



Inaugural Issue
JANUARY-2024

IIISLA TIMES

An Inside Story...

Activities
Achievements
Events
and many more...



INDIAN INSTITUTE OF INSURANCE SURVEYORS & LOSS ASSESSORS

PROMOTED BY IRDAI, GOVT. OF INDIA



**LATE SHRI MAHENDRA
J DRUVA**



LATE SHRI DCS RAJU
DOB: 11-10-1946 - DOD: 27-12-2020



LATE SHRI R K ELANGO
DOB: 05-06-1959 - DOD: 07-08-2019

Their personality had all the nuances of a great human being. They valued hard work and perseverance of people and showed great respect, love and concern for whomsoever they met.

We salute the memory of architects of IIISLA and extraordinary leaders, who were passionate about the insurance surveyors & loss assessors, their techniques, their values and their philosophy.

They made a tremendous contribution towards IIISLA's development, and more widely to public debate on major contemporary economic and social policy issues.

Let us have a oath that we will fulfil their vision by following their way and vision towards achieving the excellence in the field of insurance surveyors & loss assessors.



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Dhimant shah

IISLA Team

Unni Anand
Sandeep

EDITORIAL

After formation of IIISLA, the Present CC under the leadership of Mr. Lalit Gupta & Nirmal Tripathi, Yogesh Shantaram Patil has assigned the team for publication of First Issue of Tri Monthly DIGITAL JOURNAL.

This Editorial Board had issued the Notices to every member to submit their article on the subject matter of General Insurance Survey.

Many member send the articles on time hence we are publishing in the First Issue. However, I am sure after publishing the issue many more members will be excited to write their experience and knowledge in the Journal.

We are expecting every entity of IIISLA like Central Council, Zone, Chapter and Unit to send us Technical Reporting on various Training Programme along with the selected lead paper presented in the Training Programme with detail Bio data of the Trainer or paper presenter for publication in the next Tri monthly Digital Journal .

We are also expecting details of Social Activities along with the photographs of the various Zone, Chapter and Unit.

Dear Members the 1st Issue will be Digital but very soon it may will be available in Hard Copy to all the members on Subscription Basis, as per decision of CC.

I am sure the member will ignore our weakness and appreciate our initiative. Your feedback on following mail will be highly appreciable and it can get place in next issue.- ejournal.iiisla@gmail.com

At last the Editorial Board thanks the Central Council for Trusting us to publish FIRST IIISLA DIGITAL JOURNAL .

From
EDITORIAL BOARD.



MESSAGE

It gives me immense pleasure to extend my greetings to the publication committee for releasing an Online journal **IIISLA TIMES.**

The main objective of the publication is to bring together all the members of IIISLA and its associated groups to share and discuss recent advances and futuristic trends. I am sure that the journal will ignite intellectual minds, enrich the experienced and benefit the members with new emerging possibilities and myriads of opportunities.

I wish to convey my greetings to the publication committee and pray for the successful completion of the journal.

**Lalit Gupta
President, IIISLA**



MESSAGE

**It gives me immense pleasure to announce that the IISLA
is Publishing an Online journal IISLA TIMES
January 2024.**

**I am sure through this platform, IISLA shall take
another leap forward in connecting the surveyors and
associated persons. This journal will provide all of us an
opportunity to share the latest advancements in the field
not only nationally but globally also.**

**I take this opportunity to felicitate the working committee
of the journal for having taken all the pains to make
arrangements for this. I am sure the journal will be able
to achieve the designed purpose and will be a grand
success.**

**YOGESH PATIL
Vice- President
IISLA**



MESSAGE

I take this opportunity to welcome you all to the inaugural edition of e-journal of IIISLA, January 2024.

The objective is to bring the eminent person's surveyors, members of IIISLA, under one roof, to explore the new horizons, of innovative ideas to identify opportunities and defining the path forward. The journal will feature online paper publication, online invited talks, online keynote addresses and online panel discussions, with the hope that this will be in benefit of members and others connected with the profession of surveyors and loss assessors.

I am grateful to a number of people without which we would not have been able to successfully publication, in such a short period of time. On behalf of the publication Committee, I thank all esteemed authors for having shown confidence in us.

Finally, I am thankful to one and all, who have contributed directly or indirectly to let this happen.

In the last, I am thankful to Almighty God for giving us strength in successful publishing of this e-journal.

NIRMAL KUMAR TRIPATHI
- Secretary, IIISLA

MESSAGE

It is a matter of great pride that IIISLA is publishing an Online e-journal IIISLA TIMES in January 2024.

I am sure that the journal will provide the surveyors a unique platform and opportunity to share ideas, innovations & exchange the knowledge to identify solutions to global challenges of the field.

I appreciate the efforts put in publishing this and wish a grand success for IIISLA Times.

DINESH CHANDRA AGARWAL

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PROBLEMS IN BANK INSURANCE IN INDIA



(SHASHI BHUSHAN)

COUNCIL MEMBER, IISLA

East Zone

1) The large number of claims are repudiated because of discrepancy in physical address on value at risk in claim form. In many policies, the bank has written the address of residence written in the Aadhar Card as value at risk at the time of providing loan. When the claims are lodged, the insured is mentioning in the claim form, the address of risk different than the written in the policy. The surveyor after not finding the risk of damaged on the address mentioned in the policy consistent with the policy, concluding to the claim as no claim in the first instance.

This is become surprise for the insured.

- 1(a) The reason of above differences is because of wrong filling of proposal form by the out sourcing agent of the Bank. The agents are located at big town and visits casually, weekly or so and completes the proposals without physical verification of the risk as well as without consulting the insured. The Bank is also not obtaining consent or signature by the insured on proposal form.
- 1(b) Many times insured is having more than one warehouse. The address of all are not mentioned in the proposal form and at the time of claim it get rejected.
- 1(c) Many times insured is taking policy under Cash Credit Loan (CC) of

Many times insurance policy are based on stock value against which loan has been taken + 25%, whereas actual cost of stock holds by the insured is many times more. In large number of claim insured suffered by huge under insurance and get negligible value of the claim. This also happening because insured are not consulted at the time of deciding the Sum Insured and issuing the policy based on his loan value only.

(2) The bank is not providing copy of Insurance Policy to Insured and unknowingness of the policy makes delay in intimation many times rejection of the claim also, some times claimes are not intimated for small losses, and insured are suffering Hence in my opinion following steps should be taken urgently:-

(i) Proposal form compulsorily be signed by the insured after filling it properly.

(ii) The Agent who visits the premises and must complete the claim form by physical verification of shops, godown, warehouse and other statutory requirements.

(iii) The Agent should also verify the required documents i.e ownership of the premises rent receipts and other details as per policy.

(iv) The agent should also verify the fire fighting facilities and other safety norms required as per proposal form. It must be taken as declaration by insured in proposal form .

(v) The photography of the premises of the shop or godown or ware-house taken by the agent or the insured must be uploaded with the proposal form.

(vi) The size of the shop in Meters and other criteria and specification of the building and the shop, commercial or industrial organization must be declared as per proposal form.

(vii) The proposal form is not comprehensive hence there should be provision of supplementary information about the risk inspection of

the building either submitted by the inspection report of Insurance Surveyor or self declaration by the insured because all the policies within 50 crores under Bharat Laghu Udyam policy and Bharat Small Udyam Policy and Bharat Griha Raksha Policy are reinstatement basis policy and there is choice of rate of construction of the building and many other facilities for Insured.

At present the proposal form filled by the bank and other Insurance Companies either Private or Public both are just doing (Khana-purti.) They do not incorporate detail about reinstatement value and its essential provision under the above three policies. They are proposing insurance based on depreciated value of Books which is not proper.

(viii) The Bank does not have any awareness meeting with insured and surveyor. There

should be annual provision for the banks to organize one small interactive programme with the Surveyors, Insured and agents about changes in the policy , rate of premium and terms & condition etc. The cost should be beared by the agents or banks as per IRDAI Act 2000.

The bank is in practice to collect the standard rate of premium of any one company which is Tie-up with the bank. Whereas as per market practice there are provision of discount. In banking insurance, banks do not compare the rate, consequently highest rate are collected by the bank from the insured. They are deducting the money from the Bank Account without information to insured.

(ix) The Bank should have at least three companies under Tie-up.

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Anatomy of Electrical Exclusion in Fire Policy

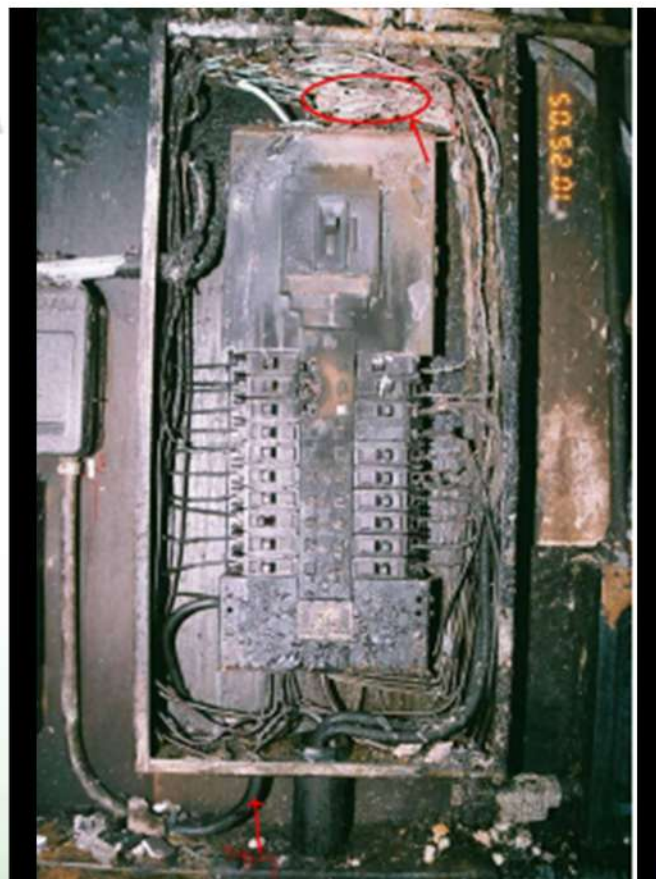
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Application of “Electrical Exclusion” lately known as ‘Dynamo Clause’ has always been a challenge for the fire surveyors where large electrical installations are involved in electrical fire. Though some changes were made in the exclusion wordings in the year 2001 to streamline the doubts/disputes, yet the loss adjusters still find difficulty in convincing the insured in cases involving huge electrical machines connected electrically.

(Case-1)

Let us examine a case in which short-circuit occurs in an electric panel. A few components of panel were burnt directly due to electrical flashover and a few due to fire spread over within on account of burning of plastic/PVC outer sheath of the cable etc. But fire remains limited in the panel only and did not spread outside. Let us view it in the picture below:-



The area encircled in red on top is clearly the 'short-circuit' zone. Following short circuit electric supply tripped off from the mains. But due to short circuit/flash, the PVC insulation of cable caught fire. The fire so set spread within, damaging other components. So in this case we can conclude that a few components of this panel were damaged due to short-circuit and a few due to fire spread-over.

(Case-2)

Case 2-

In this case, entire panel was badly gutted. The surveyor has no clue as to how much of it was damaged due to short-circuit and how much due to spread over of the fire.

Let us first analyze the need of this exclusion in the fire insurance policy and its application in the above two examples. In an electrical circuit, flash may occur due to short circuit and the component may burn where one can see fire/flame if it has higher constituents of flammable material. For example a cable may burn and create flame due to PVC insulation; otherwise the cable core (metallic) will not burn to create flame/ fire. Now the question is it; a 'Fire'?

The flow of electricity is nothing but movement of electron. Everything is



alright till the current flow in a circuit from higher potential to lower. But an electrical short circuit generates a distinctive popping noise as the circuit is activated and the electricity follows the new connection it has discovered and suddenly overloaded with energy. Smoke or flames may appear, and the short can be strong enough to melt insulation of electrical wiring, or to cause damage to the circuit itself.

So the 'fire/flash' seen in a short-circuit does not fall in the definition of "Fire". 'Fire' in insurance means burning of carbon in the presence of oxygen out of an accident. The fire resulting out of short-circuit is due to excessive heat generated on account of movement of electron in two circuits having flow of energy in opposite direction.

The purpose of this exclusion is, therefore, to restrict indemnity due to fire 'as defined in the subject insurance and to exclude damage due to electrical fire. Fire due to electric short circuit is in fact nothing but 'electrical breakdown and is to be dealt within Machinery Breakdown Policy. However, if on account of the electrical fire, where adjoining property is involved externally by its spread over; the claim for the same is admissible under the fire policy.

Having analyzed the theme of this 'exclusion', let us examine parameters of its application and

and limitation. The wordings of this exclusion are reproduced as below:-

Loss, destruction or damage to any electrical machine, apparatus, fixture, or fitting arising from or occasioned by overrunning, excessive pressure, short circuiting, arcing, self heating or leakage of electricity from whatever cause (lightning included), provided that this extension shall apply only to the particular electrical machine, apparatus, fixture or fitting so affected and not to other machines, apparatus, fixture or fittings which may be destroyed or damaged by fire so set up.

The exclusion is well worded to define that it will be applicable to entire electrical machine, apparatus, and fixture or fitting. So in (Case-1) it is applicable to entire panel. As an engineer one can say that this exclusion is applicable to entire equipment &/or apparatus &/or electrical installation etc. and not to individual parts/components within an equipment/apparatus/ electrical installation no matter some parts/components of the panel are damaged due to short-circuit and some due to fire spread over. This is also confirmed if, we analyze the changes

in the wording of this exclusion in 2001.

EXCLUSION BEFORE-2001

Any loss or damage by the fire within the electrical appliances and installation insured by this policy arising from or occasioned by overrunning / excessive pressure/ short circuiting / arcing/ self heating or leakage of electricity, from whatever cause (lightning included), is covered; provided that this extension shall apply only to the particular electrical machine; apparatus fixture fitting or portion of the electrical installation, so affected and not to other machine, apparatus, fixture fittings or portion of the electrical installation which may be destroyed or damaged by fire so set up.

One can see that the term “or portion” has been removed from this exclusion after 2001. This was done to avoid disputes in case of fire within electrical equipment in situations like (Case-1) where insured claims

for the portion affected due to fire within as discussed in (Case-1). As in (Case-1), one can demarcate the affected portion due to short-circuit and fire. This is not so in (Case-2). Here one cannot say with certainty that in a connected circuit of control panel this much part is damaged due to short-circuit and this much due to fire spread over because of the invisible damage to the connected circuit due to flow of high short-circuit current. So as per ‘exclusion’ entire panel is to be excluded under fire policy perse. Having understood the need and extent of its application, let us examine what is the limitation and scope of the words apparatus, electrical machine, fixture, or fitting in this exclusion. The problem occurs in a large machine comprising a number of electrical installation / apparatus/ equipments (e.g. DG set) or a control panel consisting of a number of cubicles with a common bus bar. In such cases primarily it is difficult to demarcate, as to how much as it is damaged due to electrical short-circuit and how much due to spread over of this fire within. Furthermore, which part/accessories are to be considered as an independent apparatus/electrical equipment/fixture or fitting for the

the purpose of application of this exclusion. The task of loss adjusters is furthermore complicated as by the time he reaches the site, entire machine is found gutted. In order to conclude in such complex cases, the loss adjusters has first to thoroughly inspect the property involved and its connectivity/application and then investigate the sequence of happening to conclude his final verdict. Engineering skill is needed to handle such cases. I am giving as few practical illustrations for the benefit of the readers

(Illustration -1)

There are two charged HT cables going side by side. Each cable is connected with different sources and electrical circuits. Due to failure of insulation there is core to core shorting in one cable (Cable A).

In this case damage to Cable A is to be considered under Break down policy but Cable B will be considered under the fire policy.

(Illustration-2)

Fire broke out in a charged control panel with a common bus bar. When surveyor reached the site, entire panel had been gutted. The scene after fire is as under:-



(Front Portion of the panel)

On enquiry of the eyewitness, it was gathered that sort-circuiting occurred inside the panel. Following short circuiting, the supply to the panel tripped from the OCB and the fire erupted in the panel and engulfed it. Now in this case, it is difficult to demarcate which portion of the control panel is damaged due to short-circuit and which by spread over of the fire. For the purpose of exclusion, should we treat the entire panel as one electrical installation or each cubicle as one independent electrical installation? This is necessary to examine as insured will press for the later. In case where we have different view, we have to place convincing logic to satisfy both insurer

and the insured. Let's examine more facts and see the back side of the panel:-



(Back side of the panel)

On examination of the bus bar section, we observe that the entire panel has common bus. If short-circuiting occurs the entire panel shall be subjected to high short-circuit current due to the common bus bar. Due to flow of high current all cubicles and circuit of the panel are momentarily in electrical stress before supply tripped off from mains. But in the meantime shortcircuit in some cubicles caused fire which spread to entire panel.

In the light of the amendment made in 2001, the entire panel shall be treated as one electrical installation for purpose of

'electrical exclusion' and all losses (including due to spread-over fire) shall be considered under MB Policy and not fire policy.

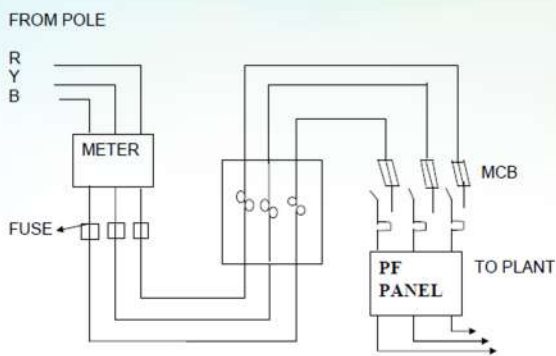


(Back side of the panel)

(Illustration -3)

On detailed inspection, it was noticed that fire broke out due to short circuit between the self and battery connecting wire. The traces of oil near engine caught fire and the entire DG set is engulfed as a result of fire spread over. In this case self and batteries are considered as one 'electrical equipment' for the purpose of electrical exclusion and not the entire DG set. The loss adjuster should apply his technical ability here as engine part of the DG Set is a mechanical part and under all circumstances shall be damaged by external fire. So the equipments under exclusion should be only electrical parts alternator, self etc and not engine.

(Illustration -4)



An interesting case study of fire in electrical connected equipment is discussed as below: 'Fire broke out in a switch room containing electric meter, fuse kit, switch and a power factor control panel. When surveyor reached the site entire room was badly gutted. All cables, meter and other electrical installation were lying on floor in badly burnt condition. The loss has occurred during mid night with resumption of power. The factory was closed at the time of fire. On detail enquiry /investigation, we put piece to piece information together and concluded that – The power resumed during night with high voltage. As a result, there was phase to phase shorting in pole.

going fuse could blow the fault current passed through the switch to power factor panel. There was an MCB protection at the incoming of Power Factor Panel. But since it was badly burnt, therefore, it was difficult to conclude, whether it has worked to protect the panel or not.

Now in this case benefit of doubt is given to insured. Meter, cable, switch were excluded but claim of power factor panel is considered assuming that the MCB has worked to protect the panel electrically and was burnt due to external fire.

CONCLUSION

- (1) We can draw the following conclusions from the above discussions:-
Electrical fire is not 'FIRE' as we understand in the subject insurance. This is basically electrical breakdown and to be dealt within MB Policy.
- (2) Exclusion is applicable to complete independent electrical equipment/ apparatus/ fixture or fitting and not to its part or a component.
- (3) In mechanical machines having drive as electric motor or control panel, in the event of short circuit in electrical motor or panel causing fire in entire machine

WHY ADD ON COVER NOT EXTENDED TO TRADE POLICIES

Late Ashok Girimaji

- (1) *My presumption of why add on is not permitted in trade policies is that under a trade policy the dealer has acquired insurable interest as a bailee & as per law even bailee have insurable interest .Insurable interest held by the dealer is not absolute but partial & as a bailee a person is legally holding the goods of another for payment or gratuitously entitling the dealer to acquire partial insurable interest -- BAILEE*
- (2) *Add on cover is always granted to insured's with absolute ownership in short RC owner.*

CONSEQUENTIAL LOSS

in the simplest of manner possible within my abilities.

When an accident is reported there are two types of financial loss.

1. Financial loss to the subject matter (car) ---

This financial loss may be reimbursed or may not be reimbursed in complete by The policy.

2. Financial loss to the insured (the vehicle owner)

This financial loss to the insured (the vehicle owner) is what the policy is not going to reimburse.

This financial loss to the owner of the vehicle WHICH THE POLICY IS NOT GOING TO REIMBURSE is known as "CONSEQUENTIAL LOSS".

Than what is aggravation of loss? Say, for eg. LHS lower arm of a car get's damaged in an accident. Even after that the insured drives the car than obviously the left tyre will start wearing out. This wearing out of the left tyre is called as an aggravation of financial loss. Consequential loss: is a financial loss to the insured. Aggravation of loss: is a financial loss to the car.

Introduction of **DISPUTE RESOLUTION**

– Arbitration Clause in
GENERAL INSURANCE POLICIES



DAVID MACWAN

Insurance Surveyor
Fire, Engineering & Loss of Profit.
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INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY OF INDIA IRDAI

**REF: IRDAI/NL/CIR/MISC/188/10/2023 DATE: 27TH OCTOBER,
2023.TO ALL CEOS/ CMDS OF GENERAL INSURANCE COMPANIES.**

Re: Amendment of Arbitration Clause in General Insurance policies.

On reference made by the Hon'ble Supreme Court of India, IRDAI undertook a comprehensive review of the extant Arbitration Clause prevalent across various lines of business in the General Insurance Industry.

After due consultation with stakeholders, IRDAI is of the view that the extant Arbitration Clause is limited in scope and need to be amended.

It was also viewed that the retail/ individual policy holders may be kept out from the provisions of Arbitration Clause as they have alternative forums of Insurer's Grievances System, Insurance Ombudsman and the Consumer Courts besides the Civil Courts available for redressal of their grievances/ disputes.

Accordingly, the Authority in exercise of its powers under Clause (i) sub Section (2) of Section 14 of the IRDA Act, 1999, hereby directs that

- (1) All policies issued under the Retail Lines of Business shall not have any Arbitration Clause.
- (2) All policies issued under the Commercial Lines of Business shall have an Arbitration Clause as under: "The parties to the contract

...Continue

may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.”

Transitory provisions

- (3) For all the new policies issued on or after the date of this circular: Arbitration Clause shall be deemed deleted from all the retail policies. Clause at ‘II’ above shall be deemed to be the Arbitration Clause in General Conditions of all the commercial insurance policies.
- (4) For all the existing policies: The existing Arbitration Clause shall remain valid till the term of the policy unless a policyholder specifically requests the insurer to replace it with the clause at “II” above. The clause at “II” shall be deemed replaced the existing Arbitration Clause in all the commercial policies from the date of renewal falling on or after the date of these circular Insurers shall take necessary steps to bring it to the notice of the policyholders and to amend the relevant provisions of such policies.
- (5) This circular comes into force with immediate, effect. Accordingly the brief of Arbitration and Conciliation Act, 1996 is submitted herewith.

ARBITRATION AND CONCILIATION ACT, 1996 ACT & amendments there on. An Act to consolidate and amend the law relating to domestic arbitration, international commercial arbitration.

PRELIMINARY:

Short title, extent and commencement.—This Act may be called the Arbitration and Conciliation Act, 1996.

CHAPTER-1

GENERAL PROVISIONS

Definitions.—

- (a) “arbitration” means any arbitration whether or not administered by permanent arbitral institution.
- (b) “Arbitration agreement” means an agreement referred to in section 7.

CHAPTER-2

ARBITRATION AGREEMENT:

- (a) In this Part, “arbitration agreement” means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.
- (b) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.

- (c) An arbitration agreement shall be in writing.etc.

CHAPTER-3

COMPOSITION OF ARBITRAL TRIBUNAL:

- (a) Number of arbitrators: The parties are free to determine the number of arbitrators, provided that such number shall not be an even number.
- (b) Appointment of arbitrators: A person of any nationality may be an arbitrator, unless otherwise agreed by the parties.

- (c) In arbitration with three arbitrators, each party shall appoint one arbitrator, and the two appointed arbitrators shall appoint the third arbitrator who shall act as the presiding arbitrator. application for setting aside such an arbitral award in accordance with section 34.

CHAPTER-4

JURISDICTION OF ARBITRAL TRIBUNALS:

- (a)The arbitral tribunal may rule on its

own jurisdiction, including ruling on any objections with respect to the existence or validity of the arbitration agreement, and for that purpose.

- (b) A plea that the arbitral tribunal does not have jurisdiction shall be raised not later than the submission of the statement of defense.

CHAPTER-5 CONDUCT OF ARBITRAL PROCEEDINGS:

- (a) Equal treatment of parties.—The parties shall be treated with equality and each party shall be given a full opportunity to present his case..
- (b) Determination of rules of procedure.—The arbitral tribunal shall not be bound by the Code of Civil Procedure, 1908 or the Indian Evidence Act, 1872.

- (c) Place of arbitration.—The parties are free to agree on the place of arbitration.

- (d) Commencement of arbitral proceedings.— Unless otherwise agreed by the parties, the arbitral proceedings in respect of a particular dispute commence on the date on which a request for that dispute to be referred to arbitration is received by the respondent.

- (e) Language. — The parties are free to agree upon the language or languages to be used in the arbitral proceedings. Failing any agreement, the arbitral tribunal shall determine the language or languages to be used in the arbitral proceedings.

- (f) Statements of claim and defense.—Within the period of time agreed upon by the parties or determined by the arbitral tribunal, the claimant shall state the facts supporting his claim, the points at issue and the relief or remedy sought, and the respondent shall state his defense in respect of these particulars, unless the parties have otherwise agreed as to the required elements of

...continue

those statements.

(b) Expert appointed by arbitral tribunal.—Unless otherwise agreed by the parties, the arbitral tribunal may appoint one or more experts available..

(c) Court assistance in taking evidence.—The arbitral tribunal, or a party with the approval of the arbitral tribunal, may apply to the Court for assistance in taking evidence.

the arbitral tribunal shall decide the dispute submitted to arbitration in accordance with the substantive law for the time being in force in India.

Time limit for arbitral award.—

The award shall be made within a period of twelve months from the date the arbitral tribunal enters upon the reference.

Fast track procedure.—

Notwithstanding anything contained in this Act, the parties to an arbitration agreement, may, at any stage either before or at the time of appointment of the arbitral tribunal, agree in writing to have their dispute resolved by fast track procedure.

CHAPTER-6

MAKING OF ARBITRAL AWARD AND TERMINATION OF PROCEEDINGS.

(a) Rules applicable to substance of dispute.— Where the place of arbitration is situate in India, in arbitration, the

Settlement.— It is not incompatible with an arbitration agreement for an arbitral tribunal to encourage settlement of the dispute and, with the agreement of the parties, the arbitral tribunal may use mediation, conciliation or other procedures at any time during the arbitral proceedings to encourage settlement.

An arbitral award on agreed terms shall be made in accordance with section 31 and shall state that it is an arbitral award.

An arbitral award on agreed terms shall have the same status and effect as any other arbitral award on the substance of the dispute.

Form and contents of arbitral

award.—An arbitral award shall be made in writing and shall be signed by the members of the arbitral tribunal. In arbitral proceedings with more than one arbitrator, the signatures of the majority of all the members of the arbitral tribunal shall be sufficient so long as the reason for any omitted signature is stated.

The arbitral award shall state the reasons upon which it is based.

After the arbitral award is made, a signed copy shall

be delivered to each party.

Explanation.

For the purpose of clause, “costs” means reasonable costs relating to—the fees and expenses of the arbitrators and witnesses, legal fees and expenses, any administration fees of the institution supervising the arbitration, and any other expenses incurred in connection with the proceedings and the arbitral award.

Termination of proceedings.—The

arbitral proceedings shall be terminated by the final arbitral award or by an order of the arbitral tribunal.

Correction and interpretation of

award— Within thirty days from the receipt of the arbitral award, unless another period of time has been agreed upon by the parties— a party, with notice to the other party, may request the arbitral tribunal to correct any computation errors, any clerical or typographical errors or any other errors of a similar nature occurring in the award.

CHAPTER-7 RECOURSE AGAINST ARBITRAL AWARD, CL.34.

Application for setting aside arbitral award.—Recourse to a Court against an arbitral award may be made only by an application for setting aside such award in accordance with sub-sections. An arbitral award may be set aside by the Court only if the party making the application furnishes proof that, a party was under some incapacity, or the arbitration agreement is not valid under the law to which the parties have subjected.

CHAPTER-8 FINALITY AND ENFORCEMENT OF ARBITRAL AWARDS, CL.35.

Finality of arbitral awards.—Subject to this Part an arbitral award shall be final and binding on the parties and persons claiming under them respectively.

DAVID MACWAN.

Insurance Surveyor – Fire, Engineering &
Loss of Profit.
Arbitrator – Engineer & Insurance.

Reference: IRDAI circular of CMD/GIC
and Arbitration and conciliation Act,
1996.



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Cultivating Harmony

Key Elements for a Successful Relationship between Surveyors and Workshops

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In the dynamic realm of the Indian automotive industry, the partnership between automobile vehicle surveyors and workshops is a linchpin for ensuring the smooth functioning of vehicle inspections, repairs, and maintenance. The synergy between these two entities is essential not only for individual vehicle owners but also for the broader goal of maintaining road safety and compliance with industry standards. Here I have chosen the followings crucial points that foster a robust relationship between surveyors and workshops, ultimately contributing to the ease of working within the Indian automotive landscape.

1. CLEAR COMMUNICATION CHANNELS:

CHANNELS:

Effective communication is the bedrock of any successful collaboration. Establishing clear and open lines of communication between surveyors and workshops is paramount. Regular meetings, feedback sessions, and the use of digital communication tools help bridge the gap between these two entities. A shared understanding of expectations, timelines, and specific requirements ensures that both parties are on the same page throughout the inspection and repair process.

2. TRANSPARENCY IN PROCESSES:

Transparency is a cornerstone of a healthy relationship between surveyors and workshops. Workshops should provide comprehensive documentation of repair plans, estimates, and progress

(2) TRANSPARENCY IN PROCESSES:

Transparency is a cornerstone of a healthy relationship between surveyors and workshops. Workshops should provide comprehensive documentation of repair plans, estimates, and progress reports to the surveyors. This transparency not only expedites the surveying process but also builds trust between the parties. Surveyors, in turn, should communicate their expectations clearly and be transparent about the inspection criteria, facilitating a smoother workflow for workshops.

(3) TIMELY AND QUALITY REPAIRS:

Timeliness is a critical factor in the automotive industry, and workshops play a pivotal role in ensuring that repairs are conducted promptly. Delays not only inconvenience vehicle owners but can also impact the surveying process. Workshops

Workshops that prioritize timely repairs, without compromising on quality, contribute significantly to a positive relationship with vehicle surveyors. This efficiency not only expedites the overall process but also reflects positively on the professionalism of the workshops involved.

(4) CONFLICT RESOLUTION MECHANISMS:

Despite the best efforts, conflicts may arise in any collaboration. Establishing clear conflict resolution mechanisms is essential for addressing issues promptly and effectively. Both surveyors and workshops should have protocols in place to handle disputes, whether they pertain to repair quality, communication breakdowns, or any other issues. A proactive approach to conflict resolution helps maintain the overall health of the relationship.

(5) CUSTOMER - CENTRIC APPROACH:

Ultimately, the end goal of both surveyors and workshops is to serve the vehicle owner. A customer-centric

approach, where the satisfaction and safety of the vehicle owner are paramount, creates a shared sense of purpose. Workshops that prioritize customer satisfaction contribute to a positive image in the eyes of both vehicle owners and surveyors, fostering a collaborative environment.

(6) STREAMLINED FINANCIAL PROCESSES:

Recognizing the financial aspect of this collaboration is vital for its sustainability. The issue of supporting invoices from the garages should be eliminated, technology should be adopted and the delay in cashless payments to the workshops should be dealt with as a top priority. It is crucial to establish a standard deadline for the payment process, ensuring that workshops receive their due compensation within a reasonable timeframe. This not only helps workshops manage their finances effectively but

also promotes trust and financial

-: CONCLUSION :-

A successful relationship between automobile vehicle surveyors and workshops under the ease of working is built on a foundation of clear communication, transparency, adherence to standards, continual training, efficient use of technology, timely repairs, conflict resolution mechanisms, a customer-centric approach, and streamlined financial processes. As India's automotive landscape continues to evolve, nurturing and enhancing these key elements, including addressing financial concerns promptly, will be instrumental in ensuring the seamless functioning of this symbiotic partnership, ultimately benefiting the broader automotive ecosystem.

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ROLE OF SURVEYOR IN GENERAL INSURANCE

MOHAN VATNANI

Ex Regional Mnsht (NIC Ltd), currently working President and HOn secretary at Indore Insurance Institute. Actively involved in educational activities and is on the educational board of various colleges and Universities. Has worked with Symbiosis and Pioneer University. Having worked with almost all departments in the insurance sector, his basic interest is in the education and training field. Though most of the time has discharged the duties in marketing. He has various awards and accolades to his name and that includes recent awards in essays in all India competitions by the Insurance Institute of India. Apart from his active role in the insurance industry, he is doing a lot of work for the unemployment problem and is providing all support and guidance to the aspirants to get jobs in the BFSI sector.

This is become surprise for the insured.

- (1) The surveyor is an important link in the process of claim settlement in general insurance.
- (2) The promise that was given to the customer to help in the adverse situation by Insurance company starts, with the appointment of a surveyor. Who then perform the work of inspection, authentication, and recommendations for the payment to the client?
- (3) Surveyor is like a ray of hope to the customer in difficult times.
- (4) Insurance Industry is customer centric industry, so the success lies in the customer delight.
- (5) However, surveyor is not to provide for customer delight always because he is in the role of judge also, so his duty is to satisfy all the stake holders involved into insurance (Insurance

(6) Yes, but if the claim is payable, surveyor should be doing all that enhances the customers delight by his justified fair and prompt settlement.

(7) Surveyor is the true ambassador for the insurance company, though he is an independent person. He is the person who can make or tarnish the image of the company in the market. He is the first person (public face) who can translate the true meaning of policy for the insured.

(8) Surveyor is a trained professional, trained by college/University, then by insurance industry and by being the member of IISLA and by his own exposure and experience in the survey field.

(9) Insurance Industry is now more than 100 years old in our country but when we look to the penetration ratio, it is quite low in comparison to the other countries. Though Surveyors have nothing to do with this

penetration ratio and it is the subject to be dealt by insurer themselves, but in our opinion the surveyor can play a greater role here also and penetration level of insurance industry can be drastically improved if surveyor role is understood in its true perspective.

(10) Surveyor is the true representative of insures who can increase the trust level among customers by attending surveys promptly and efficiently.

(11) Surveyor is the person who can check for the unnecessary out go of the industry for fake and inflated claims.

(12) Surveyor can be compared as the true and leading sports person (leader) who takes the Olympic torch and represent the country (insurer) in the field of insurance.

(13) Surveyor is the quasi-judicial authority who has great powers to do the justice at the time of claim.

(14) Lot of expectations from Surveyor by customer, by company, by every other stake holder including public of this country.

(15) Surveyor can reduce the cost of operation for insurers, can reduce the premium for customer and surveyor can help to formulate future strategies for various agencies like regulator, insurance

16. To conclude, Surveyor is an essential stake holder of insurance industry and is to be understood in its real sense, time has come to redefine and re assess the role of surveyor.

17. The prescription for any surveyor should be fairness, promptness, and discharge of his duties in a highest professional way with all ethical values. The author recommends for joining hands of all stakeholders so that we can do something great for the insurance industry. Indore Insurance Institute is ready to join hands with any agency which can help to enhance the reach of general insurance industry, which can help to create employment, and which can guide and support to existing professionals and futuristic incoming professionals joining the insurance industry.

We wish for granting of chartered status to IISLA by the Authorities soon and expect MP Chapter to organize training sessions for their members at Indore, Bhopal, and other cities of MP. In Indore, we can provide you facility of hostel arrangements also besides providing for best faculties.

interpretation upon the TIPPER OVER TURNING SCENARIOS – a perspective

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DICTIONARY MEANING:

OVERTURNING:

**TIP (SOMETHING) OVER SO THAT IT IS ON ITS SIDE/
UPSIDE DOWN/ THE ACT OF UPSETTING SOMETHING/
TURN FROM AN UPRIGHT OR NORMAL POSITION**

TOPPLE:

**TO FALL (OVER) BECAUSE OR AS IF TOP HEAVY/ TO
LEAN FORWARD AS IF ON THE POINT OF FALLING;
OVER BALANCE; TOTTER**

BACKGROUND

The overturning of a vehicle during its running and while traversing/ negotiating a curve by virtue of CENTRIFUGAL FORCE is quite common phenomenon. In such instances, the centrifugal force can never damage the vehicle. But, the vehicle gets damage because of unidirectional/ gyroscopic directional impact on it because of subsequent rolling of the vehicle Whereas, in case of stationery vehicles (While assigned for self unloading), the OVERTURNING can only & only occur because of VARIED/ SHIFTED CENTER OF GRAVITY. Under such conditions/ circumstances, either;

- (1) The entire vehicle may get overturn
- (2) Only Tipper body may be over turned. During both the scenarios, the damage causing phenomenon is the OVERTURNING MOMENT/ TWISTING MOMENT/ TORSIONAL STRESS only but no any external collision/ hit In tippers, the shifting of the center

- (a) **Overload**
- (b) Inadequate torsional rigidity of Chassis (Alteration tipper body & other hydraulic aggregates on Intended to carry uniformly distributed load without the addition of strength (Adding additional fitches to chassis frame to increase the strength) increasing aggregates and unauthorized alteration of its wheel base etc.) due to unauthorized alteration
- (c) Loose soiled ground underneath the wheels
- (d) Failure of Tipping Unit/ Cylinder (Bulging of Ram)
- (e) Mechanical breakdown (Breakage of: Fasteners/ Rear Pivot shaft & or its bracket/ Chassis Rear Cross member, Breakage/ deformity in Hydraulic cylinder bracket, mangling of canopy and Tipping system KICK-OFF (Detachment of cylinder ram out from the barrel.

(5) PROXIMATE CAUSE WITH CHAIN OF EVENTS:

Operation of Tipping Unit/ hoisting stage by stage – Progressive Unloading of material laden in tipper body with respect the raising Inclination – Shifting of Center of Gravity - Overturning/ Twisting moment on Chassis (By virtue of one amongst above listed scenarios) – Falling of either the entire vehicle or Tipper body alone

(6) RETATION OF THE ATTRIBUTED PERIL:

As per reclassification of IRDAI, the tippers must be underwritten under the category **GOODS CARRIAGE COMMERCIAL VEHICLE** only. As such, IMT47 Exclusion (of Overturning) is not applicable. And, the overturning losses are quite regular for tippers since they consist the machinery element (Tipping Unit)

Why IMT47 Exclusion?

When the equipment is performing the very purpose for which it is actually intended for, in short, as **TOOL OF TRADE**, the overturning moment upon it is **UNIDIRECTIONAL**. The IMT 47 is excluding such risk and it

accommodates when the insured opted it/ additional premium paid for it

FOR TIPPERS:

During static operation, i.e., while unloading the material in its tipper body; The operation / hoisting of Tipping Unit and Varying of Center of Gravity is internal means. The Subsequent lateral imbalance/ Twisting or torsion moment is EXTERNAL MEANS (INFLUENCED FROM OUTSIDE OF THE VEHICLE).

The Tipping unit cannot be indemnified under any circumstances since it is the LOSS PROPAGATING COMPONENT (IF NO TIPPING UNIT OPERATION/ HOISTING, THEN NO SHIFTING OF CENTRE OF GRAVITY OVERTURNING MOMENT/ NO CENTER OF GRAVITY VARIATION/ NO LATERAL INSTABILITY) – HENCE TO BE OMITTED ALWAYS

One more point to be pondered over here is, the vehicle will be stable as long as the tipping unit exhibit adequate lateral factor of safety and it starts falling over to the influenced side once the tipping unit failed to retain the hoisted body stable.

6. PERCEPTION OF THE SURVEYOR:

- (a) Evaluating the load at the material time of accident (Either by verifying weighment slip or volumetric evaluation in absence of weighment evidence)
- (b) Thorough verification of the tipping unit details (If the vehicle is of altered tipper)
- (c) Mechanical Breakdown/ failures that lead to overturning (Detailed above) if any

- (d) Whether the driver followed Mandatory precautions or not
- (e) Whether any unauthorized alteration contributed to the OVERTURNING

7. CERTAINTY:

- (a) SINCE THE TIPPER ARE NEITHER CATEGORISED/ UNDERWRITTEN AS MISCELLANEOUS CLASS D VEHICLE NOR THE IMT 47 EXCLUSION IS APPLICABLE, THE OVERTURNING INCIDENTS HAVE TO BE INDEMNIFIED UNDER THE NAMED PERIL ACCIDENTAL EXTERNAL MEANS ONLY
- (b) UNDER ANY CIRCUMSTANCES, THE TIPPING UNIT HAS TO BE ELIMINATED SINCE IT IS THE ONLY LOSS PROPAGATING COMPONENT IN OVERTURNING INCIDENTS

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Misinterpretation in BHARAT LAGHU UDYAM SURAKSHA (BLUS), Bharat Sookshma Udyam Suraksha (BSUS) & GRIH Raksha Policy

INTRODUCTION:-



(SHASHI BHUSHAN)

Member, Editorial Board
IISLA
East Zone

It is quite appreciable that IRDAI has launched above three policies for the benefit of Insured and reduce court cases and simplification in customers' Grievance Redressal.

SUGGESTION:-

However, all General Insurance Companies - whether Private or Public Sector, are misinterpreting the policy, consequently the insured from house hold to industries, business are suffering due to following:-

1. Premium are calculated on re-instatement basis of even now which are long age old practice.
2. At the time of claim settlement under insurance clause become operative as below:-
 - i) "The sum insured for each item of Insured Property must be sufficient to pay for reinstatement/replacement value of the insured property, in totality, including additions, alterations, erections and new acquisitions, is more than the Sum Insured,

except to the extent waived in Clause F(D) of this policy, it amount to under insurance, and will reduce proportionate to the difference from the amount that we will pay for your claim. Even item of Insured Property is subject to this condition separately.” * It is not consistent with the risk.

(3) The definition of Reinstated/replacement stated below:--

(i) The reconstruction of buildings or replacement of other property lost or destroyed.

(ii) The repair or partial replacement of property damaged.

“In either case, to a condition substantially the same as but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.”

* The above interpretation is not clear and confusing.

The meaning of reinstatement value/replacement value mentioned below are more confirming- “This is the amount at which the Insured Property can be reinstated or replaced by similar property, without deducting depreciation, and to the extent required to bring that Property to a condition substantially the same as , but not superior, better or more extensive than its condition if it were new on the date it is damaged or destroyed.”

The above meaning is also not clear.

(4) Regarding above mentioned 4 points I have already written letters to competent authorities and Insurance Companies.

Due to the above three provisions, actually the insured belonging to household or corporate or industries are paying their premium almost three times more than that used to be paid earlier under old Standard Fire & Special Perils Policy being applicable that time.

CONCLUSION:-

In view of above it is required that concerned Department to be more customer friendly, so that sustainability as well as penetration of general insurance can increase amongst all Sector of Industries and also for the general public belonging to the poor community of our society.

Let's learn about

“CAUSES OF FIRE & VEHICLE THERMAL DAMAGE”

STUDY

On day-to-day professional routine, we the surveyors are facing so many hypothetical situations/ circumstances/ scenarios, wherein, the capability & expertise is required so as to ascertain & indicate to the under writers upon which peril has been attributed to cause the reported loss/ damage. FIRE/THERMAL DAMAGE is one amongst the said category.

Unfortunately, adequate infrastructure is not available for the us to conclude the proximate cause of FIRE scientifically And so, this my little effort in elaborating the certainty to my level best on concluding the proximate cause of fire.

There are certain common causes upon which we need to put our observation and to arrive the absolutely relevant/ foremost cause of FIRE by ELEMINATION METHOD:

1. Accumulation of flammable substance on the HOT SURFACE like casing of turbine (Turbo charger) – Example: When a loader performing high stacking of coal, the fine coal dust will prevail all around
2. Arcs on the Starter cable/ alternator cable/ power input cable into the vehicle/ cabin
3. Prevailed fuel mist within engine room
4. Leakage of fuel (Dribbling) from ruptured/ rubbed pipe lines/ hoses
5. Failed/ defective turbo charger
6. Leakage of hot gases from exhaust
7. Sparks emanating due hot spots (Red hot carbon deposits within exhaust pipe) within exhaust pipe

Let's learn about "CAUSES OF FIRE & VEHICLE THERMAL DAMAGE"

STUDY

9. Extra electrical fittings onto a circuit not intended for it will lead heavy load on cables.
10. Due Increased fuse rating, the wiring may not be adequately protected.
11. Inadequate inflation of tyres – Leads to emanation of fire from tyres
12. Combustible road debris if sticks to underneath of vehicles
13. Bearing failures
14. Over heated brakes/ Brake fading especially during coasting of ghat road

DISCUSSING ON ALL THE AFOREMENTIONED PROBABILITIES ON ELEMINATION METHOD (RULING OUT THE CAUSES THAT ARE NOT RELEVANT TO THE NATURE OF INCIDENT AND FINALLY CONCLUDING THE MOST RELEVANT PROBABLE CAUSE), WILL HELP THE SURVEYOR IN ASCERTAINING THE SAME, ITS COMPLIANCE WITH THE PERILS/ EXCLUSIONS LISTED IN THE POLICY CONCERNED. SO THAT THE CERTAINTY ON ADMISSIBILITY IS POSSIBLE.

-T. RAMESH BABU

DME., FIIISLA.

Insurance Surveyor & Loss Assessor

व्युधैव
कुटुम्बकम्

**THE SURVEYORS
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