



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

**Title: Notice-4**

**Reference No.:**

**Date:** 11/02/2002

Approved syllabus for practical training applicable to applicant surveyors and loss assessors for licensing requirements in terms of Insurance Act, 1938

**Approved syllabus for practical training applicable to applicant surveyors and loss assessors for licensing requirements in terms of Insurance Act, 1938 and regulations made thereunder** is placed below for necessary implementation and information for all concerned.

There are 7 departments as listed below out of which each applicant is required to choose 3 departments. The LOP department can be chosen in addition by applicants possessing the qualifications such as C.A./ I.C.W.A./ Insurance qualifications not below the level of associate.

S.No	Department	Educational Qualifications*
1.	Fire	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent, C.A./ I.C.W.A., A.I.I.I./ F.I.I.I.
2.	Marine Cargo	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Marine Engineering/ Naval Architecture), A.I.I.I./ F.I.I.I.
3.	Marine Hull	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Marine Engineering/ Naval Architecture)
4.	Engg.	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent, Diploma of 3 years duration from a recognised institution or its equivalent thereof
5.	Motor	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent thereof (Mechanical/ Automobile); Diploma of 3 years duration from a recognised institution or its equivalent thereof; Associate/ Fellow of Institute of Insurance Surveyors & Loss Assessors
6.	Miscellaneous	B.E./ B.Tech./ B.Sc. (Engg.)/ A.I.M.I.E. or its equivalent; Diploma of 3 years duration from a recognised institution or its equivalent; C.A./ I.C.W.A.; A.I.I.I./ F.I.I.I.; Associate/ Fellow of Institute of Insurance Surveyors & Loss Assessors; Any Other technical Qualification mentioned in Rule 56-A.
7.	LOP	C.A./ I.C.W.A.; A.I.I.I./ F.I.I.I.

\*- The qualifications indicated are only indicative and by no means exhaustive.

The approved syllabus is the minimum requirement to be understood by the trainees, whereas the trainers are required to train the applicants on all other practical and theoretical aspects of the concerned discipline. The basic introductory syllabus is compulsory for all the applicants and is in addition to the 3 departments/ LOP as referred above. The existing surveyors who desire to upgrade their skills and experience can also seek required education by way of training according to the approved syllabus.

All the professionals in the field of survey and loss assessment are requested to encourage the continuous professional development of training materials and other educational literature in respective fields for the benefit of fellow professionals especially the new comers for the overall development of the skills required in the area of survey and loss assessment. The IRDA would welcome such initiatives and any feedback for improvements to be brought from time to time in the approved syllabus and matters related therewith.

**(N. Rangachary)**  
**Chairman**

### **SURVEYORS TRAINING CURRICULUM**

#### **Basic Introductory Syllabus**

##### **Development of General Insurance**

1. Origin - Definition of risk, how and why risks are accepted, Theory of probability
2. Development and growth - marine Insurance, Formation of traders groups at Lloyd~s London, conversion of such groups to companies, development of other insurance (fire, accident, miscellaneous, engineering, etc.)
3. Present status of insurance in India - Start of Insurance in India, Nationalisation of Insurance in 1972, Growth since Nationalisation, Formation of IRDA, IRDA Act, 1999, Licensing of new insurance companies, General Insurance Industry in India today
4. Development and Growth of Surveyors and Loss Assessors profession - Original practices, licensing regulations, 1970, renewal of license, Surveyors and Loss Assessors Regulations, Code of Conduct, Categorisation of surveyors, Present status of profession in India
5. Types of Insurance available in India - Fire, Marine cargo, Marine Hull, Engineering, Motor, Miscellaneous, LOP

#### **Technical Inputs (Insurance Related)**

##### 1. General Principles of Insurance

- a. Indemnity
- b. Insurable Interest
- c. Under Insurance
- d. Contribution & Subrogation
- e. Proximate Cause

##### 2. Underwriting Practices of different insurances

- a. Policy terms
  - b. Exclusions
  - c. Conditions
  - d. Warranties and clauses
- ##### 3. Types of Losses
- a. Total Loss
  - b. Partial Loss
  - c. Constructive Total Loss
  - d. Consequential Loss

#### **Technical Inputs (Others)**

1. Hazards and Risk exposure based on the layout of different industries.
2. Techniques of taking photographs for assessment of the loss with special emphasis on damage parts.
3. Risk Exposure to the financial market transactions

#### **Loss Assessment**

1. Analysis and Measurement of Damages
2. Application of Depreciation

3. Segregation of affected properties from unaffected properties
4. Concept of wear and tear
5. Testing methods
6. Knowledge of Measuring instruments
7. Physical and Chemical properties of material that trigger losses and extent of such losses
8. Process of Repairs
9. Replacement of parts vis-à-vis Repairing
10. Pricing of Spare Parts and Labour schedules
11. Evaluation of used properties, machineries, vehicles, etc.
12. Evaluation of Salvage

### **Accounting Inputs**

1. Methods of Accounting
2. Book keeping
3. Accounting of taxes
4. Trading and profit and Loss Account Statements
5. Interpretation and Reconstruction of Balance Sheet
6. Internal Control Systems of various organisations

### **Loss Minimisation Inputs**

1. Methods of storage and segregation of damaged goods.
2. Methods of Salvage Disposal
3. Protection of property after loss

### **Legal Inputs**

1. Insurance Contracts
2. Insurance Act
3. IRDA Regulations relating to surveyors
4. IRDA Regulations relating to policyholders
5. Indian Penal Code
6. Indian Contracts Act
7. Consumer Redressal

### **Skills of Investigation**

1. How to find the cause of loss
2. How to differentiate between accidental damages and wear and tear damages
3. How to identify fake & exaggerated claims and deliberate damages
4. How to recognize spurious parts, fake documents and accounts

### **Report Writing**

1. Structure of Report
2. Documentation, findings, references
3. Maintaining confidentiality
4. Obtaining insured's concurrence

### **Management and Communication Skill**

1. Negotiation and Communication Skills
2. Time Management
3. Record Keeping

## **SYLLABUS FOR FIRE INSURANCE**

### **1. LEGISLATIVE PROVISIONS**

- a) Factories Act
- b) Indian Stamp Act, 1899
- c) Sales of Goods Act, 1930
- d) Industrial Safety Act

## 2. APPLICATION OF BASIC PRINCIPLES RELATING TO FIRE INSURANCE

- i. Utmost good faith - Duty of Disclosure, Material facts, Representations, Breaches of utmost good faith, Void, voidable and unenforceable contracts, case laws and court decisions
- ii. Insurable Interest - Importance of insurable interest, conditions fulfilling requirements of an insurable interest, persons having insurable interest (and nature of relationship), mandatory requirements for insurance in certain types of relationship. case laws and court decisions
- iii. Principle of Indemnity - Definition, Principles, only one indemnity for a single incident, prohibition of more than a single indemnity, case laws and court decisions
- iv. Subrogation & Contribution - Importance, how, when it arises and operates, case laws and court decisions
- v. Proximate / probable cause of loss - Doctrine of proximate cause, application of the doctrine, case laws and court decisions

## 3. PRACTICE OF FIRE INSURANCE, SURVEY & INSPECTION FOR PRE- INSURANCE ACCEPTANCE.

### 4. TYPES OF FIRE POLICIES

#### i. Standard Fire and Special Perils Policy

- a) Scope
- b) Coverage
- c) Exclusions - Relating to cause, peril, property, policy excess, voluntary deductible
- d) Conditions - Definition, Implied and Express Conditions, conditions precedent to the contract, Conditions precedent to liability, conditions subsequent to the loss

#### ii. Floater Policy

#### iii. Declaration Policy

#### iv. Reinstatement Value Policy

### 5. ADD ON COVERS

- i. Architects, Surveyors and Consulting Engineer~s Fees
- ii. Debris Removal
- iii. Deterioration of Stocks in Cold Storage premises due to power failure following damage due to an insured peril.
- iv. Forest Fire
- v. Impact damage due to Insured~s own vehicle, fork lifts and the likes & articles dropped there from.
- vi. Spontaneous Combustion
- vii. Omission to insure additions, alterations and extensions.
- viii. Earthquake (Fire and Shock)

### 6. WARRANTIES AND CLAUSES - Definition, Implied and Express warranties, Breach of warranty

### 7. CAUSE OF LOSS (Cause of Accident, Insured Peril & Onus of proof)

- i. General Fire Hazards & Common Causes thereto.
- ii. Fire Grading of Structure / building & Construction hazards.
- iii. Hazards / Dangers form Exposure.
- iv. Air Conditioning & Ventilation
- v. Air moving Equipment, Flammable Vapour Extraction & Refuse handling systems.
- vi. Boiler & Furnaces & Hazards thereto.
- vii. Heat Temperature Processes
- viii. Industrial Processes & its Hazards
- ix. Miscellaneous Features  
(Power Transmission , Friction, Lubrication, Night work , Multiple Occupancy, Silent Risk, Static Electricity, Spontaneous Combustion, Coal. Coal Handling & Its Hazards, Ventilation, First Aid Appliances, Portable Fire Extinguishers, Methods of Fire Prevention/ Fire Extinguishing, Sprinkler Installation, hydrants Installations, Smoke Detectors, Management of Risks, good Hose keeping, Segregation of Risks , layout of plants, Training, Hazards of Smoking packing Materials , Waste Disposal , Anatomy of Loss, Loss Prevention, Importance of Fire Brigade etc.)

## 8. RIGHT & DUTIES OF INSURED FOLLOWING THE ACCIDENT

## 9. APPOINTMENT OF SURVEYOR.

## 10. CLAIMS DOCUMENTS

- i. Fire Insurance Policy
- ii. Claim form
- iii. FIR, Fire Brigade Report
- iv. Accounting statements like past 3 years Balance Sheets, Stock Registers, Purchase and Sales invoices, Sales tax returns, Excise duty records, Profit and Loss accounts etc.
- v. Act of God Perils - newspaper cuttings, photographs and meteorological reports
- vi. If company proposes to settle the claim then Letter of subrogation, the discharge voucher, if the policy is subject to Agreed Bank Clause (if Bank's or other Financial Institution's interest is involved, the discharge voucher has to be signed by their authorised signatories).

## 11. PROCESS OF LOSS ADJUSTMENT

- i. Inspection of the scene
- ii. Identification of property insured
- iii. Securing evidences - photographic, samples, telltale
- iv. Examination of probable cause - process of elimination of probable causes, acceptance of more than one probable cause of loss, elimination of loss due to exception or exclusion
- v. Verification of damage - physical evidence, identification from physical evidence, absence of physical evidence, nature of goods involved, properties of goods involved, duration of fire
- vi. Assessment of the damage
- vii. Calculation of value at risk
- viii. Assessment
- ix. Concurrent and non-concurrent assessment
- x. Compliance with warranties
- xi. Lien of financial institutions

## 12. SURVEY REPORT

Contents in survey report.

- Evidence of insurable interest
- Evidence of damage/ loss
- Attributed cause of damage/ loss
- Admissibility of loss within framework of policy
- Comment about adequacy of sum insured
- Salvaging
- Depreciation/ Allowance
- Excess
- Compliance with conditions and warranties
- Recommendation

## 13. PROCEDURE OF SETTLEMENT OF CLAIMS.

## 14. IMPORTANCE OF VALUATION OF ASSETS INSURED. (REINSTATEMENT VALUE, MARKET VALUE, ADEQUACY OF SUM INSURED)

## 15. SALVAGE DISPOSAL, SALVAGE ACCOUNTING

## 16. LOSS MINIMISATION & RECOVERIES

## **SYLLABUS FOR MARINE CARGO**

### 1. LEGISLATIVE PROVISIONS

- i. Marine Insurance Act, 1963
- ii. Carriers Act,
- iii. Railways Act,
- iv. Carriage of Goods by Sea Act,
- v. Air Carriers Act

vi. Multimodal Transportation Act

## 2. TERMINOLOGY

- i. Consignee/Consignor/Consignment
- ii. Bill of Lading, Bill of Entry
- iii. Shipping Marks.
- iv. Gross Wt. / Net Wt.
- v. Description of Goods
- vi. F.O.B./ C.I.F./ C&F
- vii. Trans-shipment
- viii. Duty

## 3. TYPES OF MARINE POLICIES

- i. Specific Policy
- ii. Open Cover
- iii. Open policy features
- iv. Special declaration policy - features
- v. Annual policy
- vi. Duty and increased value Insurance Policy
- vii. Cover Note

## 4. MARINE INSURANCE POLICIES - POLICY SCHEDULE AND CLAUSES

a) Contents of Policy form:-

- Name of Insured.
- Policy Number
- Sum Insured
- Interested to be insured
- Voyage / Journey
- BL / LR / AWB no. and Date
- Clauses to which the insurance is subject to
- Place of issue of policy
- Signature of authorized signatory of insurer
- Place where claims are payable
- Name and address of settling agents/ Office
- Name of survey Agents at destination if any.
- Stamp as per Stamp Act

b) Clauses :-

I) I.C.C. (Institute Cargo Clauses)

- ICC (A)
- ICC (B)
- ICC (C)
- ICC (Air)
- Duration of Cover
- Exclusions

II) Inland Transit (Rail / Road)

- Inland Transit (Rail / Road) Clause ~C~
- Inland Transit (Rail / Road ) Clause ~B~
- Inland Transit (Rail / Road ) Clause ~A~
- Durations
- Exclusions

## 5. NATURE OF PACKING

Types of packing:

- i. External:- Cases, Crates, pallets, Cartons, Boxes, Shrink Poly- wrapping, Drums - Steel, fibers, poly carboys, Bags - Hessian, polythene, Polywoven, Paper, Hoops, straps, batons
- ii. Internal:- Thermocole, polythene sheets, wooden blocks, sponge blocks, Moulded thermocole blocks, polythene lining bitumen lining .
- iii. Containers:- Types, Marking, Seals, Stuffing Inspection.
- iv. Adequacy of packing

## 6. TYPES OF DAMAGES/ SHORTAGE.

Breakage, Theft & pilferage, Rusting and Water Damage, Leakage/Bursting, Hook Damage, Infection, Contamination.

## 7. SHORT RECEIVED / SHORT LANDING/ OPEN DELIVERY.

## 8. TYPES OF CARGO SURVEY

- i. Cargo damage survey for particular and general average
- ii. Surveys for cargo worthiness, including hold condition, tank condition and cleanliness, ventilation, bilge arrangements, etc.
- iii. Container condition survey
- iv. Supervision of loading and unloading of cargo and hatch survey
- v. Draft surveys to establish weight of cargo loaded on, or discharged from a vessel.
- vi. Surveys to establish quantity and quality of mineral oils, petrochemicals, edible oils and other bulk liquid cargo loaded on or discharged from a vessel.
- vii. Bunker quantity and quality verification surveys.

## 9. SURVEYING

### 1) Appointment :

- a) Insurer
- b) Insured / Consignees
- c) Clearing Agents

### 2) Inspection:-

#### i) Documents inspection

- Invoice
- Packing List
- B.L/ L.R/ AWB/ RP/ PWB
- Bill of Entry
- Landing Remarks/ open Delivery Certificate
- Octroi Receipt
- Road Transporter's money receipt
- Master's protest note
- Ship's Logbook extract

#### ii) Samples

#### iii) Photographs

#### iv) Interest/ Cargo inspection

- Packing
- Markings
- External condition
- Damage / Shortage by physical inspection
- Bulk Cargo Inspection
- Pre policy acceptance inspection

### 3) Attribute cause of damage / Shortage

### 4) Salvaging possibilities of damaged items

### 5) Allowance/ depreciation (% of insured value) on damage Qty/ items

## 10. SURVEY REPORT

Contents in survey report.

- Evidence of insurable interest
- Evidence of transit
- Evidence of damage /loss
- Comment about adequacy of packing
- Attributed cause of damage / loss
- Admissibility of loss within framework of policy
- Salvaging
- Depreciation / Allowance
- Recommendation

## 11. RIGHTS OF RECOVERY

- Carriers Act, Railway Act
- P&I Clauses
- Certificates from Carriers/ transporter/ post Authorities for short delivery/ damage delivery
- Monetary claim lodging letter on the responsible parties
- Limitation as per Laws
- Letter of subrogation
- Power of authority

## 12. LOSS MINIMISATION/ SALVAGING

### SYLLABUS FOR MARINE HULL

#### 1. Marine Hull Policy along with various clauses

- o Institute fishing vessel Clauses.
- o Institute Clauses for Builder~s Risks
- o Institute Time Clauses -Hull

#### 2. Types of Vessels, Brief description if each type, Use of each type of vessel

#### 3. Marine Shipping Act -Fishing Vessels, Sailing Vessels Registration/ Inspection and licensing.

#### 4. Registration Authority / Approval Authority, Classification Society, P&I Club

#### 5. Valuation of Vessel, Basis of Valuation

#### 6. Perils

- a) Of the seas/ Rivers - running a ground /capsizing / sinking
- b) Fire / Explosion etc.
- c) Violent theft by person form outside the vessels / Piracy
- d) Jettison.
- e) Accidental breakdown of Machinery
- f) Bursting of boilers breakage of shafts or any latent defect machinery or hull.
- g) Negligence of Master/ Officer/ Crew or Pilots. Repairer or charterers.

#### 7. Pollution hazard, 3/4th Collision liability, Notice of Claim

#### 8. Casualty Investigation, Hull & Machinery damage surveys, Survey of damage to fixed and floating objects, Particular Average, General Average

#### 9. Salvage

#### 10. Towage, Port of Refuge, Wreck Removal

#### 11. Duty of Assured to Mitigate the Loss (Sue & Labour).

#### 12. Constructive Total Loss

#### 13. Unrepaired Damage

### SYLLABUS FOR MOTOR INSURANCE

#### 1. LEGISLATIVE PROVISIONS

Motor Vehicles Act, 1988

- i) Types of licence - Temporary Permanent Disabled person



ii) Types of permit:

a) Contract Carriage permit

- i) L.M.V Auto rickshaw
- ii) L.M.V Meter Taxi
- iii) L.M.V Tourist M/car
- iv) L.M.V Tourist M/c

b) Goods Carriage Permit

- i) State wide permit.
- ii) National permit
- iii) Zonal permit

c) Educational Institution Bus

- i) Recognized schools
- ii) Non- Recognized school

d) Private Service Vehicle

e) National Permit

iii) Registration of Motor Vehicles.

iv) Control of Transport Vehicles

2. GENERAL

v. Types of motor vehicles like Private Car, Scooter/ Motorcycles, Commercial vehicle, Trailers, passenger Carrying vehicle, Special vehicle.

vi. Identification of major sub-assemblies of a motor vehicle

vii. Basic principles of Insurance and their applicability to Motor Insurance (Utmost Good Faith, Insurable Interest, Indemnity, Subrogation & Contribution, Proximate Causes etc.)

3. MOTOR POLICIES

i. Motor ~A~ Policy Act Liability

ii. Motor ~A~ Policy T.P Liability

iii. Motor Cycle ~B~ Policy (comprehensive)

iv. Motor Private Car ~B~ Policy

v. Motor Trade Internal Risk Policy

vi. Motor Commercial Vehicle ~B~ Policy

4. MOTOR POLICY DOCUMENTS AND THEIR IMPORTANCE:

i. Proposal Form

ii. Certificate of Insurance

iii. Cover Note

iv. Policy Form and Schedule

v. Endorsement

vi. Provision of the Indian Motor Tariff and the Endorsements (IMT1 TO IMT 75)

5. TYPES OF VEHICLES

i. Motor Cycle - with / without gears

ii. Auto rickshaw - 3 Wheeler- Good Transport

iii. Motor Car

iv. Taxi -Tourist Taxi- Cool Cab

v. Trucks - Good Transport

vi. Tankers- Liquid Transport (Oil, Petrol, Diesel, Chemicals, Acid, Milk)

- vii. Invalid Carriage
- viii. Special type of vehicle

- a) Agriculture - Tractor & Trailers
- b) Tipper
- c) Heavy Vehicles - Horse & Trailer Road rollers, Bull Dozers, Excavators, Cranes, Insulated Vans Refrigerated vans
- d) Capsules: Gas Transport (LPG, CNG, Oxygen, Nitrogen)

#### 6. VEHICLE DOCUMENTS

- i. 2 Wheelers - R.C., D.L.
- ii. 3 Wheelers - R.C., F.C permit. D.L
- iii. 4 Wheelers - Pvt. Car - R.C & D.L  
Commercial- R.C., F.C. permit, D.L. F.I.R. & Fire Brigade
- iv. 6 Wheelers-Commercial-(Tanker-petroleum, Acid, Milk & L.P.G) - R.C., F.C permit, D.L., F.I.R. & Fire Brigade
- v. 8/10 & 16 Wheelers - Multiple axles Passenger Vehicles (Bus): R.C., F.C permit, D.L., & F.I.R. Temporary permit with route/  
Duration / List of passenger name.

#### 7. TYPE OF LOSSES

- Own Damage Third Party Theft / Robbery Personal
- Fire Property
- Flood
- Accident

Malicious

#### 8. CLAIMS DOCUMENTS

- i. Claim form
- ii. Estimate of Repairs
- iii. Vehicle documents (R.C., F.C., permit & D.L.)
- iv. F.I.R / Police Punchnama / Fire Brigade report

#### 9. TYPES OF SURVEY REPORTS

- i. Spot Survey report
- ii. Preliminary Survey report
- iii. Interim Survey report
- iv. Final Survey report
- v. Re-inspection Survey report
- vi. Bill Checking report
- vii. Valuation report

#### 10. SETTLEMENT OF CLAIMS

- i. "Repair" basis
- ii. "Total Loss" basis
- iii. "Cash Loss" basis -  
- Calculated on Repair basis.  
- Calculated on ~Net of Salvage~

#### 11. MECHANICAL/ STRUCTURAL ASPECTS OF MOTOR VEHICLES

- i. Mechanical Components, Body Panels, Painting, Electrical/ Electronic/ A.C. System
- ii. Motor Vehicle under repairs - Methods to be adopted for repairs, precautions during repairs to maintain durability, road worthiness and ultimate finishing.

#### 12. MOTOR VEHICLE ACCIDENTS

- i. Features pertaining to accident damage - Nature of damage, extent of damage, damages suspected

- ii. Features to decide the status of loss/ damage - essential factors, factors to decide preliminary assessment
- iii. Accident repair shops - Dealer/ Non-dealer workshops, Tools and equipment for testing and trials, Tools and equipment to repair accident vehicles.

### 13. MECHANISM AND FUNCTION OF SPECIAL COMPONENTS/ SUB -ASSEMBLIES

- ii. Euro I to Euro VI norms
- iii. Turbochargers
- iv. Power Steering
- v. Power brakes
- vi. Safety Air bags
- vii. Air Suspension
- viii. Dual Fuel / CNG System
- ix. Catalytic converters
- x. A.C. Systems
- xi. Computer aided control system
- xii. Inter cooler system
- xiii. Extra Fittings / Accessories
- xiv. Computer aided control system for engines
- xv. Anti theft devices, Central Locking devices
- xvi. New technologies used in the vehicles

### Syllabus for Engineering Insurance

#### 1. LEGISLATIVE PROVISIONS

- i. Workmen~s Compensation Act
- ii. Boiler~s Act
- iii. Industrial Safety Act

#### 2. BASIC PRINCIPLES RELATING TO ENGINEERING INSURANCE

- i. Utmost good faith - Duty of Disclosure, Material facts, Representations, Breaches of utmost good faith, Void, voidable and unenforceable contracts, case laws and court decisions
- ii. Insurable Interest - Importance of insurable interest, conditions fulfilling requirements of an insurable interest, persons having insurable interest (and nature of relationship), mandatory requirements for insurance in certain types of relationship. case laws and court decisions
- iii. Principle of Indemnity - Definition, Principles, only one indemnity for a single incident, prohibition of more than a single indemnity, case laws and court decisions
- iv. Subrogation & Contribution - Importance, how, when it arises and operates, case laws and court decisions
- v. Proximate / probable cause of loss - Doctrine of proximate cause, application of the doctrine, case laws and court decisions

#### 3. TERMINOLOGY

- i. Contract of Indemnity
- ii. Value at Risk
- iii. Reinstatement
- iv. Loss Minimization Consequential Loss
- v. Cause of Loss vis-à-vis the identification of the proximate Cause, for the loss giving rise to a claim.

#### 4. TYPES OF ENGINEERING POLICIES

##### Operative Covers

- i. Boiler & Pressure Plant Insurance
- ii. Machinery Insurance
- iii. Contractors~ Plant and Machinery Insurance
- iv. Electronic Equipment Insurance
- v. Deterioration of Stock (Potatoes) in Cold Storage Insurance
- vi. Deterioration of Stock Insurance other than potatoes
- vii. Loss of Profit following Machinery Breakdown & / or Boiler Explosion Insurance
- viii. Miscellaneous Engineering Insurance (Such as Works Damage Insurance Policy)

## Project Covers

- i. Erection All Risks Insurance
- ii. Marine -cum- Erection Insurance
- iii. Contractors~ All Risks Insurance

### a) Scope

### b) Coverage

c) Exclusions - Relating to cause, peril, property, policy excess, voluntary deductible

d) Conditions - Definition, Implied and Express Conditions, conditions precedent to the contract, Conditions precedent to liability, conditions subsequent to the loss

## 5. PRACTICE OF ENGINEERING INSURANCE SURVEY AND LOSS ASSESSMENT

i. Occurrence as reported

ii. Inspection of the scene

iii. Securing evidence - Physical evidence, Identification of physical evidence, absence of physical evidence

iv. Securing evidences - photographic, samples, telltale

v. Analysis of the situation - valuation in operating parameters of machinery or apparatus, purpose of application of the machinery or apparatus, scope of the project

vi. Examination of probable cause - process of elimination of probable causes, acceptance of more than one probable cause of loss, elimination of loss due to exception or exclusion

vii. Assessment of the damage - Repairability of item or equipment damaged, whether repairs can be done in situ or whether it requires a relocation elsewhere, if not repairable, reasons thereof, whether the reasons towards non-repairability are satisfactory and if yes the concurrence, if no the specific objections

viii. Loss assessment in operational covers - Determination of current replacement cost, adjustments for obsolescence, improvements and modifications for older machinery or equipments, availability of equivalent equipments and comparison of available equipments for capacity, operational ease, control systems, etc and basis for arriving at equivalent costs.

ix. Loss assessment in project covers - Basis of declaration of values for insurance vis-à-vis cost of the project, whether the entire project is fully Insured, whether the project is correctly insured if the insurance is taken by the contractor for a particular contract, whether claims involved in such situations relate to the relevant part of the project, whether there is an increase between original (historic) cost and actual procurement for repairs and replacement, impact of variation in exchange rate, customs duty, etc resulting in escalation

x. Determination of adequacy of sum insured for operational covers - The replacement value of damaged item machinery or apparatus supported by order, invoice or quotation, - if not available methods of determination - scaling up or down from available quotations, determination by scaling up indices (domestic for local products) and international plus foreign exchange adjustments between date of installation and date of loss.

xi. Determination of adequacy of sum insured for project covers - satisfying whether the value declared represents the completely erected value of the project, if no - method of projecting a value based on level of billing variation with respect to original projections, extent of escalation available, alternate method by scaling up through indices beyond original date of completion.

xii. Assessment

xiii. Concurrent and non-concurrent assessment

xiv. Compliance with warranties

xv. Lien of financial institutions

## 6. SURVEY REPORT

- Contents in survey report.
- Evidence of insurable interest
- Evidence of damage/ loss
- Attributed cause of damage/ loss
- Admissibility of loss within framework of policy
- Comment about adequacy of sum insured
- Salvaging
- Depreciation/ Allowance
- Excess
- Compliance with conditions and warranties
- Recommendation

## 7. SALVAGE DISPOSAL, SALVAGE ACCOUNTING

## 8. LOSS MINIMISATION & RECOVERIES

### SYLLABUS FOR LOSS OF PROFIT (FIRE) INSURANCE

- Standard consequential loss policy form - conditions - specification (Turnover) basis.
- Assessment of ~interruption~ risk by insured our insurers - Selection of indemnity period - Method of rating - Proposal form.
- Fixation of sum insured - Trading and Profit and loss account - Insurance of wages, lay-off and retrenchment compensation, rent receivable, auditors fees, additional increase in cost of working, fines and penalties.
- Additional perils - Extensions of policy - ~customers~ and suppliers premises - Insured~s property at other premises, or in transit, damage to motor vehicles owned by the insured, electricity stations, gas works and water works, prevention of access, premises where a contract is being carried out - Farmers (Milk production) - Spoilage extension - Alternative definitions of ~turnover~ - Alternative policy wordings - Departmental clause - Different basis - Insurance of gross fees (professional persons).
- Insurance of loss of commission - New business clause - Return of premium clause - Insurance of research activity - Accumulated stocks clause.
- Alternative indices of activity - output - sale value of output - input or throughput - productive wages - spindles - revenue - Loss adjustment - Method and procedure.

### SYLLABUS FOR MISCELLANEOUS INSURANCE

#### 1. LEGISLATIVE PROVISIONS

- a) Indian Penal Code
- b) Workmen~s Act

#### 2. TERMINOLOGY

##### LEGAL DEFINITIONS OF PERILS COVERED UNDER BURGLARY AND HOUSEBREAKING POLICY

Theft :- Sections 378 to 382 of I.P.C. Section 381 : when theft is committed by servant which is excluded under policy.

Housebreaking :-

Section 445 to 446 of I.P.C.: Entry by scaling or climbing any wall or building or passage made by the thief or getting out same way.

Robbery (Section 390) :- Theft is robbery when attempt to cause death or hurt or wrongful restraint or fear of these is caused.

Dacoity (Section 391) :- When 5 or more persons do robbery.

Extortion :- Section 383 of IPC : To obtain delivery of property by putting a person under fear of injury.

Dishonesty :- Section 24 of IPC : Any act with intention of wrongful gain or wrongful loss.

Breach of Trust : As per sections 405 & 409 of L.P.C.

Criminal Conspiracy : Section 120 A & 120 B of IPC : Two or more persons agree to do illegal act. Police F.I.R. investigation report is helpful in deciding the cause.

#### 3. BASIC PRINCIPLES RELATING TO MISCELLANEOUS INSURANCE

- i. Utmost good faith - Duty of Disclosure, Material facts, Representations, Breaches of utmost good faith, Void, voidable and unenforceable contracts, case laws and court decisions
- ii. Insurable Interest - Importance of insurable interest, conditions fulfilling requirements of an insurable interest, persons having insurable interest (and nature of relationship), mandatory requirements for insurance in certain types of relationship. case laws and court decisions
- iii. Principle of Indemnity - Definition, Principles, only one indemnity for a single incident, prohibition of more than a single indemnity, case laws and court decisions
- iv. Subrogation & Contribution - Importance, how, when it arises and operates, case laws and court decisions
- v. Proximate / probable cause of loss - Doctrine of proximate cause, application of the doctrine, case laws and court decisions

#### 4. SURVEY & INSPECTION FOR PRE- INSURANCE ACCEPTANCE.

#### 5. TYPES OF MISCELLANEOUS POLICIES

- i. Public Liability Insurance
- ii. Product Liability
- iii. Carriers Legal Liability Insurance
- iv. Professional Indemnity Insurance
- v. Jewellers Block Insurance
- vi. Bankers Blanket Insurance
- vii. Money Insurance
- viii. All Risks Insurance
- ix. Baggage Insurance

- x. Mobile Cellular Phone Insurance
- xi. Composite Insurance - Shopkeepers/ Traders Package/ Householders/ Office Umbrella
- xii. Rural Insurance
- xiii. Social Sector Insurance
- xiv. Personal Accident
- xv. Other Misc. Insurances
  - a) Scope
  - b) Coverage
  - c) Exclusions - Relating to cause, peril, property, policy excess, voluntary deductible
  - d) Conditions - Definition, Implied and Express Conditions, conditions precedent to the contract, Conditions precedent to liability, conditions subsequent to the loss

## 6. ADD ON COVERS

7. WARRANTIES AND CLAUSES - Definition, Implied and Express warranties, Breach of warranty

8. CAUSE OF LOSS (Cause of Accident, Insured Peril & Onus of proof)

Technical Positions for verification :-

- i. Location of occurrence: As insured under the policy.
- ii. To verify to whom ownership vests. If insured is a trusty, then to verify whether policy covers goods held in trust.
- iii. Also to verify whether the owner holds any insurance and then decide on the legal responsibility.
- iv. To verify physically, goods leftover.
- v. To verify and collect evidences of property at affected premises before loss.
- vi. To apply average clause if policy is not on first loss basis.
- vii. Proof of replacement value.
- viii. Deduction of depreciation on the basis of age of the property lost to arrive at assessed loss.
- ix. Legal action for right of recovery if culprits are identified.
- x. Statement of witness to be taken.
- xi. To apply contribution clause in case of co-insurance, even if separate insurances have been taken by pledges & pledgers or mortgagors and mortgagees, lesser/lessee, bailor/bailee.
- xii. If insured property is damaged by thieves, cost of repair or salvage value to be ascertained.
- xiii. Extra Coverage : Damage caused to building (not owned by insured but responsible for damages as per agreement) to be assessed as per policy conditions/limits.
- xiv. Whether there is any breach of warranty.
- xv. Non involvement of family member or servant is to be ascertained.
- xvi. Theft loss (even without housebreaking) is covered under Householders Insurance Policy or any policy may be extended by special endorsement. Then even if there is no forcible entry/housebreaking, surveyor has only to find out and ascertain non-involvement of family member or servant.

9. RIGHT & DUTIES OF INSURED FOLLOWING THE ACCIDENT

10. APPOINTMENT OF SURVEYOR.

11. CLAIMS DOCUMENTS

- i. Insurance Policy
- ii. Claim form
- iii. FIR, Fire Brigade Report
- iv. Accounting statements like past 3 years Balance Sheets, Stock Registers, Purchase and Sales invoices, Sales tax returns, Excise duty records, Profit and Loss accounts etc.
- v. Act of God Perils - newspaper cuttings, photographs and meteorological reports
- vi. If company proposes to settle the claim then Letter of subrogation, the discharge voucher, if the policy is subject to Agreed Bank Clause (if Bank~s or other Financial Institution~s interest is involved, the discharge voucher has to be signed by their authorised signatories).

12. PROCESS OF LOSS ADJUSTMENT

- i. Inspection of the scene
- ii. Identification of property insured
- iii. Securing evidences - photographic, samples, telltale
- iv. Examination of probable cause - process of elimination of probable causes, acceptance of more than one probable cause of loss, elimination of loss due to exception or exclusion
- v. Verification of damage - physical evidence, identification from physical evidence, absence of physical evidence, nature of goods

- involved, properties of goods involved, duration of fire
- vi. Assessment of the damage
  - vii. Calculation of value at risk
  - viii. Assessment
  - ix. Concurrent and non-concurrent assessment
  - x. Compliance with warranties
  - xi. Lien of financial institutions

### 13. SURVEY REPORT

Contents in survey report.

- Evidence of insurable interest
- Evidence of damage/ loss
- Attributed cause of damage/ loss
- Admissibility of loss within framework of policy
- Comment about adequacy of sum insured
- Salvaging
- Depreciation/ Allowance
- Excess
- Compliance with conditions and warranties
- Recommendation

### 14. PROCEDURE OF SETTLEMENT OF CLAIMS.

15. IMPORTANCE OF VALUATION OF ASSETS INSURED. (REINSTATEMENT VALUE, MARKET VALUE, ADEQUACY OF SUM INSURED)

16. SALVAGE DISPOSAL, SALVAGE ACCOUNTING

17. LOSS MINIMISATION & RECOVERIES