



## **FINAL SURVEY REPORT**

<b>Surveyor Ref:</b>		<b>Insurers' Ref:</b>	
<b>No:</b> 14776/ICICI/19-20		<b>Insured Name:</b> M/S. Hollywood Furniture Gallery	
<b>Report Date</b>	2 <sup>nd</sup> November 2019	<b>Policy No:</b> 1001/165112609/00/000	
		<b>Claim No.:</b> FIR001760450	

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

*Survey report regarding claim preferred by M/S. Hollywood Furniture Gallery  
for loss/damage to their property insured under Standard Fire & Special Perils Policy*

#### **1.0 INTRODUCTION**

- 1.1 M/S. Hollywood Furniture Gallery, Pune preferred claim on ICICI General insurance Co. Ltd., for loss/damage to property due to flood & inundation. The property was insured under Standard Fire & Special Perils Policy.
- 1.2 The Insurers appointed us on 6<sup>th</sup> 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 Jai Mata di Compound, Gala No. P3 -P4 On Ground Floor , P 1, 2 & 3 on 1st Floor, Kalher, Bhiwandi, Maharashtra. The premises were inspected thoroughly. It was reported there was inundation at their premises. The water level was around 4 to 5 feet in the area. Inside the insured premises the water level was about 1.5 feet. Most of the water had already receded during our visit, however, the water level marks were clearly visible on and around the premises. The ground floor godown measuring arear about 8500 sq feet including mezzanine floor. Thereafter, we had requested insured to provide the requisite documents vide mail dated 13<sup>th</sup> August 2019. 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. Hollywood Furniture Gallery  
Jai Mata di Compound, Gala No. P3 -P4  
On Ground Floor, P 101 To P 105 On 1st

		Floor, Kalher, Bhiwandi, Bhiwandi, Maharashtra Pin code: - 421302, Country: India
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.	: 1001/165112609/00/000
2.5	Period of Insurance	: February 26, 2019 To February 25, 2020
2.6	Occupancy	: Storage in godown or warehouse
2.7	Total Sum Insured	: Rs. 85,00,000.00
2.8	Item Affected	: <ul style="list-style-type: none"> <li>• Stock Rs. 75,00,000.00</li> <li>• Plant &amp; Machinery Rs. 10,00,000/-</li> </ul>
2.9	Clauses	: <ol style="list-style-type: none"> <li>1. FC03 : Designation of Property Clause</li> <li>2. FC04 : Reinstatement Value Policies</li> <li>3. FC05 : Local Authorities Clause</li> <li>4. FC14 : Earthquake (Fire and Shock)</li> <li>5. FC25 : Removal of Debris Clause (upto 1% of the claim amount)</li> <li>6. FC26 : Architects, Surveyors and Consulting Engineers Fees (upto 3% of the claim amount)</li> <li>7. FC29 : Terrorism Exclusion Clause</li> </ol>
2.10	Risk Location	: Jai Matadi Compd, Gala No.P3 P4 On Ground Floor, P 101 To P 103 On 1st Floor, Kalher, Bhiwandi, Dist Thane 421302, Thane, Maharashtra 421302
2.11	Policy Excess	: 5% of claim amount subject to a minimum of INR 10,000/-

### 3.0 **INCIDENT**

- 3.1 It was well known that Bhiwandi, Kolhapur, Sangli, Pune, Karad and adjoining cities in Western Maharashtra were flooded due to incessant torrential monsoon rains from 4<sup>th</sup> August 2019 onwards. Insured's premises was also flooded in the incident. The water reportedly entered inside the premises on 4<sup>th</sup> August 2019 and receded on 6<sup>th</sup> August 2019.
- 3.2 The insured is in the business of readymade luxurious furniture trading (imported) and in the manufacturing of sofa sets. The unit spreaded in ground floor and on first floor in a total area about 15000 sq ft. The main show room located in Bhiwandi.
- 3.3 It was informed that the water level reached around 4-5 ft height at and around the premises due to flooding/inundation. The readymade furniture, cushion, accessories etc. and other equipment were submerged under water.
- 3.4 The external packing of corrugated boxes found completely wet and water entered inside the packages thru plastic wrapping. We advised insured to segregate the damaged boxes separately and prepare the list of damaged items for our final verification.

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

- 4.1 Heavy rains poured in Maharashtra (Bhiwandi, Kolhapur, Sangli, Karad, Ichalkarancji, Pune etc) Kerala & other many states from 26<sup>th</sup> July 2019 to 12<sup>th</sup> 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 Insured is in the manufacturing and assembly of luxurious sofa sets and trading of ready-made imported furniture. The risk is located in double storied (G+1) RCC building. The ground floor is around 8500 Sq ft. & first floor is 8000 Sq ft. It was informed that 12 employees were working at the godown. Friday is weekly off for them.

### **► Observations**

5.2 We carried out the survey on 7<sup>th</sup> August 2019. The water level was around 1.5 feet inside the Gala. The stock consisted of furniture such as sofa set, reclining chairs, bar chairs, garden chairs, bed sets etc. Various furniture parts (in knocked down condition) were kept in packed condition. Some of them were stacked in horizontal fashion, whereas some of them were stacked vertically. The card board packing found in wet condition and inside wooden and steel material got water affected. Post our initial survey, the insured was advised to segregate the material for further cleaning. Thereafter, final list of the affected items was prepared. The items were submerged under water and got swollen/rusty. These were not fit for further selling as new item and hence treated as damaged.

5.3 After detailed segregation, the final quantity of loss was ascertained & assessed the loss accordingly.

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

6.1 The insured had lodged their claim for **Rs 61,65,201.14** for damages to stock. The detailed claim statement is attached to the report.

► <b>Cause</b>	Flood/ inundation
► <b>Date of loss</b>	4 <sup>th</sup> August 2019
► <b>Risk location</b>	Jai Mata di Compound, Gala No.P3 P4 On Ground Floor, P 101 To P 105 On 1st Floor, Kalher, Bhiwandi, Dist Thane 421302, Thane, Maharashtra 421302

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:

7.3 Insured have forwarded us the following supporting documents we have relied upon the same & carried out the assessment

- Balance sheets 2016-2017, 2017-2018,

- Provisional balance sheets 2018-2019,
- Physical list of affected items
- Supporting purchase invoices for the affected material (stock)

► **Salvage**

7.4 The damaged items were not fit for the intended use. However, some of it could be sold at discount. After hectic discussion with the insured, the insured have provided us the salvage value offer of Rs. 19,50,000/-. The same is found reasonable accordingly deducted in the assessment.

► **Depreciation**

7.5 Being stock not applicable

► **Underinsurance**

7.6 The insured have provided us the two years balance sheets & provisional balance sheet. As per the records the total stock value as on date of loss is calculated as Rs. 2,00,19,160.00. The sum insured as per the three location is Rs. 13,500,000.00 (for all locations). Thus the stock is underinsured & percentage of the underinsurance works out to **32.56%**

► **Excess**

7.7 The applicable excess 5% of the claim amount sub to min of Rs. 10,000/- is deducted.

7.8 The assessment of loss works out to **Rs. 19,10,480.00**. The detailed assessment is attached as **Annexures** to the report.

The assessment has been explained to the Insured, who have given their written consent for the same vide mail dated 31<sup>st</sup> October 2019.

## **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*
- *Consent mail*
- *Claim form in original*
- *Balance sheet for the FY 2017-2018 & 2018-2019*
- *Claim bill with supporting invoices*
- *Photographs*
- *Our Fee Bill*