edme
Clarity in Complexity

CLAIM SUCCESS

STORIES - EDITION 3

At Edme Insurance Brokers, insurance is more than policies and premiums it's a promise to protect what matters most.

In today's volatile business landscape, a single claim can define the line between continuity and crisis. Our Claims Team serves as the vital bridge between clients, insurers, and surveyors ensuring outcomes that are fair, timely, and strategically aligned.

This report showcases three recent case studies where Edme's expertise safeguarded client resilience, reaffirming our core belief:

> "Insurance claims are not hurdles, but opportunities to prove our value as trusted partners."

We take pride in sharing these milestones with our colleagues, clients, and peers.

CASE STUDY 1

STRATEGIC CLAIMS MANAGEMENT IN A HIGH-STAKES D&O LIABILITY DISPUTE

INCIDENT OVERVIEW

A protest petition resulted in criminal proceedings against five officials of a client company undergoing liquidation. The claim was filed under their Directors & Officers (D&O) policy. Through strategic intervention, agile negotiation, and seamless coordination between the insured, their legal counsel, and the insurer, we secured a favourable settlement and ensured timely claim reimbursement.

KEY FACT	DETAILS
Policy Type	Directors & Officers (D&O) Liability
Claimant	Private Individual (RTI Activist)
Initial Settlement Demand	INR 30,00,000
Final Settlement Amount	INR 5,25,000
Legal Proceedings	Criminal case initiated; summons issued by District Court
Bail Status	Anticipatory bail SLPs dismissed by Supreme Court
Company Status	Undergoing liquidation

CHALLENGES ENCOUNTERED

HIGH CLAIMANT DEMAND

Initial INR 30 lakh was the amount demanded by the claimant against the settlement which had a significantly elevated financial exposure.

CRIMINAL PROCEEDINGS

Private complaint escalated into a criminal case, increasing legal complexity and urgency.

BAIL DISMISSAL

Supreme Court's rejection of anticipatory bail removed a key defensive option for officials.

OFFICIALS PERSONALLY NAMED

Heightened reputational and personal liability risk created pressure for rapid settlement.

COMPANY IN LIQUIDATION

Limited ability to fund extended litigation or delays, requiring swift resolution.

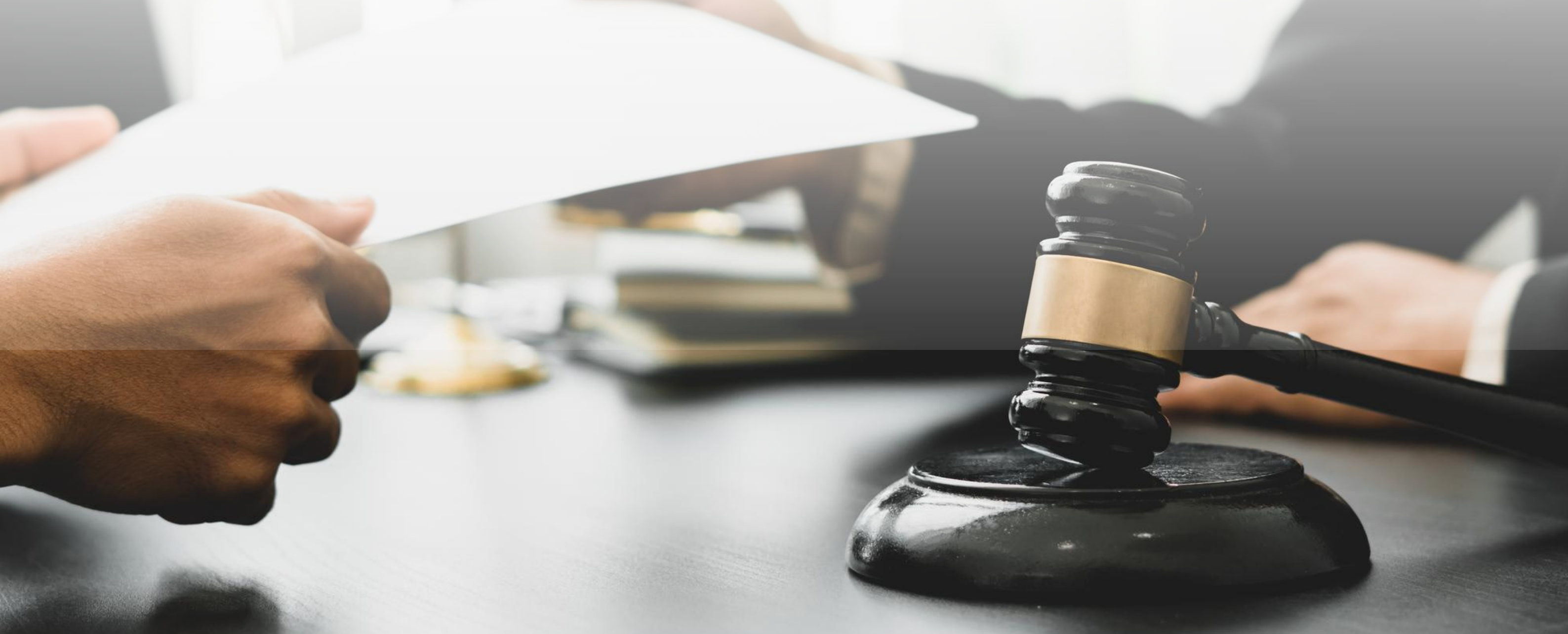
RESOLUTION

ACTIONS TAKEN BY EDME	OUTCOME
Advised court-directed mediation and guided negotiation strategy	Claimant's demand was reduced from INR 30 lakhs to INR 5.25 lakhs post negotiation, thereby reducing the financial exposure of our client.
Engaged directly with insurer claims team, presenting detailed justification	Secured "in-principle consent" from insurer, enabling fast resolution
Coordinated documentation (settlement deed, court order, legal bills)	Smooth claim processing and timely reimbursement
Maintained continuous communication between insured, counsel, and insurer	Avoided delays, aligned stakeholders, and ensured clarity on next steps
Strategic guidance on risk minimisation and settlement approach	Criminal proceedings withdrawn, preventing reputational and financial harm

The case was successfully mediated, resulting in a substantial reduction in the claimant's demand and also by timely insurer approval. The matter was officially withdrawn by the court, and the insurer reimbursed INR 18,81,000, covering both settlement and legal costs.

INSIGHTS AND REFLECTIONS

- **Early negotiation reduces exposure:** Moving swiftly to mediation can substantially lower settlement amounts and prevent claims escalation.
- **D&O policies are invaluable in criminal liability situations:** Coverage extended to legal fees and negotiated settlements, protecting individuals from personal financial impact.
- **Stakeholder alignment is critical:** Coordinated communication between insured, insurer, and legal counsel ensures timely decisions on high-stakes matters.
- **Proactive claims management saves time and reputation:** The matter was resolved within weeks, showcasing the effectiveness of structured claims intervention.
- **Liquidation scenarios require speed:** The client's financial constraints made rapid resolution essential highlighting the importance of decisive claims handling.



CASE STUDY 2

SHORTAGE OF CBFS (CARBON BLACK FEED STOCK) DURING RAIL TRANSIT

INCIDENT OVERVIEW

A consignment of CBFS – Carbon Black Feed Stock transported under a Marine Cargo Open Policy from West Bengal to Tamil Nadu was found short by 252.32 MT upon arrival. Despite no visible physical damage, weighment revealed a substantial quantitative loss during transit. After policy interpretation and detailed deliberation, the insurer admitted to process the claim and the shortage was settled as per policy terms.

KEY FACT	DETAILS
Policy Type	Marine Cargo Open Policy
Cargo	CBFS – Carbon Black Feed Stock
Total Loaded Quantity (RR)	2,713.10 MT
Received at Destination	2,468.66 MT
Shortage Identified	252.32 MT
Mode of Transport	Rail
Transit Route	West Bengal to Tamil Nadu
Total Claim Filed	INR 1,39,95,215 (incl. GST)
Assessed Shortage Value	INR 1,27,22,923
Valuation Basis	Invoice + Freight + 10%

CHALLENGES ENCOUNTERED

INITIAL CLAIM REPUDIATION:

Both the surveyor and insurer initially declined the claim due to absence of an identifiable insured peril or physical damage.

UNEXPLAINED SHORTAGE

The 252.32 MT shortfall was classified as an unexplained quantitative loss, traditionally outside marine transit coverage.

POLICY WARRANTY INTERPRETATION

The case required detailed clarification of the "shortage howsoever caused" warranty to justify coverage.

STAKEHOLDER MISALIGNMENT

Multiple rounds of discussion were needed to align understanding between the insurer, surveyor, and insured.

NON-STANDARD SETTLEMENT

Final acceptance was granted only on a non-standard basis, contingent upon comprehensive documentation and justification.

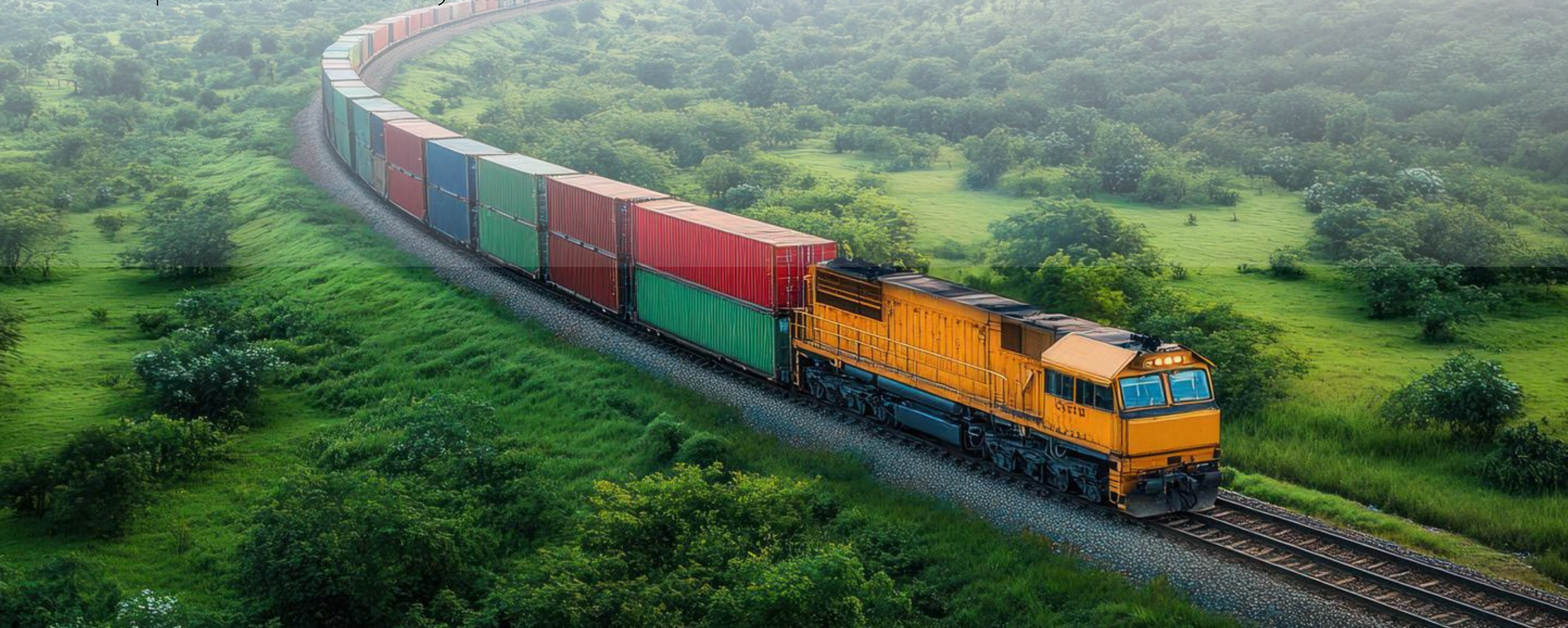
RESOLUTION

ACTIONS TAKEN BY EDME	OUTCOME
Reviewed survey findings and policy wording, identifying the key “Shortage howsoever caused” warranty	Established grounds for coverage despite absence of physical damage
Facilitated discussions among insurer, surveyor, and insured to align claim interpretation	Shifted insurer stance from repudiation to acceptance on non-standard basis
Guided insured in compiling all documentation: RR copy, weighment, police intimation, survey report	Enabled seamless reassessment and processing of the claim
Advocated for admissibility based on loading documents and quantity assurance	Ensured insurer acknowledgment of shortage as valid transit loss
Coordinated end-to-end communication to expedite closure	Resulted in timely settlement of INR1,27,22,923 (post deductions)

Following detailed discussion and interpretation of the policy warranty, the insurer accepted that the loss fell within the scope of the shortage coverage clause. The settlement of **INR 1,27,22,923** was approved on a non-standard basis, as the shortage of **252.32 MT** was officially recognised as an admissible marine transit loss.

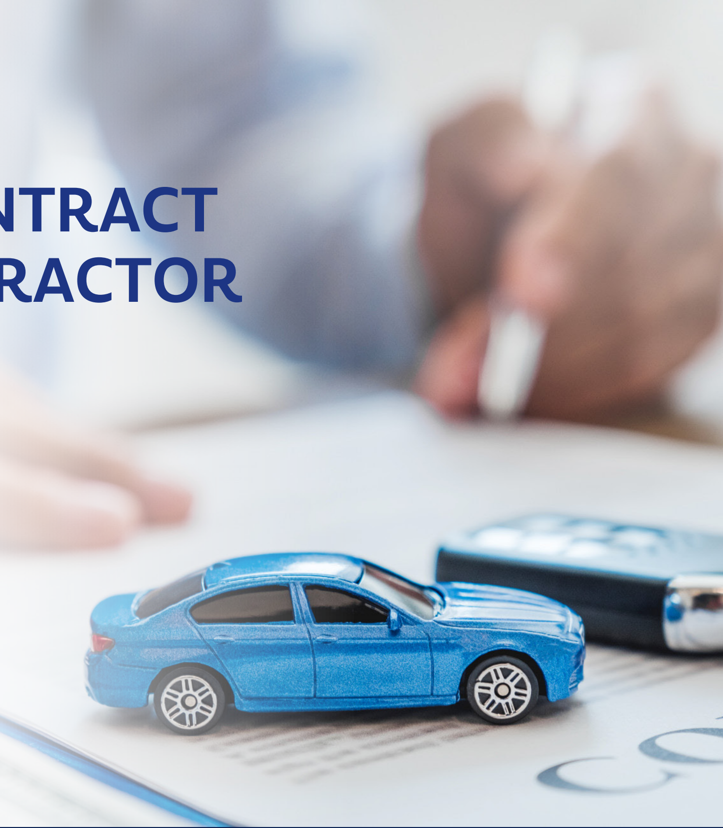
INSIGHTS AND REFLECTIONS

- **Importance of Policy Wording:** The shortage warranty played a decisive role in overturning the initial repudiation, highlighting how wording shapes claim outcomes
- **Value of Documentation:** Accurate loading, weighment, and transit records were critical in establishing the legitimacy of the shortage claim
- **Need for Expert Mediation:** Proactive claims advocacy helped bridge gaps between surveyor and insurer interpretations, accelerating resolution
- **Complexity of Non-Damage Claims:** Quantitative losses without visible damage demand heightened technical scrutiny and precise policy application
- **Strategic Engagement Matters:** Early and structured dialogue among stakeholders prevented prolonged disputes and ensured timely settlement.



CASE STUDY 3

FLOOD DAMAGE TO CONTRACT WORKS UNDER A CONTRACTOR ALL RISK (CAR) POLICY



INCIDENT OVERVIEW

A severe flood in the River Tapti caused accidental damage to ongoing contract works insured under a Contractor All Risk (CAR) Policy issued to a leading civil contractor. Despite complete documentation and transparency from the insured, the surveyor unexpectedly issued a "No Liability" conclusion. Through EDME's technical intervention, policy interpretation support, and strong advocacy, the insurer reconsidered the claim and approved a settlement.

KEY FACT	DETAILS
Policy Type	Contractor All Risk (CAR) Policy
Incident Description	Accidental damage to Anicut construction and Intake Well due to sudden flood in River Tapti
Cause of Loss	Flood and Inundation
Damage	Various contract works materials and structures
Initial Claim Estimate	INR 3.23 crore
Revised Claim Estimate	INR 2.25 crore
Settlement Amount	**INR 1,10,77,842 (net of all deductions)**

CHALLENGES ENCOUNTERED

UNEXPECTED NO-LIABILITY CONCLUSION
After full submission of claim documents, the surveyor abruptly issued a "No Liability" letter without any prior indication.

MISINTERPRETATION OF COVERAGE
The surveyor concluded that since pumps in the Intake Well and WTP were operational prior to the event, those sections fell outside the scope of CAR coverage—an incorrect interpretation.

NEED FOR TECHNICAL CLARIFICATIONS
EDME obtained detailed clarifications from the insured's project manager to establish accurate construction stages and operational status.

EVIDENCE-BASED REBUTTAL REQUIRED
EDME advised the insured to secure an official letter from the Principal detailing the factual project status and supporting policy coverage alignment.

INCORRECT ASSUMPTIONS BY SURVEYOR
EDME demonstrated that the surveyor had formed conclusions without verifying project facts or policy intent.

REVERSAL OF REPUDIATION
Following strong technical representation, the surveyor issued an Addendum Report, reversing the no-liability decision and sharing the assessment for settlement.

RESOLUTION

ACTIONS TAKEN BY EDME	OUTCOME
Obtained project clarifications and micro-details from the insured; reviewed all supporting documents	Identified that the surveyor's No-Liability conclusion was incorrect
Recommended obtaining a detailed letter from the Principal; drafted a strong technical representation to the insurer and surveyor	Insurer referred matter back to surveyor; surveyor acknowledged misinterpretation and issued Addendum Report
Challenged flawed assumptions and highlighted correct CAR policy coverage supported by contract documentation	Claim accepted and settlement assessment of ₹1.1 Cr issued
Facilitated ongoing communication and compliance requirements	Ensured smooth movement toward final settlement and client satisfaction

EDME's technical advocacy and structured communication resulted in the insurer overturning the initial repudiation. The surveyor issued a revised assessment, and the insurer approved a settlement of **INR 1.10 crore** (net of deductions). The matter was successfully resolved in favour of the insured, safeguarding substantial financial recovery for critical contract works damaged by flood.

INSIGHTS AND REFLECTIONS

- **Technical expertise is critical:** Accurate interpretation of CAR policy terms prevented an incorrect repudiation and protected significant financial recovery for the insured.
- **Proactive engagement changes results:** EDME's structured, persistent engagement ensured alignment among all stakeholders and reversed an unfavourable assessment.
- **Documentation drives outcomes:** Detailed project-stage evidence and Principal confirmations were instrumental in overturning the surveyor's conclusion.
- **Correcting assumptions safeguards client interests:** Challenging flawed interpretations upheld policy intent and safeguarded the insured's rights under the contract.
- **Broker advocacy matters:** This case reinforces the role of a knowledgeable broker in navigating complex engineering claims and securing justified settlements.