



भारतीय बीमा विनियामक और विकास प्राधिकरण  
INSURANCE REGULATORY AND  
DEVELOPMENT AUTHORITY OF INDIA

No. IRDA/ENF/ORD/ONS/ 283 /11/2021

**Final Order in the matter of**

**M/s. Apex Insurance Surveyors and Loss Assessors Pvt Ltd.**

**[Based on the reply to the Show Cause Notice (SCN) dated 08/06/2020 and submissions made during the hearing through video conference held on 21<sup>st</sup> September, 2021 at 03:00 p.m., chaired by Member (Non-Life).]**

**Background: -**

1. The Insurance Regulatory and Development Authority of India (Authority) had conducted during 14/10/2019 to 18/10/2019 an onsite inspection of M/s. Apex Insurance Surveyors and Loss Assessors Pvt Ltd. (SLA).
2. The Authority forwarded a copy of the Inspection Report to the SLA on 20/02/2020 seeking comments and the SLA responded to the Inspection report on 05/03/2020. Upon examining the documents on hand and submissions made by the SLA, the Authority issued Show Cause Notice (SCN) to the SLA on 08/06/2020 which was responded to by the SLA vide letter dated 22/06/2020.
3. As requested therein, a hearing through video conference was given to the SLA on 21<sup>st</sup> September, 2021. Mr. Alind Kumar, CEO cum CMD, attended the hearing on behalf of the SLA. On behalf of the Authority, Shri Prabhat Kumar Maiti, GM (Enforcement), Shri Pankaj Kr. Tewari, GM, Surveyors, Shri B Raghavan, DGM (Enforcement) and Smt. Nimisha Srivastava, DGM (Surveyors), attended the hearing.
4. The submissions made by the SLA in their written reply to the Show Cause Notice and those made during the hearing through video conference and the documents submitted by the SLA in evidence of their submissions have been considered by the Authority and accordingly the decisions on the charges are detailed below.

**5. Charge No.1**

Violation of Regulation 13 (2) of Chapter IV of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 to be read with regulation 15 (5) of IRDAI (Protection of Policyholders Interests) Regulations, 2017.

**Observation:** The inspection team selected 19 samples from the survey records submitted by the Corp. Surveyor for the year 2017-18 and 2018-19. From the document, it is observed that the surveyor has delayed more than 180 days in



submission of Survey Reports to the insurer and there is no document in support of their seeking extension of time for submission of report to the insurer.

### **Summary of Reply to SCN:**

With respect to the cases highlighted under the observation, the SLA submitted that necessary follow-up was continued with insured via telephones and mails, during the period in which the survey report was pending. The SLA also submitted that the 'reminder letters' issued by surveyor for pending requirements is taken into cognizance by insurers for delay in report submission.

In regard to Engineering and Fire policies, there is reinstatement clause which also takes quite a long time at the insurer's end and this causes difficulty. The SLA further stated that their request to insurance companies to permit the SLA to submit independent survey report is not acceded to by the insurers. The SLA also submitted that the insurers do not permit them to close the claim in cases where the SLA does not get the cooperation from the insured despite constant follow up with the insured

### **Decision:**

Post personal hearing, the SLA submitted some documents in support of their submission that they are sending regular reminders to the insured in case there is delay on the part of the insured in the submission of documents. However major portion of the documents are not related to the sample claims indicated under the observation. Further, they submitted some documents in support of the communications with the insured and the insurer. However, the same is not enough to establish that they are following the process as mandated under Regulation 13 (2) of Chapter IV of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 to be read with regulation 15 (5) of IRDAI (Protection of Policyholders Interests) Regulations, 2017. The SLA is cautioned to comply with the said regulations in letter and spirit.

### **6. Charge No. 2:**

Violation of Regulations 4(15)(3) of IRDAI (Insurance Surveyors & Loss Assessors) Regulations, 2015 to be read with Section 64UM (1) of the Insurance Act, 1938.

**Observation:** It was observed that one of the Director Surveyors has undertaken 443 out of 463, 512 out of 573 & 484 out of 613 total jobs undertaken by the SLA during the Financial Years 2018-19, 2017-18 & 2016-17 respectively. In addition, it was observed that on a few select dates; he has carried out survey jobs at locations which are geographically spread over such distances where it is practically not possible for a person to be present at the same day & hence, to undertake survey jobs.

### **Summary of reply to SCN:**

The SLA submitted that Alwar, Bharatpur and Bhiwadi regions witnessed heavy wind storm on 02/05/2018 causing uprooting of several trees and roof sheds of hundreds





of factories – it was massive Natural Calamity in area which was duly covered by all newspapers & media. As soon as insurance companies received claim intimation which were pouring in, they found surveyors short to address the situation. The SLA submitted that they were at Udaipur at that time when the insurers urgently called them and sent SOS and requested the SLA to mobilize teams to immediately extend facility and help out public at large. Therefore, taking note of the abnormal conditions, the SLA mobilized their team for preliminary survey and immediately arrived at Jaipur by evening flight on 04/05/2018 and reached very next day at Alwar, Bharatpur and brought the situation under control by visiting affected sites and conducted final surveys which were already monitored by their team.

The Loss at Jodhpur & Kota were small losses falling within limit of Rs. 1,00,000/- which does not mandate requirement of surveyor under Act, therefore, they utilized services of Trainees under their supervision while losses at Alwar was attended by the SLA personally.

The SLA further submitted that the highway from Jaipur to Kotputli & Tonk is four lanes High Speed Highways which one travel conveniently in a day without any trouble. They have travelled such distances and crossing Jaipur in between covering local survey while loss at Jalore was small losses falling within limit of Rs. 1,00,000/- which does not mandate requirement of surveyor under the Act, therefore, they utilized the services of their IRDA Trainees under their supervision.

### **Decision:**

The SLA submitted that out of the sample cases indicated under the inspection observation, majority of surveys are done by licensed surveyor and some of these are done by trainee surveyor under the supervision of a licensed surveyor.

Further, in respect of claims assigned to the SLA by the insurers at the locations of Jodhpur, Kota & Jalore, the SLA has accepted that they engaged unlicensed surveyor on 11<sup>th</sup> & 31<sup>st</sup> May, 2018 to conduct survey jobs assuming that they can engage unlicensed surveyor to conduct non-motor survey in case the assessed loss is less than Rs. 1 Lakh. This is a violation of the regulation and there are three such cases in the sample survey reports examined. Hence, by virtue of the powers vested in it under Section 102(b) of the Insurance Act, 1938, the Authority levies as penalty on the SLA an amount of Rs. 2.00 Lakh (Rupees two lakh only), considering that those surveys were performed on 2 different dates. The SLA is further directed to ensure compliance to Regulation 4(15)(3) read with 12(1) of IRDAI (Insurance Surveyors & Loss Assessors) Regulations, 2015.



## 7. Summary of Decisions:

Charge No.	Provision violated and charge	Decision
1	<b>Charge:</b> Delay in submission of Survey reports. <b>Provision:</b> Regulation 13 (2) of Chapter IV of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 to be read with regulation 15 (5) of IRDAI (Protection of Policyholders Interests) Regulation, 2017.	Caution
2	<b>Charge:</b> Engaging unlicensed individuals for survey job. <b>Provision:</b> Regulations 4(15)(3) of IRDAI (Insurance Surveyors & Loss Assessors) Regulations, 2015 to be read with Section 64UM (1) of the Insurance Act, 1938	Penalty of Rs. Two lakh & Direction

8. As directed under the respective charges, the penalty of Rs. Two Lakh shall be remitted by the SLA within a period of 45 days from the date of receipt of this Order through NEFT/ RTGS (details for which will be communicated separately). An intimation of remittance may be sent to Mr. Prabhat Kumar Maiti, General Manager (Enforcement) at the Insurance Regulatory and Development Authority of India, Sy. No. 115/1; Financial District; Nanakramguda; Gachibowli; Hyderabad – 500032.

9. The SLA shall confirm compliance in respect of the above decisions, within 21 days from the date of receipt of this order. The order shall be placed in the upcoming Board meeting and the SLA shall submit a copy of the minutes of the discussion.

10. If the SLA feels aggrieved by any of the decisions in this order, an appeal may be preferred to the Securities Appellate Tribunal as per Section 110 of the Insurance Act, 1938.

Sd/-  
(T. L. Alamelu)  
Member (Non Life)

Place: Hyderabad  
Date: 8<sup>th</sup> November, 2021