

SURVEYORS - NOT YOUR SAVIOURS



Surveyors, Loss assessors and Claim adjustors have distinct functions. Clubbing these three categories of functions into one group serviced by the same person/s will not only be prejudicial but also be unadvisable for the functioning of insurance industry and insured's satisfaction.

While the insurers carry risks, provide protection against the uncertain events by devising and marketing policies of insurance, the surveyors assume the responsibility to verify, assess, adjust and investigate the losses to serve the ends of contract of insurance. The insurers and the surveyors are backbone of this industry which unfortunately has invited ire of general public at large for deficiency in service, resulting in innumerable law suits pending with Ombudsmen and Consumer Forums, throughout the country.

About the author

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Insurance Act 1938 directs that all losses on policies of insurance over Rs. 20,000 must be surveyed and assessed before any payments are made by the insurers.

The IRDAI regulations and code of conduct for surveyors and loss assessors, is so framed that their functions can only be performed by superman, spiderman or hanuman. Their conduct should be as above board as that of the Yudhishtra of Mahabharata.

The same IRDAI regulations direct that the surveyors and Loss Assessors must refer their survey report to the insurers and rectify any change in consultation with them and if necessary to review the same. The survey report may be given to insured if demanded. Normally, the insurer considers the survey report as confidential and do not part the same with the insured. It is pertinent to note that the insurers pick up their faithful and obedient surveyors on their panels and if their performance is not to their likings, they could be removed from their panel. In order to insure their livelihood the surveyors have to fall in line with their masters otherwise, they risk to be out of job.

It is therefore necessary to understand and analyze the

distinct functions of surveyors, loss assessors and claim adjusters. Clubbing these three categories of functions into one group serviced by the same person/s will not only be prejudicial but also be unadvisable for the functioning of insurance industry and insured's satisfaction.

Surveyors

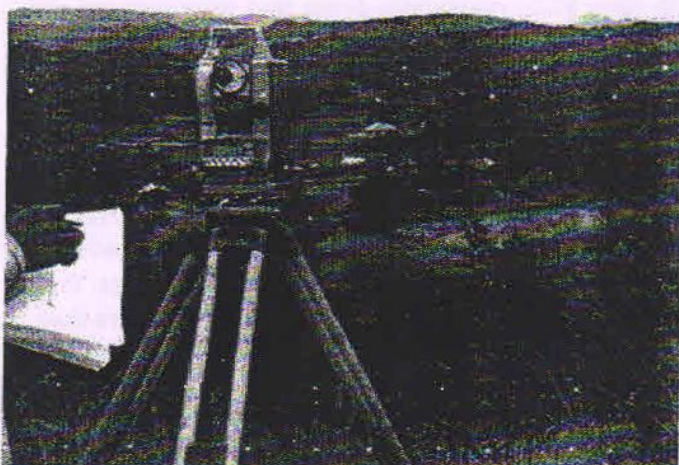
Person/s, company, corporate or otherwise who are recognized by the insurance statutory body to inspect, survey, examine, analyze and verify the loss under the policy and report to the insurance company about the genuineness of the loss as the agents and acting on behalf of the insurers. In consideration the insurer pays them prescribed survey fees as compensation. The fee paid by the insurer consists of also contribution made by the insured since premium charged by the insurer is not only for as carrier of the risk but also to provide service to the insured.

Loss Assessors

Person/s company, corporate or otherwise who are recognized by the insurance statutory body have the similar functions as surveyors, as agents of the insured to prepare a comprehensive report on behalf of the insured, calculate the loss value at risk, prepare the quotation for the salvage to provide details of repair or replacement cost at market/re-instatement value as per the terms of the policy and submit to the insured for making a claim, Since the burden of proof of loss and the quantum recoverable under the terms of policy is to be provided by the insured. The fee payable to the loss assessor will be by the insured. If, however claim is admitted, the insurer may reimburse the same as additional expenses incurred as part of the claim.

Loss (Claims) Adjustors

Person/s, company, corporate or otherwise who are



recognized by the insurance statutory body are experts in insurance law and practice, interpretation of policy terms and conditions having background of various legal judgments on loss adjustments. Since Indian Insurance Law is not so comprehensive and fully developed, the policy of insurance can only be interpreted properly backed by English law and practice.

Any difference in opinion, interpretation of terms, clauses and conditions between the surveyor and loss assessor could be sorted out by the Loss/Claims adjuster and his report should be considered as final for adjustment / payment/ rejection of the claim by the insurer. The fees payable will be by the insurer or insured. If, however claim is admitted, the insurer may reimburse the same as additional expenses incurred as part of the claim.

It must be remembered that the policy holder is ignorant of the terms and condition of the contract of insurance. This knowledge is with insurer only. There is widespread miss selling. The insured, at the time of claim is confused as to how and what he has to reply. The surveyors further confuse and misguide the policy holder by asking immaterial questions by writing long letters to provide information unrelated to the proof of loss. They do not explain the terms and conditions of the policy advantageous and favourable to the insured. The insured is helpless before them resulting in either rejection and/ or reduction in liability.

Loss assessors, therefore should have distinct recognition to act and present the claim on behalf of the insured and in case of any difference of opinion between the Surveyors, acting on behalf of Insurer and Loss Assessors acting on behalf of Insured, the matter should be referred to the Claims Adjustors for final opinion and adjustments. It is unfortunate to observe that most of the Ombudsmen and consumer Forums base their judgments and rely on findings of the Surveyors' report which are tilted in favour of the insurer as they do not have any other reliable information. The objections and concerns of insured are neither recorded nor addressed in the Survey Reports.

The suggestion, if implemented will lighten the burden of payment of claims not only on insures but also on the Consumer Forums and Ombudsmen. The Policy holder will be relieved of the anguish and pain for providing the Proof of Loss and quantum of the claim to the insurer to their satisfaction. IRDAI, therefore, should grant licenses for either as 1. Surveyors 2. Loss Assessors or 3. Claims (Loss) Adjustors, depending on their qualifications with requisite knowledge of international Insurance Law and Practice. □