

Claims settlement

We starting a new series where we will be focusing on a speedy claim settlement and how Bajaj Allianz help their clients to get back into business at the shortest possible time

Client

Chemfab Alkalies Limited, manufacturers of Caustic Soda, liquid chlorine & Hydrogen has their manufacturing plant at Pondicherry. Chennai Regional Office services the client.

Cover

The cover was Industrial All Risk (IAR) with sum insured of Rs. 102.73 crore for material damage and Rs. 25 crore for Business Interruption.

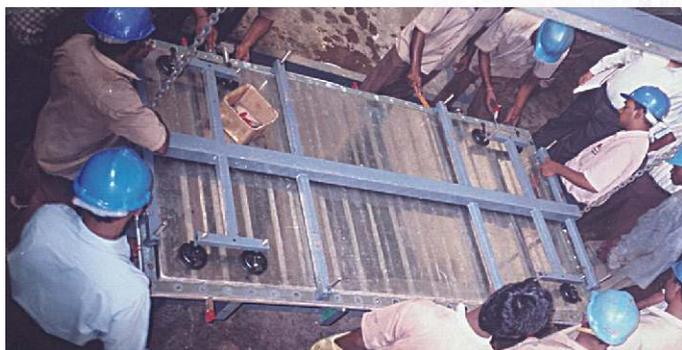
What happened?

There was an explosion in the Cell house of Electrolysis House due to which there was a material damage and plant production has to be stopped. The key material - membranes had to be imported.

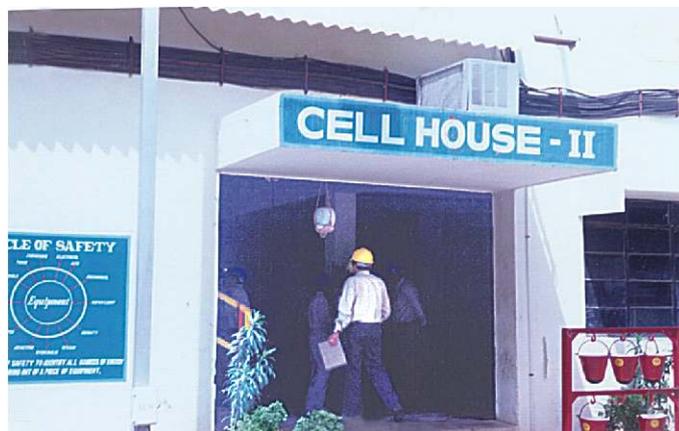
Role of Bajaj Allianz

On receipt of the intimation of the accident on 16.10.02, immediately a surveyor from M/s Mehta & Padamsey Surveyors Pvt. Ltd. was rushed to the site. The basic documents to support the claim were given on 18.11.02 and the Surveyors submitted their preliminary report on 19.11.02.

Bajaj Allianz team had analyzed the incident and liability was established under the policy. An On-account claim amount of Rs.50 lakh was paid on 23.11.02. Within 4 days of the report. Meanwhile we smoothly had drawn up a proper flow chart and used alternate resources such as using spare membranes to



Chemfab alkalies limited



repair the damaged cell and also advised some re-engineering at the plant and ensured that the shutdown of the plant was limited to the minimum. As a result loss due to business interruption was reduced to substantially. Our team also analyzed the cause of the incident and suggested preventive measures and the Insured has incorporated the same in their manufacturing process before the startup following the above accident.

Meanwhile the client sought a further on A/c payment for facilitating the import and the 2nd installment of Rs. 50 lakh was paid in the intervening period on 14.3.03. The final bills were given to the Bajaj Allianz on 25.3.03 and the balance payment of more than 150 lakhs was paid on 28.3.03.

Lessons learnt

It was the joint effort of the client, the insurer & surveyor, which reduced the period of Business Interruption following the major breakdown in a plant.

The grace and speed with which Bajaj Allianz handled the claim was well appreciated by the client.