Clarity in Complexity

CLAIM SUCCESS

STORIES - EDITION 2

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

EXPLOSION IN ANOLYTE HEADER: CAUSTIC SODA PLANT

INCIDENT OVERVIEW

A leading chemical manufacturing company, known for its quality manufacturing of chemicals, fibres and timely delivery, faced a major operational incident impacting its production facilities. An explosion in the Anolyte Header within the cell house area caused significant damage to the electrolyser elements and membrane assemblies in the caustic soda plant.

KEY FACT	DETAILS
Asset Affected	Caustic Soda Plant – Electrolyser and related elements
Cause	Explosion in Anolyte Header
Damage	Electrolyser, elements, and membrane components damaged
Initial Claim Estimate	INR 11 Crs
Revised Claim Amount	INR 7.76 Crs

CHALLENGES ENCOUNTERED

MAINTENANCE-LINKED DAMAGE: The electrolysers, being refurbished units with an eight-year overhaul and four-year maintenance cycle, failed during the scheduled maintenance period. As the policy excluded wear-and-tear or maintenance-related deterioration, the claim's admissibility was challenged.

BUSINESS INTERRUPTION DEPENDENCY: BI loss was also incurred but remained pending for the outcome of the property damage claim admissibility.

EXPECTATION VS. POLICY REALITY: Despite the extensive explosion damage during the plant shutdown period, the insured anticipated settlement; however, policy exclusions and technical findings limited recoverability.

COVERAGE CLASSIFICATION CHALLENGE: The event's characteristics were aligned more with Machinery Breakdown, which was forming a part of the policy and will typically attract a higher policy excess, also further complicating claim recovery.

RESOLUTION

ACTIONS TAKEN BY EDME	OUTCOME
Facilitated, coordinated and submitted a Root Cause Analysis (RCA) from a professional Agency justifying the nature and extent of loss.	Enabled acceptance of replacement items as damaged due to the incident.
Advocated settlement under the Fire Section rather than Machinery Breakdown section.	Resulted in lower policy excess and inclusion of FLOP loss under the BI claim.
Facilitated insurer–insured–surveyor meetings.	Resolved disputes and achieved stakeholder consensus.
Provided detailed clarification on refurbishment and maintenance practices.	Supported claim consideration and acceptance by the surveyor and insurer.
Maintained continuous engagement through calls, meetings, and site visits.	Achieved alignment on assessment and expedited the process.

The insurer subsequently approved the claim for **INR 7.76 Crs** (less deductible) .On-Account Payment (OAP) of INR 4 Crs released, marking a green signal for the admissibility of liability under BI loss as well. Final settlement for PD claim is currently under process.

INSIGHTS AND REFLECTIONS

- A robust technical justification and comprehensive loss explanation are essential to strengthen the acceptance of high-value industrial claims.
- Proactive client guidance can lead to outcomes exceeding expectations, driving customer satisfaction and trust
- A site visit immediately after the incident gives a better understanding of the loss and proper representation to all stakeholders.
- Transparent communication fosters alignment among all stakeholders.

This case exemplifies how Edme's technical expertise and proactive advocacy enabled the claim to be settled under the Fire Section, avoiding repudiation. Through precise analysis, structured engagement, and effective negotiation, Edme delivered a favourable outcome, reinforcing its commitment to providing clarity in complexity and driving tangible client value.

CASE STUDY 2
FIRE OUTBREAK AT TRANSPORTERS GODOWN

INCIDENT OVERVIEW

A leading apparel company suffered a major loss when a fire broke out at its transporter's warehouse after the material has reached the warehouse. The incident resulted in extensive damage to return garment consignments, leading to a total loss of goods that was lying in the godown for further despatch. The affected cargo, covered under 95 Lorry Receipts (LRs), had reached the transporter's warehouse and waiting for delivery slots at the insured's primary warehouse.

KEY FACT	DETAILS
Cause of Loss	Fire at the transporter's warehouse ABC
Cargo Description	Return garments under 95 LRs
Extent of Damage	Total loss of cargo due to fire

CHALLENGES ENCOUNTERED

NATURE OF STORAGE:

The Cargo was insured under ITC A clause and was present in transporter warehouse ready for further despatch /transit. The cargo stored at the transporter's warehouse was viewed by the insurer as intentional storage rather than storage "in the ordinary course of transit." As per the Marine Policy, intentional storage risks are not covered.

RECOVERY RIGHTS:

Recovery rights were not secured at the time of the incident, further complicating the claim process.

SURVEYOR AND INSURER POSITION:

Based on the Joint Inspection Report, both the surveyor and insurer initially concluded that the transit was complete, rendering the claim inadmissible under the Marine Transit Policy.

RESOLUTION

ACTIONS TAKEN BY EDME	OUTCOME
Compiled & submitted Standard Operating Procedures (SOPs) and process documentation from the insured's logistics team.	Established that the storage was part of normal transit flow.
Engaged extensively with the surveyor and insurer to clarify policy interpretation.	Successfully demonstrated that storage was within the ordinary course of transit and fell under the 7-day permissible limit.
Provided detailed evidence showing that the delay in delivery was due to logistical constraints at the insured's receiving warehouse and beyond the insured's control.	Ensured compliance with the Marine Policy clause for destination storage.
Coordinated multiple joint meetings and documentation submissions with Insurer and the surveyor.	Achieved alignment and reversal of the initial non-admissibility stance.

Following these efforts, the claim was approved and settled for **INR 8.55 Crs** to the satisfaction of the Insured

INSIGHTS AND REFLECTIONS

- Accurate classification of storage risks under the Marine Policy is critical to claim admissibility.
- Buffer storage usage and timelines must be closely monitored to stay within permissible policy limits.
- Timely documentation and coordination with all stakeholders expedite resolution.
- Proactive clarification and technical advocacy can successfully turn around claims initially deemed non-payable.

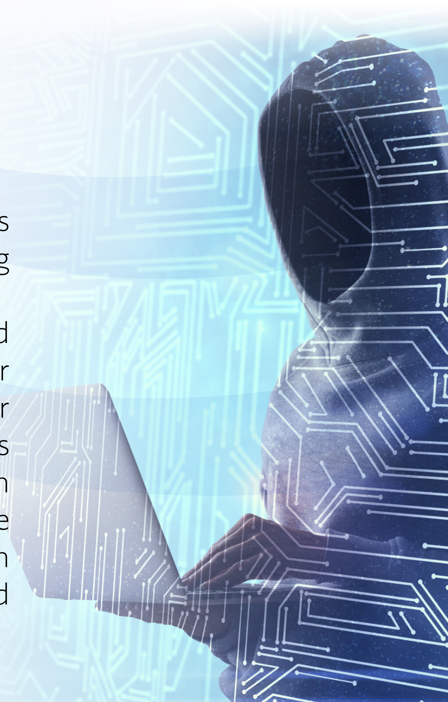
This case highlights how Edme's strategic advocacy and technical clarity ensured claim acceptance under the Marine Transit Policy, despite initial denial. Through structured communication, policy interpretation, and coordinated engagement, Edme enabled full claim recovery of ₹8.55 Crores, reinforcing its role as a trusted advisor in complex claim settlements.

CASE STUDY 3

SUCCESSFUL SETTLEMENT OF A MAJOR COMMERCIAL CRIME CLAIM

INCIDENT OVERVIEW

A leading, publicly listed Housing Finance Company (HFC) operating across India was insured under a Commercial Crime Insurance Policy, covering among other perils, losses arising from employee fraud and dishonesty.
A Senior Executive in the Accounts Department executed a sophisticated fraud by manipulating the "Maker-Checker" payment system in SAP over five years. He used a junior colleague's credentials to alter inactive vendor bank and PAN details to his own and approved fraudulent payments disguised as brokerage charges. The fraud went undetected through multiple "Top 4" statutory audits and was only uncovered after an Income Tax Department highlighting discrepancies in TDS returns. Following an internal investigation and confession, a claim of INR 5.43 Crs was lodged with the Insurer under the Policy.



KEY FACT	DETAILS
Policy Type	Commercial Crime Insurance
Insured	Leading National Housing Finance Company (HFC)
Insurer	Major Public-Sector General Insurer
Cause of Loss	Employee fraud – SAP system manipulation
Total Claimed Loss	**INR 5.43 Crs**

CHALLENGES ENCOUNTERED

AUDIT OVERSIGHT & CONTROL FAILURE: A five-year undetected fraud, despite multiple audits by "Top 4" firms, raised concerns of control lapses and potential negligence in oversight mechanisms.

RETROACTIVE DATE LIMITATION: Coverage was restricted to losses incurred, excluding earlier fraudulent activities under the policy's retroactive clause.

INTERNAL CONTROL BREACH: Failure of the Maker-Checker system was construed as a breach of the internal control warranty, weakening the insured's claim position.

CHANGE IN INSURER: The Insurer was changed upon renewal. The Fraud was not identified at that time and hence not reported during the renewal to the Insurer.

WARRANTY BREACH: An alleged breach of the Job Rotation warranty arose as the implicated employee had remained in the same role since 2017, challenging SOP & policy compliance.

RESOLUTION

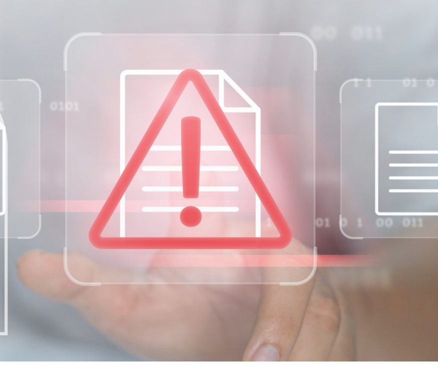
ACTIONS TAKEN BY EDME	OUTCOME
Reframed insurer's view by emphasizing that the long duration reflected fraud sophistication, not negligence.	Strengthened client's defence and justified policy coverage for concealed complex frauds.
Clarified that the Maker-Checker system itself was functional and the fraud involved unauthorized credential use, not system failure.	Established that the event fell within the intended policy coverage.
Worked with the insured's finance and audit teams to segregate post-retroactive date transactions and substantiate each fraudulent payment.	Quantified and proved admissible loss of INR 4 Crs.
Defended against the Job Rotation warranty allegation by producing HR policy and CHRO confirmation that the employee's Job Band/nature of work was exempt from the rotation policy.	Eliminated potential warranty breach, preserving claim admissibility.
Maintained continuous engagement with the insurer, surveyor, and insured, providing complete documentation and clarity.	Achieved insurer alignment and full claim settlement approval.

After comprehensive coordination and documentation, the surveyor assessed the admissible loss at **INR 4 Crs,** which was approved and settled by the insurer in full.

INSIGHTS AND REFLECTIONS

- Strong broker advocacy can transform insurer objections into supportive arguments.
- Continuous coverage ensures protection across fraud timelines and retroactive limits.
- Insurance acts as a financial safeguard when even robust controls are breached.
- Audits are not forensic tools crime coverage is vital for concealed internal frauds.
- Policy interpretation and documentation are crucial to overcome technical challenges.

Through meticulous analysis, technical advocacy, and persistent coordination, Edme Insurance Brokers enabled successful settlement of INR 4 Crs under the Commercial Crime Insurance Policy. This case reaffirms Edme's ability to manage complex financial crime claims with clarity, precision, and client-first execution.



Edme Insurance Brokers Ltd. (formerly known as Aditya Birla Insurance Brokers Ltd.) | Registered Office: 2nd Floor, Privillion, East Wing, Sarkhej - Gandhinagar Highway, Vikram Nagar, Bodakdev, Ahmedabad, Gujarat 380054 | IRDAI License Number: 146 |Composite Broker | License Valid till: 9th April, 2027 | CIN: U99999GJ2001PLC062239 | Corporate Office: 6th floor, VIOS Tower, Off Eastern Freeway, Near Wadala Truck Terminal, Wadala East, Mumbai- 400037 | Toll free no-1800 120 2510 | W: www.edmeinsurance.com | In case of any queries/complaints/grievances, please write to us at care@edmeinsurance.com I ISO 9001 Quality Management Certified by Intertek Certification Ltd. under certificate number 0145476