

Fire Insurance Policy

Bhubneshwar Ombudsman Centre

Case No. 11-012-0315

M/S Paribartan

Vs

ICICI Lombard General Insurance Co. Ltd.

Award Dated : 30.10.2007

Insured Complainant proprietor of a cloth shop insured his stocks under standard fire and special peril policy with ICICI Lombard General Insurance Co. Ltd for sum insured of Rs 2600,000/. During currency of policy insured shop was gutted by fire due to electrical short circuit. Insurer appointed surveyor has assessed the loss for an amount of

Rs 746583/ on the basis of physical verification in absence of purchase and sales bills.

Insurer repudiated the claim as purchase bills submitted by insured were false and fabricated and fake.

Insured being dissatisfied with the decision of insurer preferred this complaint.

During Hearing insurer stated that bills submitted by insured were fake.

Insured stated that he had also insured the same stocks with United India Insurance Co.Ltd for an amount of Rs 95,00,000/ . United India has settled the loss for an amount of Rs 116,847/ on 22-10-2006. Some of bills were fake and was arranged for settlement of the claim as advised by surveyor.

Hon'ble Ombudsman directed the insurer to pay Rs 536793/ as insurer has neither submitted the survey report as promised to this forum nor produce the evidence regarding the fake bills.

Bhubneshwar Ombudsman Centre

Case No.11-005-0198

Syed Akbar

Vs

Oriental Insurance Co. Ltd.

Award Dated : 17.03.2008

Insured Complainant obtained a shop keeper's insurance policy to cover the stocks of his auto spare parts shop with Oriental Insurance Co. Ltd for a period of one year commencing from 7-12-2004. .Insured's shop was damaged by fire and stocks worth of Rs 101,889/ were damaged. . Insurer appointed surveyor has assessed the loss for an amount of Rs 45,000/. Insurer settled the claim for an amount of 30339/ by not considering the losses on fibre, plastic and paper items.

Insured complainant being aggrieved of the decision of insurer approached this forum.

Insurer filed the Self Contained Note stating that as per survey report the claim has been settled for Rs 45,000/.Insurer has not considered the cost of plastic, fibre and paper items as same were not covered under the policy.

During hearing complainant stated his entire shop was completely destroyed by fire and insurer offering Rs 33,399/. Against sum insured of Rs 80,000/. Plastic,fibre and paper items were very much covered under the policy.

Insurer representative re iterated their stand taken in self contained note.

Hon'ble Ombudsman directed the insurer to pay Rs 45,000/ to the complainant as the parts like jumper plate, packing kit, broke shoe liner, Speedo meter cable ,mud guard are auto spare parts and insurer has arbitrarily deducted the cost of these parts.

Bhubneshwar Ombudsman Centre

Case No.11-005-0196

Sri P. Sujit Kumar Prusty

Vs

Oriental Insurance Co. Ltd.

Award Dated : 24.03.2008

Insured Complainant obtained a Shop Keeper's Insurance Policy from Oriental Insurance co. Ltd covering the stocks in trade of his stationery shop for sum insured of Rs 50,000/. During the currency of the policy stocks of insured shop was damaged by fire. Insured lodged a claim of Rs 56,000/ where as surveyor appointed by insurer assessed the loss for Rs 29,870/. Insurer settled the claim on non standard basis for an amount of Rs 14302/ as insured was not maintaining the books of accounts. . Insured complainant being aggrieved of the decision of insurer approached this forum.

Insurer filed the Self Contained Note stating that the surveyor has assessed the loss for Rs 49,000/. After application of policy excess ,under insurance and salvage the surveyor has recommended for Rs 29807/. Insurer again settled the claim on non standard basis for an amount of Rs 22401/.

During hearing Insurer's representative re iterated their stand taken in self contained note

Insured complainant stated that entire shop was destroyed by fire and insurer offered only Rs 14302/ against sum insured of Rs 50,000/.

Honourable Ombudsman directed the insurer to pay Rs 36,260/. As the calculation made by surveyor is not convincing and non standard settlement of claim by insurer is not acceptable as surveyor has taken into consideration of bank statement declared by insured.

Chandigarh Ombudsman Centre

Case No. : GIC/434/NIC/14/08

Shadi Lal Bhat

Vs

National Insurance Co. Ltd.

Award Dated : 05.03.08

FACTS : Shri Shadi Lal Bhat got his house covered under Fire Policy for sum insured of Rs. 7 lakhs for the period 17.1.04 to 16.1.05. His house was gutted and ransacked in January'05. The insurer deputed M/s Hari Om Engineers who after collecting all the requisite documents assessed the loss at Rs.3,22,000/-. He was shocked to receive an approval on 28.9.07 of Rs. 72,465/- without giving any justification for reduction in the assessed amount. Parties were called for hearing on 5.3.08.

FINDINGS : The insurer vide letter dated 1.1.08 submitted that the complainant's residential building at Kulgam, Anantnag was insured after a pre-risk inspection of the property which was arranged through surveyors.. The report revealed that the premises was already burgled and all wooden joinery items had been stolen whilst it remained uninhabited from 1989 onwards. The insured preferred a claim in Jan'05 intimating that

his house had been set ablaze by some unknown miscreants. M/s Hariom Engineers who were deputed for survey, assessed the loss at Rs. 97,525/-. After deducting excess of Rs. 25,000/- as per policy terms, the claim was payable for Rs. 72525/-.

DECISION : Held that after going through the pre-risk survey report carefully, it shows that there were no doors and windows at the time of pre-risk survey. However in the survey report prepared by the surveyor after the fire, damages other than fire are mentioned some of which are not reportedly covered in the pre-survey inspection report. These damages could be due to burglary as mentioned by the police in their police report. Although the theft and burglary per se is an exclusion under the terms and conditions of the policy, I am of the opinion, after taking a fair and just view, that the burglary took place because the person was not staying in the house due to difficulties of re-locating himself in that place. Therefore it is my opinion that 50% claim payment on ex-gratia for the amount admissible under non-fire damages, excluding the amount assessed for doors and windows, would be a just and fair compensation to the complainant in addition to the claim amount already approved under fire damages.