

Sales Turnover Policy (Claim Manual)

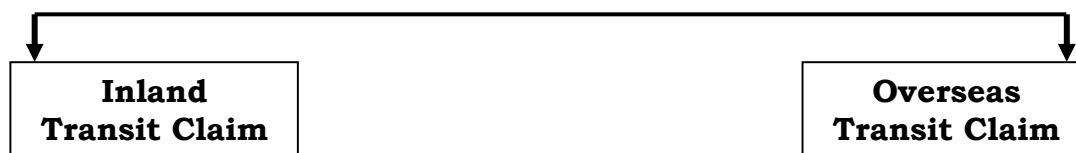
Before considering the claim, the following facts to be confirmed-

- 1) Ask what is the proximate cause of the loss
- 2) Is the proximate cause is the insured cause
- 3) What is the loss payable under the policy?
- 4) What area the documents required in the claim
- 5) How claim recovery will be affected and process

Types of Claim	<u>Expenses</u>
☐ Actual Total Loss /Constructive Total Loss ☐ Particular Average ☐ General Average & Salvage	☐ Sue & labour charges ☐ Particular charges ☐ Extra Charges

- a) Actual Total Loss -An actual total loss occurs when the insured property is completely destroyed or the Assured is irretrievably deprived of the insured property
- b) Constructive Total Loss -A partial loss where the damage is so extensive that repairs would cost as much or more than the property is worth, or the limit of insurance of the policy.
- c) General Average -A deliberate sacrifice or expenditure incurred for the common safety of a maritime adventure. Those interests that benefit from the sacrifice or expenditure will contribute ratably to the amount of sacrifice.
- d) Particular average: Particular average loss is partial loss to cargo, hull. e.g. Leakage, breakage, jettison at sea in order to save the remainder.
- e) Salvage Charges -These are the remuneration payable to third parties, who, independently of any contract, render services to save life or property at sea.
- f) Sue & labour Clause – Charges incurred by s the Assured, his agents, etc. to take reasonable measures to avert or minimise any loss which is recoverable under the policy;
- g) Particular Charges -Expenses or charges incurred in recovering or preserving the subject matter, such as warehousing and forwarding goods are termed particular charges
- h) Extra Charges -These are the expenses of proving a .claim, e.g., survey fees. These are payable only if the loss is payable under the policy.

Types of Claim-Modes



Document Required for Settlement of All Claims

Document generally required for settlement of various types of claims are as under, keeping in view the purpose of calling for the claim document and depending on circumstances, submission of certain documents may be waived recording the reasons for the same.

Common to All the claims-

1. Original Insurance Policy/ Declaration under the open policy duly endorsed by the assured/ claimant.
2. Claim Bill
3. Intimation – the claim be reported to insurance company with estimated Liability.
4. Original or signed copy of sales invoice along with packing list
5. Copy of Bill of Lading/ Airway Bill/ Railway Receipt/ Lorry Receipt.
6. Copy of Bill of Entry
7. For General Average Claims: Counter Guarantee or original cash deposit receipt with letter of Transfer.
8. Letter of Subrogation duly stamped (where recovery from carriers is possible)
9. Special Power of Attorney.
10. Lost overboard Certificate: Where loss has taken place during loading or discharge. (sling Loss)
11. Short Landing or Non- delivery of complete consignments: Original Contract of Affreightment duly endorsed.
12. In case of Partial Loss/ Damage: Open assessment report by the carrier
13. Survey Report of Independent Surveyor.
14. Claim Form & Claim Bill.
15. Claim Notice to the Carrier / Shipper / Airways / Postal authority / Custom Authority as the case may be and Proof of delivery of such notice.

It is a pre requirement for the recovery that a notice of the clam be given to the Carrier before filing of the suit against them. It is therefore necessary to ensure that the insured sends the claim notice to carrier within time. The statutory time limits to file claim notice against different carriers are as per **Annexure** attached.

The Claim Department will take the subrogation rights from the claimant against the carrier and thereafter will file suit against the carrier for the recovery of Damage which they have incurred while transporting the goods.

Following documents are relevant when there is overseas claim or there is claim under the Duty or Increased value Insurance. These documents are in addition to the above stated documents whenever necessary.

Specific to Shipment Claims

1. Master's Protest- This is a statement under oath by the captain certifying the heavy weather resulting in Washing Overboard.
2. Ship' Log book – This document substantiate what has been stated in Master's protest.
3. LOB Certificate- loss overboard certificate certifying lost of package during loading or unloading.
4. Short landing / landed but missing certificate – issued by the Port Authorities.
5. Bill of Entry- This is issued by the consignee or his clearing agent. It is used to get the goods cleared from port or air port authority. This contains the details of the goods with all the endorsements made by custom authorities or the port authorities.

Specific to Duty and Increased value policy Claims

1. Proof of settlement of claim under CIF policy – Required for the Duty or The Increased Value Policies.
2. Proof of Duty actual paid – Required in Duty Policy.
3. Proof of market Value- In case of increased value policy.

Open delivery from Carriers/ third Parties

- (a) Claimants have a right of recovery from the carriers if the goods are lost or damaged whilst in the custody of the carriers. In order to establish that the goods have been lost or damaged whilst in the custody of the carriers, claimants have an obligation to apply for open assessment delivery form the carriers.
- (b) Where the written application for open/ survey delivery is refused by the carriers and a survey is disallowed by them, the claimant shall be asked to take delivery under a written protest after survey by a surveyor deputed by our office.
- (c) In case of non-delivery/ short delivery the claimant shall be asked to obtain and send to our office either a non-delivery/ short delivery certificate from the Port Authorities or the original Railway Receipt (RR), Lorry Way Bill (LWB) or Air Consignment Note duly endorsed by the carriers, confirming non-delivery/ short delivery or a separate non-delivery/ short delivery certificate, as the case may be.
- (d) If the loss occurred during loading into ship, a Lost Over Board Certificate shall be obtained by the claimant.

Annexure

Marine Claims Recovery (Time limits for Notice of claim)

Notice to Carrier under the Marine Insurance

Mode or Transit	Nature of Damage	Notice period	Relevant Regulation
Road / Inland Vessel	Damage / Non delivery	6 months from goods receipt.	Section X Carriers' Act 1865
Rail	Damage/ Non Delivery	6 months from goods receipt.	Section 78 B & 140 Indian Rly(Amdt.) Act 1961
Post	Short delivery	One month from short delivery	Section 163 Postal Guide II
	Non Delivery	3 months from date of booking	
Inland Air	Damage Passenger Lugg.	3 days from Delivery	Rule 26(2) Chapter III Indian Carriage by Air Act.
	Damage Other Cargo	7 days from Delivery	
	Non delivery	14 days from Booking	
International Air	Damage Passenger Lugg.	7 days from Delivery	Rule 27(2) Chapter II Carriage by Air Act. 1972
	Damage Other Cargo	14 days from Delivery	
	Non delivery	21 days from Booking	
Ship	Damage Non Delivery	6 months from the date of Bill of Lading	Carriage of Goods By Sea Act
Custom Duty	Damage	6 months from the date of duty paid ◦ than Appeal if claim repudiated -3 months from such repudiation	Section 27 Custom Act 1962
• Time limit for Combined Transport document is normally mentioned on the Bill of Lading and it varies from 9 months to 12 months.			