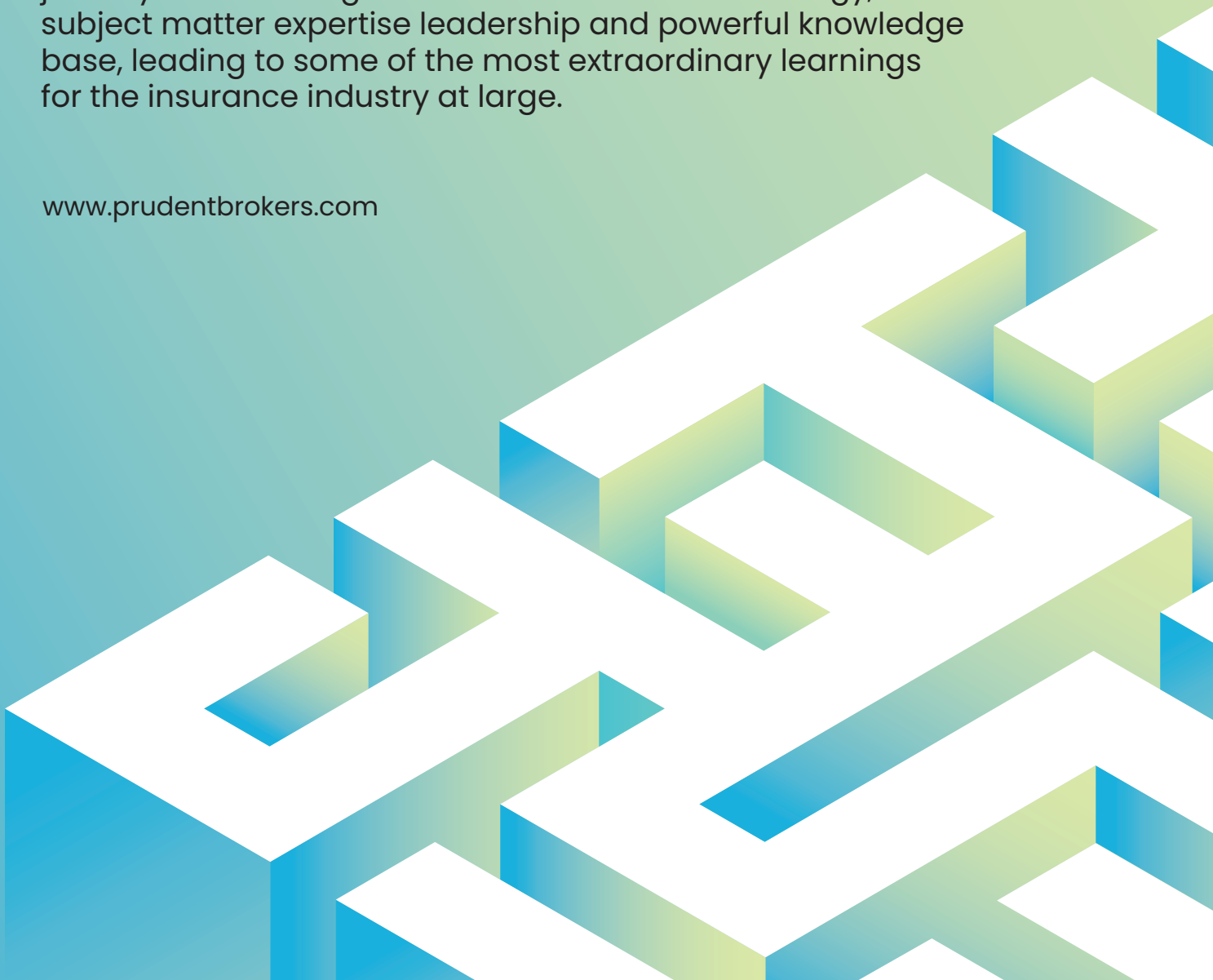


# MAZE<sup>TO</sup> AMAZE

S E R I E S

This unique 'Claims Maze to Amaze Series' aims to take you through some of the most amazing claims processing journeys showcasing the confluence of smart strategy, subject matter expertise leadership and powerful knowledge base, leading to some of the most extraordinary learnings for the insurance industry at large.

[www.prudentbrokers.com](http://www.prudentbrokers.com)





## POLICY TYPE:

Industrial All Risk Insurance



## KEY PLAYERS:

**The Insured:** The insured is a key player in the power generation industry

**The Insurer:** One of the country's leading players

## The Starting Point

Due to a heavy windstorm in the monsoon season, one of the client's wind farms faced a massive setback when one of its windmills was struck with lightning, damaging its blade. As a standard protocol, repairing a windmill entails the use of heavy cranes to detach the blades from the tower & then reinstall. Furthermore, the remote location of the windfarms posed the added challenge of constructing a temporary road with a sufficient foundation to support the crane movement through the agricultural farms.

## The Roadblock

On the special recommendation of Prudent team, the client had agreed to avail the 'Right of Way' cover to address any challenges arising out of the remote location of the windfarms. Despite availing this add-on, the repairs to the fan blade got delayed owing to the staged protests of the villagers on the route of road construction.

While the disputes of the protesting farmers were being sorted, the designated area for road construction submerged due to heavy rains resulting in the crane getting stuck. This eventually spiralled into a volley of challenges that needed to be addressed such as:

1. Settling dispute with protesting farmers
2. Midway construction of approach road
3. Removal of heavy crane stuck in soil
4. Adding up of the daily rentals of the crane
5. Heavy business losses due to interruption caused by dip in power generation

## The Dead-end Impact

The claim was considerably delayed due to halt in the road construction caused by the protests staged by the local villagers. The challenge was further compounded by flooding which was caused by heavy rains making it difficult to rescue the crane stuck in mud.

## Navigating through the Maze to Amaze

In the recent claim scenario, the Prudent team promptly sequenced the issues and leveraged the add-on covers to cushion the client against impending losses.

### Maze 1: Orchestrating significant cost saving

Usually, the reconstruction of windmill blade takes very few days with temporary road getting constructed, crane brought to site to carry out dismantling & installation of new blade. As the wind farms are usually located in remote areas due to good wind pressure leading to high electricity generation, Prudent team had strongly recommended the client to avail an add-on cover, 'Right of Way' which greatly helped in covering up for the huge business losses occurred during 2 months of shut down of the windmill.

To add to this, another such add-on cover, recommended by Prudent's team for 'Additional crane charges', under material damage section, turned really beneficial to cover up for the crane rentals that got stretched from just 2 to 58 days.

### Maze 2: Cushioning client by getting claim maximised

Even though there was no challenge faced in admissibility of the claim, we wanted the client to receive coverage for the additional losses incurred due to the subsequent events. As a result of our effective representation of the events, there was a considerable minimisation in the loss which otherwise had to be borne by the client.

### Maze 3: Maximisation of the assessment from the surveyor

Team Prudent's timely intervention led to an impactful business interruption assessment for INR 54.55 lakh with support of Right of Way cover and a claimed reduction in losses for additional rental for 58 days under the add on, Additional Crane Charges.

### Maze 4: Ensuring correct applicability of \*\*Right of Way-on cover

Team Prudent team worked in parallel with both the surveyor and insurer to ensure correct applicability of the unique add-on in the claim.

**\*\*Right of Way:** Delay due to local disturbance including but not limited to Right of way (ROW) issues etc. – of INR xxxx crores per event. INR 5 crores per event. In case the work of repair/reinstatement is delayed due to local disturbance or agitation or any other situation beyond the control of insured, the delay will be considered in the period of indemnity.



## Results

As a result of Prudent's proactive intervention & recommendations of add-ons unique to & relevant for insured's seamless operations, the insured received the payment under the business interruption section for approx INR 55 lakhs made alongside the additional payment for the crane rentals for approx 2 months.

## Key Learnings

1

Underwriting & claims must work in tandem to design the best coverage possible to make up for the client's losses. Where an underwriter can recommend covers available, a claim member can foresee the losses as per past experiences.

2

Every aspect of the client's operations along with its remote locations was kept in mind while drafting the policy wordings for the 'Right of Way' add-on under the business interruption section, in concurrence between the underwriter & claims person. Even the add-on, Additional Crane Charges under the material damage section which is usually ignored, was specifically recommended to the client.

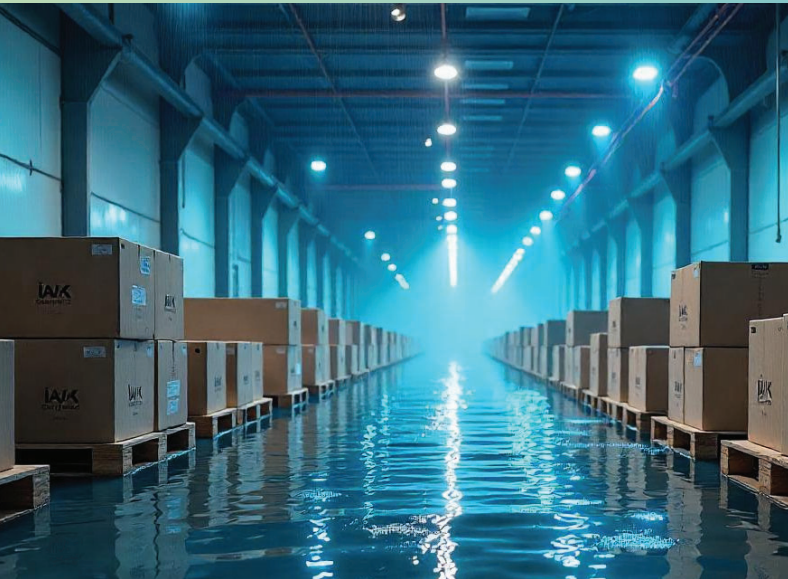
## Crux

We should never shy away from using unique add-ons based on our understanding of the potential risks in our client's business. An out-of-the-box approach, though challenging, might just come in handy when it comes to covering the client against unprecedented losses. The basic crux of insurance is a promise to make good the losses of the insured on happening of the insured contingency. How 'Good' the loss can be made truly depends on the role we play by our understanding & recommendations.





# Denial to Approval Yet Win-Win for All



## POLICY TYPE:

Bharat Laghu Udyam Suraksha



## KEY PLAYERS:

**The Insured:** The insured is one of India's largest post-harvest solutions providers, offering services such as storage, transportation & other ancillary activities related to commodities (collateral business).

**The Insurer:** One of the country's leading players

## The Starting Point

During a cyclonic event, rainwater entered one of the insured's warehouses where stocks belonging to multiple parties were stacked in layers. As a result of the water ingress, the stock in the lower layers was damaged while the upper layers remained intact, with only slight moisture impact.

## The Roadblock

The access to the lower, impacted layers could not be arranged unless the top layers containing sound bags were removed. However, removing the sound bags involved high costs. The surveyor completely denied this expense, stating that it is the duty of the insured to 'act as if uninsured', and take all possible steps to protect the stock. Convincing the surveyor & insurer to give approval for payment of loss minimisation expenses under policy coverage was one of the greatest hurdles.

## Navigating through the Maze to Amaze

In the recent claim scenario, logistical challenges and proactive loss minimisation played a crucial role in determining the final claim amount.

### The Maze

Team Prudent successfully represented that the loss minimisation expenses covered the cost incurred to reduce the loss amount. We rationalised that the costs incurred by the client in removing the sound bags was with the intent to get the access of the affected bags. Furthermore, the removal of the sound bags was the only feasible way to access to affected bags.

Although the loss minimisation expenses came with an additional cost of INR 1.50 lakhs, but it led to a net reduction in insured's claim from a staggering INR 1.25 crores to INR 80 lakhs. This resulted in a huge saving in the claim to an approx. of INR 30 lakhs.

The logical reasoning and representation by Prudent team to convince the surveyor for allowing loss minimisation expenses, accompanied with client's timely action and willingness to bear additional costs directly contributed to minimising the financial impact, benefiting both the insured and the insurer.



## Results

As a result of Prudent's proactive intervention & recommendations of add-ons Despite the initial denial by the surveyor, who maintained that the expenses incurred for removing sound bags were not payable, Team Prudent firmly advocated on behalf of the client. We highlighted that these expenses were essential to access the affected stock and were incurred solely with the intent to minimise the loss.

Through detailed justification and consistent follow-ups, we were able to demonstrate that the costs were both necessary and reasonable. As a result, the surveyor accepted our representation and the insurer too approved the claim, ensuring that the client received rightful compensation.

Loss minimisation expenses amounting to approximately INR 1.50 lakh were paid under the claim. As a result of this activity, the admissible loss was reduced to INR 80 lakhs compared to the estimated INR 1.25 crore, had the entire stock been impacted due to inaction.

## Key Learnings

- 1 We should utilise our technical expertise to the best interest of our clients thereby, enabling them to get the maximum entitled in their claim to help them mitigate their losses.
- 2 Our persistent effort to engage in multiple rounds of discussion with the surveyor helped our client to get the expenses covered to the tune of approx. INR 1.50 lakh. Even the insurer would have been at loss if the claim amount increased by INR 30 lakhs.

## Crux

If our understanding of the policy and coverages is clear and backed by proper representation, we should confidently stand by our position and work collaboratively to gain consensus from all involved parties. We must leverage our technical expertise in the best interest of our clients, helping them secure the maximum entitlement under their policy to effectively mitigate their losses.





[www.prudentbrokers.com](http://www.prudentbrokers.com)

For more details, connect with

**Prudent Insurance Brokers Pvt. Ltd.**

**PRUDENT INSURANCE BROKERS PVT. LTD. (Composite Broker)**

Registered office at 1st Floor, Tower B, Peninsula Business park, G.K. Marg, Lower Parel, Mumbai – 400013, Maharashtra,  
Tel : +91 22 3306 6000 | CIN No.: U70100MH1982PTC027681

Certificate of Registration IRDAI No. 291 & IFSCA No. 017 (Validity: 18th February 2023 to 17th February 2026)

Insurance is a subject matter of solicitation

**Disclaimers:** Prudent Insurance Brokers Pvt. Ltd. (herein referred as Prudent) is the Composite Broker registered with IRDA of India and does not underwrite the risk or act as an Insurer. Prudent team provides insurance, re-insurance, and Risk management & claim consulting services as permitted under Applicable law. This report and any recommendations, analysis or advice provided herein, are based on our experience as insurance and reinsurance brokers or as consultants, as applicable, are not intended to be taken as advice or recommendations regarding any individual situation. The opinions expressed herein are valid only for the purpose stated herein and as of the date hereof. We are not responsible for the consequences of any unauthorized use of this report. We have used what we believe are reliable, up-to-date, and comprehensive information and analysis, but all information is provided without warranty of any kind, express or implied, and we disclaim any responsibility for such information or analysis or to update the information or analysis in this report.

The information in this document is provided for general information purposes only. No information contained in this document should be construed as an advice from Prudent Insurance Brokers Private Limited. This document is not a legal advice and Prudent expressly disclaims any liability to any person for actions taken based on the views stated in the given document and we recommend and encourage all to obtain independent legal advice in relation to any subject matter contained herein. All claims under the policy will be solely decided upon by the Insurance company.