged these sensitive electronic components. This equipment has to be generally under controlled atmosphere. However, due to electricity stoppages, it remained under extreme and unstable atmosphere for considerable period. This obviously had affected the reliability quotient of entire system. Nevertheless, maintenance engineers had prepared the list of the visually affected parts. For further inspection, the system needed to be powered on. However, due to safety aspect, the powering on was completely ruled out. The engineer had provided us the repair quotation amounting to Rs.2,24,00,000.00 based on the external inspection. However, they had refused to give any guarantee of the performance due to reliability loss. Thus, the repairs were not feasible technically as well as economically and hence the equipment was treated as constructive total loss.

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

6.1 The insured had lodged their claim for **Rs. 89874000/-** for damages to Plant and machinery. This claim was lodged for two equipment which were reinstated. The detailed claim statement is attached to the report.

► <b>Cause</b>	Flood/ inundation
► <b>Date of loss</b>	5 <sup>th</sup> August 2019
► <b>Risk location</b>	Assembly Road, Near Basant Bahar Talkies, Kolhapur- 416001

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:

### ► **Plant and Machinery**

7.3 Out of damaged items loss to MRI machine and CT scan machine is only considered. Policy has RIV clause. Other damaged items were not reinstated; hence as per policy, these were not considered.

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

- Tax invoice MH3927002552 dated 28.09.2019 of Siemens Healthineers for replacement of MRI machine ( Magnetom spectra +RF cabin)
- Purchase order raised to Siemens Healthcare Pvt Ltd dated 24/09/2019 for replacement of CT scan.

7.4 The reinstated items were of higher specification. Hence, we have **deducted 35%** towards upgradation.

### **(-) Salvage:**

Initially supplier have given salvage value offer of Rs. 35 lacs, through insured. We advised insured to explore the possibility of cannibalizing the parts to some third party service providers of similar equipment. After hectic negotiation, Insured agreed for deduction of **Rs 9,250,000.00** on account of salvage value. Hence we have deducted **Rs. 9,250,000.00** on the account of salvage value.



**(-) Underinsurance:**

The total value for plant and machinery as on date of loss works out as **Rs. 67,419,125.01/-**. The sum insured is **Rs. 52,500,000.00**. Thus, there is underinsurance of **22.13%**. Hence amount of **Rs. 9,125,441.84** is deducted on account of underinsurance.

**(-) Excess:**

As per policy 5% of claim amount sub to min of Rs. 10,000/- is deducted.

7.4 The assessment of loss works out to **Rs. 30,504,665.53**. The detailed assessment is attached as **Annexure** to the report.

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

**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
- Inspection reports from agencies.
- Original purchase invoices and service report
- Photographs from Insured.
- Sheet showing repair and replacement costing.
- Copy of invoice
- Copy of purchase order
- Consent mail
- Bank details
- Adhar Card , Pan Card, Ration card
- Photographs & Our Fee Bill