

# CLAIMS SETTLEMENT

## *“When your commitment is at stake our action matters”*

### **CLIENT**

REWA Tollway Private Limited belongs to the well known IJM Group of companies. IJM have their Head Office in Malaysia. IJM is engaged in construction activities in India and are located in Hyderabad.

IJM Corporation Berhad has formed its subsidiary known as REWA Tollway Pvt Ltd. exclusively for development, construction, strengthening and widening of roads between Rewa - Jaisingnagar - Shahdol - Amarkantak Road (246 KM) and Satna - Maihar - Umaria Road (141 KM) in Madhya Pradesh. The project period is 18 Months.

### **INSURANCE**

The above two Road projects were covered by BAJAJ ALLIANZ GENERAL INSURANCE CO. LTD. under two different CAR Policies alongwith ALOP insurance.

### **WHAT HAPPENED**

In the month of September 2003, Satna in Madhya Pradesh experienced unprecedented rains. During these unprecedented rains heavy losses were reported in Satna.

This act of god had caused the wide spread flood/inundation at various places including insured's construction site. The rain carried over the silt and mud, contaminated the material mainly Granular Sub-base (GSB), Wet Mixed Macadam (WMM), Dense Bituminous (DBM) and SDBC laid on road where work was in progress along with entire stretch. As a result sections of the road were severely damaged.

### **ROLE OF BAJAJ ALLIANZ**

Immediately on receipt of claim intimation from brokers, a preliminary surveyor was appointed through our Bhopal Office. Based on the preliminary survey findings and the estimates, surveyors M/s Cunningham & Lindsey, Bombay were deputed by our Head Office for final survey on 21/10/2003. In consultation with the insured at Hyderabad, the final surveyor visited the site from 27/10/2003 to 3/11/2003. After the first visit, series of joint meetings were held with the Insured at Mumbai and

Hyderabad. Again one more visit was made to the site by the final surveyors for detailed inspection, along with the insured's representatives and our officials.

An initial On A/c payment for Rs. 50 lakhs was on 17/2/04 to enable the insured to mobilise resources to restart operations. In the last week of February the client finalised their estimate of claim and on 10/03/04 evaluated the repair work progress. The actual loss was assessed & arrived at for the two projects and the claims was assessed and finalised for Rs. 6.4 crores on 10/3/04 itself.

On 12/3/04 Rs. 3 crores was released based on the verbal agreement arrived on 10/03/04 and without waiting for the final survey report. The balance amount is being paid in the following week upon submission of the certified bills and survey reports.

### **LESSONS LEARNT**

Be alive to the clients' aspirations and empathise with them. A disaster has occurred in an area where the clients on-going project was located. Any delay in remobilizing resources could have led to penalties being levied on the insured for delay in project completion arising out of their contractual agreements. Immediate action on our part has ensured that the project gets completed within the time frame.



Project after the disaster