

YEAR – 2008

1. **What are the salient features of a Reinstatement Value Policy? (Page No -13)**
2. **Under which circumstances endorsements are placed on policies?**

The endorsements are issued in the following circumstances:

1. If sum insured is increased or decreased during the currency of the policy
 2. Inclusion of STFI cover in mid- term
 3. Inclusion of RSMD / Terrorism cover in mid-term
 4. Mid –term inclusions of Add-on covers collecting annual premium
 5. Any material alteration in the risk
 6. Cancellation of the policy on request of the insured
 7. Cancellation of policy by insurer giving 15 days notice
 8. Cancellation of the policy by government order
 9. Inclusion of financiers name after taking the policy
 10. Change in location under Floater policy
 11. Inclusion of new locations under declaration policy
 12. Endorsement is effected when actual stock of every month is declared under declaration policy
 13. Refund of premium under declaration and LOP policy, when actual sum insured is less than the policy sum insured.
3. **What are the steps taken by the Insurer on receipt of a claim notice under a Fire policy? (Page No – 19)**
 4. **Write short notes on:**
 - **Turnover**
 - **Indemnity period**

TURNOVER:

The Consequential Loss Insurance (LOP) policy is limited to loss of Gross profit in respect of

- Reduction in Turnover
- Increased cost of working

The turnover means the money paid or payable to the insured for goods sold and delivered and for services rendered in course of the business at the premises.

In other words, turnover is the insured's income from trading including services rendered.

If during the indemnity period goods shall be sold or services shall be rendered elsewhere than at the premises for the benefit of the business either by the insured or by others on his behalf the money paid or payable in respect of such sales or services shall be brought into account in arriving at the turnover during the indemnity period.

INDEMNITY PERIOD:

The period beginning with the occurrence of the incident and ending not later than the maximum indemnity period there after during which the results of the business shall be affected in consequence thereof.

The choice of number of months for the maximum indemnity period is of critical importance.

1. It governs the maximum cover under the policy. It should be noted that Indemnity period last as long as the result of the business are affected by the damages limited to the maximum number of months chosen by the insured
2. It governs both the sum insured and the rate of premium payable. The maximum indemnity period selected is less than 12 months, the sum insured will still be based on the Annual Gross Profit but reduced premium rate will be changed recognizing insurer's reduced liability. For opting indemnity period of 24 months the Gross profit should be 2 times the Annual Gross Profit.

Factors to be considered for selecting the indemnity period:

The Building

1. Demolition and site clearance
2. Building Agreement and approval for rebuilding
3. Contractor's negotiations and actual rebuilding
4. Possible Shortage of Building materials and building delays.

Machinery

1. Lengthy delivery periods, especially for specialized machinery.
2. Procedural delay for obtaining import licenses in case of imported machinery.
3. Delays at the supplier's premises.
4. Time taken for erection, testing and commercial production.

Stocks

1. Difficulty in replenishment of raw materials.
2. Procedural delays for securing import licenses, etc.
3. Lengthy delivery schedule.

5. What are the indications of good house keeping in an Industrial Risk?

Efficient production and a good working environment are complementary. The elimination of inefficiencies and accident hazards caused by unfavorable conditions in and about the workplace is essential in getting the job done properly and safely.

Good housekeeping involves every phase of industrial operations and should apply throughout the entire premises, indoors and out. It is more than mere cleanliness. It requires orderly conditions, avoidance of congestion, and attention to such details as an orderly layout of the whole workplace, the marking of aisles, adequate storage arrangements, and suitable provision for cleaning and maintenance.

A clean, well-ordered, attractive work environment encourages tidy work habits in employees. It helps reduce fatigue. It promotes good worker-management relations. It also gives a lift to morale, which is reflected in the quality of production and overall efficiency.

Good housekeeping is also a good advertisement for an organization. Customers and clients have more confidence in an organization when work is being carried out efficiently in clean, pleasant, well-ordered surroundings.

There's an even more important reason why good housekeeping matters — it makes the undertaking a safer place to work in.

Good housekeeping is a vital factor in preventing accidents. The great majority of all work accidents are caused during the handling of goods or materials, and by people falling, being hit by falling objects, or striking against objects in the workplace. All these causes can be reduced by good housekeeping practices—in fact, good housekeeping is the only cure for hundreds of accidents that occur.

Typical examples of poor housekeeping that lead to these accidents are:

- Excessive material, waste or chips in the working area.
- Congested aisles.
- Tools left on machines.
- Waste containers overflowing.
- Lockers and workrooms in disorder.
- Acids in open containers.
- Broken glass.
- Electric leads or air lines across aisles.
- Dirty light fittings, windows and skylights.

Where housekeeping is bad, fire is a constant hazard. It can be caused by many housekeeping problems—such as oil soaked rags and clothing igniting from spontaneous combustion; dust collectors not being properly or frequently cleaned; or piles of paper and other packing materials being allowed to accumulate. Poor housekeeping can also lead to infestation by pests such as rodents and cockroaches and create serious health risks.

The following are the basic elements of a good housekeeping :

Aisles—Wide enough for traffic movements, marked off by floor lines from work positions and storage areas.

Space—Sufficient room for the individual to work.

Storage—Adequate and convenient space for materials and tools. It's important to prevent stores and scraps accumulating on the floor and around machines. Never keep more stores and materials than necessary near machines and provide proper facilities (such as bins, shelves, boxes, racks, etc.) in which to store them.

Materials Handling—Layout planned for materials flow, with efficient methods and equipment.

Ventilation—Good general ventilation plus local exhaust ventilation to remove air contaminants at the source.

Floors and Walls—of construction and materials that are easy to keep clean and in good repair.

Lighting—Well-distributed artificial light and effective use of available daylight.

Amenities—Clean, up-to-date washrooms and lockers for clothing. A clean, inviting lunch room for employees to eat their meals.

Waste Removal—Adequate facilities to prevent congestion and disorder. Let us look at some of these elements in detail.

Exercising good housekeeping practices can require no capital cost and usually entails implementing simple changes that results in reduced emissions, wastes, operational costs and increased productivity as well as increased workplace safety. Good housekeeping practices in the business place also contribute to:

- Preventing accidents and fires;
- Reducing disposal costs;
- More effective use of space within the work place;
- Better hygienic conditions leading to improved health conditions; and
- Reduced operation and handling time.

Housekeeping practices can be implemented through various initiatives, namely:

Waste segregation. This is done by preventing mixing of hazardous waste with non hazardous waste (to reduce disposal costs), storing materials in compatible groups and isolating liquid waste from solid waste.

Preventative maintenance program. This involves maintaining a complete preventative maintenance schedule to ensure that maintenance problems do not go unchecked and become bigger problems than necessary.

Training and awareness. By providing training to employees in proper equipment operation, how to minimize material losses during accidents, how to detect and minimize material losses to air, water and land. Awareness rising should highlight the economic and environmental impact of waste generations and disposal.

6. Discuss the rights available to the Insurers on happening of a loss under a Fire policy?

1. Under common law insurers have certain powers and rights which correspond to the duties imposed on the insured i.e) to take all reasonable steps to extinguish the fire, to diminish their loss and to save as much as possible of the property insured.
2. It is also important that the insurers should be in a position to determine the cause of loss and assess the extent of loss.
3. it is equally important, not only to the insurers themselves but also to the body of the insuring public that insurers should make a complete investigation both into the details of the claim and into the circumstances of the fire or other insured peril and this requires taking over keeping possession of the salvage as also the premises until investigation is complete. These rights are all the more necessary as not all claims are honest.
4. On the happening of any loss or damage to any of the property insured by this policy, the company may
 - a. enter and take and keep possession of the building or premises where the loss or damage has happened;
 - b. take possession of or require to be delivered to it any property of the insured in the building or on the premises at the time of the loss or damage;
 - c. keep possession of such property and examine, sort, arrange , remove or otherwise deal with the same;
 - d. sell any such property or dispose of the same for account of whom it may concern.

The powers conferred by this condition shall be exercisable by the company at any time and until notice in writing is given by the insured that he makes no claim under the policy or if any claim is made.

If the insured or any person on his behalf shall not comply with the requirements of the company or shall hinder or obstruct the company in the exercise of its powers hereunder, all benefits under this policy shall be forfeited.

The condition thus allows officials of insurers or surveyors on behalf of insurers to enter the premises to determine the cause and quantum of the loss, to take immediate action to protect salvage and to explore possibilities of its sale at the best available price for the benefit of whom it may concern.

5. If some property is saved from loss ie) salvage, the value of such salvage is deducted from the amount of the claim. Even if the salvage has no value and a total loss settlement is made the insured can not abandon the salvage; if he does, it could prove to be a liability to the insurers to dispose it off.

The decision whether or not there is liability under the policy, in many cases, requires lengthy investigation into the circumstances of the claim. Hence, the exercise of these rights available to the insurer may give the impression that a valid claim is settled.

7. Mention the advantages of insuring wages on 'Dual Basis' under Consequential loss Policy? (Page no. 29)

Salaries and wages are forming part of the standing charges of the business. Ideally 100% of the salaries and wages should be insured as a standing charge. However, in practice it is often observed that salaries and wages form nearly 1/3rd of the total standing charges and hence required special treatment.

Salaries are defined as payment made usually weekly or monthly to staff permanently employed and whose duties are not directly concerned with production or if so concerned are in executive capacity. The key feature is that this class of employees not being directly associated with the production forms the essential core to the business, which is to be maintained virtually irrespective of turnover. It is, therefore, essential that its expenses be borne under this Gross Profit item, as it is by the retention of these employees the business hopes to recover.

Wages on the other hand has been defined as payments made to employees who are concerned with production and all others whose remuneration is not include as salary. The insurance of wages is customarily regards as optional matter depending upto the circumstances prevailing in the trade.

The idea should be to insure entire wages as a part of the Gross Profit. However, where the indemnity period is quite long, the cost of Insurance wages as part of the Gross Profit item may be prohibitive. The profit policy therefore caters for insurance of wages in a specialized manner. In fact, this is one of the latest developments of the modern profits policy.

There are many methods by which wages can be insured. However, it would be appropriate to refer to the most modern method known as Dual basis. Under the dual basis method 100% of the wages are covered for a selected initial period and for the remainder of the indemnity period a selected percentage only is covered. Thus immediately after the damage the insured gets maximum protection and subsequently when the business starts recovering he gets partial protection in accordance with the requirements of the business. It is necessary to have minimum indemnity period of 12 months and the initial protection has to be not less than 10%.

The important attractions of the dual basis covers are

1. Carry over of savings. If it is found that savings in wages are made during the initial period of 100% cover the amount of such savings can be carried over to partial cover during the remaining period of indemnity.
2. Option to consolidate. The insured has option of converting the combination to straight forward 100% cover for a stipulated period.

Because of these two provisions, dual basis cover has a flexibility, which makes it more attractive.

Write short notes on 'Accumulated stocks clause' under consequential loss (fire) policy

In the normal policy, it is duty of the insured to minimize the loss in every possible way. It is frequently found that although production is interrupted in a manufacturing risk, it is possible to maintain turnover by using accumulated stocks of finished goods, which is maintained to meet unusual demand for the product in the market. As a result the shortage in turnover during the indemnity period may be avoided. Since there is no reduction in turnover during the indemnity period, no loss is payable under the possible. The insurer consequently benefits from the foresight of the insured in having available those accumulated stocks.

However, it operates as a hardship upon the insured, since the accumulated stocks are maintained to meet the sudden demands, and such demand may occur just after the expiry of the maximum indemnity period. The insured may not be in a position to satisfy the demands because he has already used the accumulated stocks in order to minimize loss under the policy. The consequential loss falls outside the maximum indemnity period and the insured bears the loss himself.

In order to avoid the hardship upon the insured, the accumulated stock clause is attached with the policy. This clause serves that

“If a manufacturers stock of finished goods be depleted in reducing or eliminating the shortage in turnover during the indemnity period and can not be made up by the end of the maximum term of the indemnity period, after the end of that term the insured suffers a loss due to reduction in turnover, such loss is compensated”.

Write short notes on Gross Profit and Net Profit

Gross Profit is defined as the net profit added to the amount of the insured standing charges

$$\text{Gross Profit} = \text{Net Profit} + \text{Standing Charges}$$

If there be no net profit the amount of the insured standing charges less such a proportion of any net trading loss as the amount of the insured standing charges bears to all the standing charges of the business.

Net Profit is defined as “the net trading profit (exclusive of all capital receipts and accretions and all outlay properly chargeable to capital) resulting from the business of the insured at the premises after due provisions has been made for all standing and other charges including depreciation, but before the deduction of and taxation chargeable on profits”

How do you arrive at the proper sum insured under consequential loss (fire) insurance? (Year – 2002)

How will you fix up the sum insured under the consequential loss (fire) insurance? (Year – 2000) (Page no – 25)

The sum to be insured is based initially on the annual Net Profit of the business. This net profit is extracted from the previous year's accounts. Specified standing charges are added with net profit.

This amount is then adjusted for the indemnity period chosen. Thus if the indemnity period is 18 months, the amount is increased by 50%. It is the basic sum insured. However, this is, by means, the end of the story.

Assuming that the business would be interrupted for no more than twelve months, there are two more adjustments to be made: and this is where a little forecasting comes in.

1. Firstly, business do not normally standstill, year after year- they generally expand.
2. Secondly, there is another factor to take into consideration is inflation. Even if the business does not expand in terms of goods produced, the expenses and income levels do expand in money terms roughly in conjunction with the general inflation rate.

This means that the basic sum insured calculated from accounts has then to be adjusted upwards to allow for both the above factors.

Further, damage could occur at the very end of the period of insurance. In order to provide for an adequate sum insured in such an event, the projection must be made one year beyond the indemnity period.

Thus, if the indemnity period is 12 months, projections for the next 2 years should be considered in arriving at gross profit figures.

Projection of the basis of the sum insured

Suppose insured wants to take LOP policy from April 2009 to March 2010 then the accounting figures available will be the period of April 2007 to March 2008. Hence adjustment should be made for the period April 2008 to March 2009 and for the insurance period of April 2009 to March 2010. If indemnity period selected is 12 months and assuming there is a loss at the fag end of the policy period, the sum insured should also be projected taking into consideration, adjustment for indemnity period also.

For example accounting figures available for the period (2007-2008) - Rs. 10,00,000/-	
Assuming there is increase in 10% every year Insurance	
Sum Insured projection for the period 2009 -2010	
From accounts for the period (2007-2008)	Rs. 10,00,000/-
Adjustment for the period (2008-09) – 10 %	Rs. 1,00,000

Sum insured for the period (2008-09) will be	Rs.11, 00,000/-
Adjustment for the policy period (2009-10) – 10 %	Rs. 1,10,000

	Rs.12, 10,000/-

Again 10 % adjustment for indemnity period assuming loss on policy expiry date and gross profit affected will be for the period of (2010-2011)	Rs. 1,21,000/-

Sum Insured for the period 2009-2010	Rs.13, 31,000/-

1. Work out the claim payable under a stock declaration policy given the following data (Oct – 98)

1. Sum insured – Rs. 50, 00,000
2. Value on the date of fire Rs. 60, 00,000
3. Amount of last declaration previous to the date of loss is Rs. 30, 00,000
4. Actual Value of stocks in respect of declaration made previous to the date of loss is Rs. 40, 00,000
5. Loss amount is Rs. 10, 00,000

1. Adjustment for under declaration

$$= \frac{30,00,000}{40,00,000} \times 10,00,000$$

$$= \text{Rs. } 7,50,000 \text{ /-}$$

2. Since the policy sum insured is less than value at risk on the date of loss, underinsurance is applicable

$$= \frac{50,00,000}{60,00,000} \times 7,50,000$$

$$= \text{Rs. } 6,25,000 \text{ /-}$$

2. Work out the claim payable under standard Fire policy given the following data

Property affected	Machinery
Policy sum insured	Rs. 12,00,000/-
Replacement value	Rs. 15,00,000/-
Four years old	Dep. per year – 5 %
Salvage	Rs. 2,00,000/-
Assessed loss	Rs. 15,00,000 /-
Policy Excess	Rs. 10,000/-

The steps involved in loss adjustment

1. Gross loss assessed
2. Less: Depreciation (if settlement is on market value basis)
3. Less: Salvage
4. Adjustment for underinsurance

$$\frac{\text{Policy Sum Insured}}{\text{Value at risk}} \times \text{Assessed loss (after depreciation and salvage, if any)}$$

5. Less: Excess

Gross assessed loss	Rs. 15,00,000
Less: 20 % for depreciation	Rs. 3,00,000

	Rs. 12,00,000
Less: salvage	Rs. 2,00,000

Claim amount after salvage	Rs. 10,00,000
	12,00,000
Application of underinsurance	= $\frac{\text{-----}}{15,00,000} \times 10,00,000 = 8,00,000$
	15,00,000
Claim after underinsurance	Rs. 8,00,000
Less : Policy excess	Rs. 10,000

Net claim payable	Rs. 7,90,000

3. Work out the deposit premium and final premium for a declaration policy with following particulars: (1994)

Sum Insured - Rs 40, 00,000		Rate: Rs 1.20 %o	
Policy Period – 01.01.2008 to 31.12.2008			
Monthly Declarations			
Jan	32, 00,000	July	24, 00,000
Feb	36, 00,000	Aug	28, 00,000
Mar	36, 00,000	Sep	28, 00,000
Apr	36, 00,000	Oct	32, 00,000
May	32, 00,000	Nov	36, 00,000
Jun	28, 00,000	Dec	36, 00,000

TOTAL DECLARATION = Rs. 3, 84, 00,000	
Average sum insured =	$\frac{\text{Total Monthly Declaration}}{12} = \frac{\text{Rs. 3, 84, 00,000}}{12} = \text{Rs. 32, 00,000}$
Deposit Premium =	$\frac{\text{Rs. 40, 00,000} \times 1.20}{1000} = \text{Rs. 4800 /-}$
Final Premium =	$\frac{\text{Rs.32, 00,000} \times 1.20}{1000} = \text{Rs. 3840 /-}$
Premium to be refunded = Rs. 4800 – Rs. 3840 = Rs. 960 /- (Minimum retention– 50 % of initial premium collected ie) Rs. 2400/-)	

4. An insured has taken out a loss of Profit (Fire) policy with an estimated G. P figure ie) Sum Insured of Rs. 10, 00, 00,000/- . Premium has been charged @ 4.73 per mille. Following the, expiry, the insured declares that actual G.P as Rs. 4, 50, 00,000/- . Adjust the premium under the policy. (1992)

$$\text{Premium collected on estimated G. P} = \frac{\text{Rs. 10, 00, 00,000} \times 4.73}{1000} = \text{Rs. 4,73,000 /-}$$

Actual G. P declared by the insured Rs. 4, 50, 00, 000, /-

$$\text{Hence, actual premium to be collected} = \frac{\text{Rs. 4, 50, 00,000} \times 4.73}{1000} = \text{Rs. 2, 12,850/-}$$

As per Return of Premium Clause, the minimum premium to be retained is 50 % of the premium already collected by applying the rate on estimated G. P.

Actual G. P should be declared to the insurer within 12 months after expiry of the policy for refund.

The actual premium to be collected is less than 50 % of the premium already collected. Hence, 50 % of the premium amounting to Rs. 2, 36,500/- is retained and balance of premium of Rs. 2, 36,500/- is refunded.

FIRE INSURANCE – BASIC COVER

S.NO	PERILS COVERED	EXCLUSIONS	SOLUTIONS
1.	<p>FIRE</p> <p>i) Actual ignition of property</p> <p>ii) There must be something on fire which ought not to have been on fire</p> <p>iii) The fire must have occurred under accidental circumstances</p>	<ul style="list-style-type: none"> • Own fermentation • Natural heating • Spontaneous combustion * • Burning by public authority 	*Add – On Cover
2.	LIGHTNING		
3.	EXPLOSION / IMPLOSION	<ul style="list-style-type: none"> • Boilers, other vessels, M/Cs or apparatus in which steam is generated • Apparatus where centrifugal force is generated 	<p>Boiler Explosion Policy</p> <p>Machinery Breakdown Policy</p>
4.	AIR CRAFT DAMAGE	<ul style="list-style-type: none"> • Pressure wave damages 	NIL
5.	<p>RIOT, STRIKE, MALICIOUS</p> <p>Visible physical damage by external violent means.</p>	<ul style="list-style-type: none"> • Cessation of work, Interruption/Retardation of process etc. • Temporary dispossession • Burglary, theft, housebreak 	NIL
6.	STORM, FLOOD, INUNDATION	<ul style="list-style-type: none"> • Loss resulting from earthquake / volcanic eruption 	Add-on EARTHQUAKE COVER
7.	<p>IMPACT DAMAGE</p> <p>By any rail / road vehicle / animal by direct contact</p>	<ul style="list-style-type: none"> • Vehicles / animal belonging to or owned by the insured / any occupier of the premises 	Add-on Cover

8.	SUBSIDENCE AND LANDSLIDE (ROCKSLIDE)	<ul style="list-style-type: none"> • Normal cracking / settlement of structure • Settlement of made up ground • Coastal/ River erosion • Defective design /workmanship /materials • Structural alterations /Repairs /Excavation 	NIL
9.	BURSTING OF WATER TANKS APPARATUS / PIPES		
10.	MISSILE TESTING OPERATIONS		
11.	LEAKAGE FROM AUTOMATIC SPRINKLER INSTALLATIONS	<ul style="list-style-type: none"> • Repairs /alterations to building • Repairs of the sprinkler 	
12.	BUSH FIRE	<ul style="list-style-type: none"> • Forest fire 	Add-on Cover

ADD ON COVERS:

1. Architects & Surveyors fees in excess of 3%
2. Removal of Debris in excess of 1%
3. Deterioration of stocks in cold storage due to change in temperature
4. Forest Fire
5. Impact Damage due to insured's own vehicle
6. Spontaneous Combustion cover for stocks
7. Omission to insure addition / Impact Damage due to insured's own vehicle
8. Earthquake Fire & Shock
9. Spoilage material damage cover
10. Leakage and contamination cover where the tanks are within the Insured's own premises
11. Temporary Removal of Stocks clause
12. Loss of Rent clause
13. Insurance of Additional Expenses of Rent for An Alternative Accommodation
14. Start Up Expenses

EXCLUSIONS:

1. First 5% of each and every claim subject to a minimum of Rs.10, 000/- in case of loss arising out of Act of God perils such as Lightning, STFI, Subsidence, Landslide, Rockslide.
2. First Rs.10, 000/- for loss arising out of other Perils
3. War and allied perils
4. Nuclear Perils – Ionizing radiations / contamination by radioactivity from nuclear fuel etc.
5. Pollution or contamination (except if pollution / contamination resulted from a covered peril)
6. Precious property (bullion, precious stones, work of art, drawing, documents of any kinds, stamps, paper money, cheques etc.) exceeding Rs. 10, 000/-
7. Damage to stocks in cold storage premises caused by change in temperature **(Add –on Cover available)**
8. Loss to any electrical machine / apparatus / fixtures- fittings due to over running, short circuits, arcing **(The corresponding electrical machines / apparatus etc. can be covered under Machinery Breakdown Policy or Electronic Equipment Policy)**
9. Expenses in excess of 1% of claim amount in removal of debris and 3% of claim amount in architects' / surveyors / consulting engineers' fees **(Add-on Cover available)**
10. Loss of earnings, loss by delay, loss of market or other consequential or indirect loss or damage of any kind or description whatsoever.
11. Spoilage resulting from the retardation / interruption / cessation of any process caused by insured perils
12. Theft during or after the occurrence of any insured perils except under RSMD cover
13. Loss occasioned by or in consequence directly or indirectly due to earthquake, volcanic eruption **(Add-on Cover Earthquake available)**
14. Property removed to other building **(except machinery temporarily removed for repairs etc. for a period not exceeding 60 days)**

POLICY CONDITIONS:

S.No	CONDITIONS	REMARKS
1.	Misrepresentation Mis-description Non-disclosure	Violation of Utmost good faith
2.	No cover after expiry of 7 days from fall or displacement of building due to uninsured perils	Aggravation of hazards
3.	Alteration of activity Property unoccupied for more than 30 days Change of hands other than by will / law	Utmost good faith Insurable interest Insurable interest
4.	Marine Policy coverage	
5.	Cancellation of policy by the insured – any time. Cancellation of policy by insurer - 15 days notice	Short Period premium retained Pro rata refund for unexpired term
6.	Duty of the insured Intimation of loss to the insurer Submission of claim in writing within 15 days (List of items damaged, their value, bills, Books of Account etc.) Liability of the Company Not liable if claim is not tenable within 12 months (except for pending action or arbitration)	
7.	Duty of the insurer Keep possession of damaged property	
8.	Fraudulent claim Policy benefits will be forfeited	Utmost good faith
9.	Option to Reinstate	
10.	Condition of Average For every item of the loss insured will bear a retable proportion if underinsured	
11.	Contribution condition If other policies also cover the same property loss would be shared proportionately by all the policies	
12.	Subrogation rights Rights to obtain relief from other parties to be given to the insurance company	
13.	Arbitration If claim is admissible and quantum is under dispute, arbitration is carried out.	
14.	Written communication by the insured	
15.	Re-instatement of the Sum Insured to full value after the loss by paying re-instatement premium which is deducted from the claim amount	