



Ref: IRDA/SURV/ORD/LC/045/03/2019

18/03/2019

ORDER of Insurance Regulatory and Development Authority of India under Section 42D(6) of the Insurance Act, 1938 and Regulation 24(1) & (2) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 read with 42D(5)(g) of the Insurance Act, 1938 and Regulation 16(1) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015

Based on the Show Cause Notice issued to Shri.Geddam Uma Maheshwara Rao (SLA No-13954) vide Ref .IRDA/SURV/SCN/2018/OTW/1443 dated 20/09/2018 and submissions made by the surveyor during the personal hearing held on 23/10/2018.

1. It has come to the notice of Insurance Regulatory and Development Authority of India (hereinafter referred as "The Authority") that Shri.Geddam Uma Maheshwara Rao (SLA No-13954) (hereinafter referred as "the Surveyor") has sought unlawful monetary favours from the insured/claimant to discharge his duty, while conducting the loss assessment during the Kerala Floods in the month of August, 2018. In this regard, the Authority was in receipt of a letter dated 05/09/2018 from M/s.Universal Sompo General Insurance Co. Ltd (hereinafter will be referred as "The Insurer) and newspaper reports dated 29/08/2018. It was mentioned therein that the surveyor had been arrested by the Police department of Kerala, pursuant the aforementioned incident. The Code of Conduct prescribed under Regulation 16(1) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 (hereinafter referred as "Surveyor Regulations") requires all surveyors and loss assessors to behave ethically and with integrity in their professional pursuits. Based on the information furnished, the Authority has observed violation of Code of Conduct specified under Regulation 16(1) of the Surveyor Regulations.
2. Pursuant to the above, vide Ref.IRDA/SURV/SCN/2018/OTW/1443 dated 20/09/2018 the Authority has issued a Show Cause Notice to the surveyor in light of the observed violation of Code of Conduct specified under Regulation 16(1) of Surveyor Regulations. Further, the surveyor was informed that, if required, under the provisions of the Surveyor Regulations, an opportunity for personal hearing shall be granted to him to make submissions/ clarification, if any, in this regard.
3. The surveyor has made his submissions vide letter dated 05/10/2018 and requested for an opportunity for personal hearing. Thereafter, an opportunity for personal hearing has been granted to the surveyor vide letter Ref: IRDA/SURV/PH/2018/OTW/1460 dated 10/10/2018. The personal hearing was held on 23/10/2018 at IRDAI, Sy No.115/1, Financial District, Hyderabad-500032.
4. The personal hearing was attended by Mr..Geddam Uma Maheshwara Rao (SLA No-13954) and heard by Mr. Sujay Banarji, Member (Distribution). Mr. Suresh Mathur, ED (Surveyors), Mr. P. Marimuthu, AM and Mr.V. Pranav, Assistant were present on behalf of the Authority.

5. The findings based on the submissions made by the surveyor against the charge of violation raised and evidence received in support of the misconduct and the decision of the Authority, thereon, are detailed below.

6. Charge:

6.1. Violation of Regulation 16(1) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 read with Section 42(D) of the Insurance Act, 1938.

It has come to the notice of the Authority that the surveyor has sought unlawful monetary favours from the insured/claimant to discharge his duty, while conducting the loss assessment during the recent Kerala Floods. In this regard, the Authority was in receipt of letter dated 05/09/2018 from M/s. Universal Sampo General Insurance Co. Ltd and newspaper reports dated 29/08/2018. Further, it is mentioned that the surveyor has been arrested by the Police department of Kerala, pursuant to the aforementioned incident. The Regulation 16(1) of Surveyor regulations specified the Code of Conduct of the Surveyor which mandates that every surveyor and loss assessor shall behave ethically and with integrity in the professional pursuits. Integrity implies not merely honesty but fair dealings and truthfulness. In the instant case, it has been alleged that the surveyor has sought unlawful monetary favours from the insured/claimant to discharge duty, while conducting the loss assessment during the recent Kerala Floods, for which, the surveyor has been arrested by the Police department of Kerala. This is in violation of the aforesaid Regulation 16(1) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015. Further, it has been informed by M/s. Universal Sampo General Insurance Co. Ltd that they have blacklisted the surveyor in light of the aforesaid incident.

6.2. Submissions from the Surveyor:

The surveyor has submitted that it is true that he was arrested. But, the charges against him such as unlawful monetary favours are wrong and baseless and contrary to facts. Further, he has submitted that he was appointed by M/s. Universal Sampo General Insurance Co. Ltd to survey a loss related to Kerala Floods at Thrissur and the property to be surveyed was an automobile wheel alignment shop. The sum assured pertaining to the machinery kept in the basement was Rs. 20 lakhs and the tyres kept on the upper floor was Rs. 40 lakhs bringing the total sum assured to 60 lakhs. Further, he has submitted that during the floods, the machinery had gotten submerged as the water level had risen up to 5 feet. However, the tyres kept on the upper floor were not affected and he had informed the claimant that the loss is confined to the machinery and not the tyres. Further, the surveyor submitted that the claimant had demanded the loss to be valued at Rs. 50 lakhs for which the surveyor had refused and subsequently, the claimant and a few other people came to his hotel room when he was alone and took him forcibly to the Police Station where he was threatened to write the report as per the wishes of the claimant for which he has refused to oblige. Further, he has submitted that the audio/video clips circulated in the media are not genuine and that they are forged. With regard to the blacklisting of the surveyor by M/s. Universal Sampo General Insurance Co. Ltd, he has submitted that there is no communication from the insurer vis-à-vis the said blacklisting.

7. In view of the above submissions by the surveyor, vide letter Ref: IRDAI/SURV/18-19/OTW/1464 dated 13/11/2018, the Authority has sought proof of evidence from the insurer in order to proceed further in this regard. Pursuant to that, vide letter dated 27/11/2018 the insurer has submitted the video recording comprising of the conversation between the surveyor and the insured, establishing the

15

professional misconduct of surveyor which has led to violation of Code of Conduct specified under Regulation 16(1) of the Surveyor Regulations.

8. In light of the aforesaid video recording, vide letter Ref: IRDAI/SURV/18-19/OTW/1495 dt 03/01/2019, the Authority has provided a further opportunity for the surveyor to make his submissions against the evidence received and advised him to present himself before the Authority on 16/01/2019 to make his submissions.
9. However, vide E-Mail dt 14/01/2019, the surveyor has responded against the aforesaid letter stating that, his health has been affected on account of the shock caused due to the fabricated and false allegations against him and he is unable to travel long distances. Therefore, he sought for the video recording to be shared with him, so that, he can make his written submissions to the Authority.
10. Therefore, vide letter Ref: IRDA/SURV/18-19/OTW/1502 dt 24/01/2019, the Authority has shared the DVD comprising of the aforesaid video recording in order to enable the surveyor to make his submissions against the aforesaid video recording.
11. Pursuant to the above, vide Letter Ref. GUR/IRDAI/VIDCLA/19 dated 29/01/2019, the surveyor has submitted that he denies the contents of the video and the allegation of misconduct against him. He has also submitted that the video recording is false, fabricated and morphed with the help of modern technology.
12. Further to the above, vide E-Mail dated 01/02/2019, the surveyor has submitted that M/s.Universal Somp General Insurance Co. Ltd has appointed him for a motor survey job on 18/12/2018 and the said appointment proves that he has not been blacklisted. In this regard, vide Letter dated 06/02/2019, M/s.Universal Somp General Insurance Co. Ltd has categorically denied the aforesaid appointment of the surveyor and further mentioned that no survey job has been allotted to the surveyor since September, 2018 and as part of systemic control, the insurer has deactivated the survey code of the surveyor indefinitely.

13. Forensic Analysis of the video recording and Findings:

- 13.1. Pursuant to the aforesaid submissions vis-à-vis the genuineness of the video, the Authority vide Letter Ref: IRDAI/Surv/Feb-2019/OTW/1509 dated 15/02/2019 have submitted the aforesaid video recording to the Forensic Laboratory to be subjected under necessary examination/analysis in order to verify the genuineness of contents of the video recording.
- 13.3. Subsequent to the above, The Forensic Laboratory vide Letter Ref:TLH/AV/004/2019 dated 19/02/2019 has submitted the Forensic Audio-Video Authentication Report of the aforesaid video recording. The findings of the Report are as follows,
 - 13.3.1. No abrupt changes in the fluency, tone consistencies, noise floor, background noise, waveforms, spectrograms, pitch and intensity contours were found in the audio of the video recording.
 - 13.3.2. No signs of temporal and spatial distortions were found in the video of the recording indicating that this recording is authentic.
 - 13.3.3. The audio and video in the recording did not contain any signs of editing or tampering.
 - 13.3.4. It is concluded that the video recording is authentic and represents incidents recorded in an event truly occurred.

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14. Decision of the Authority:

- (a). It is clear from the facts made available that the surveyor was appointed by M/s.Universal Sompo General Insurance Company Ltd to survey a loss related to Kerala Floods. It is alleged that in the connected matter, the surveyor had sought monetary favours from the insured/claimant to discharge his duty as a surveyor and loss assessor. The surveyor has himself admitted that he had been arrested by the Police Department of Kerala in this matter. A show cause notice was issued to the surveyor vide letter dated 20/09/2018 and consequently a personal hearing was granted to the surveyor on 23/10/2018.
- (b). Regulation 16(1) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 requires all surveyors to behave ethically and with integrity in their professional pursuits. The surveyor has submitted that the claimant / insured demanded the loss to be valued at Rs.50 Lakhs. He has also submitted that he was forcibly taken to the police station and that the audio / media clips circulating in the media are not genuine.
- (c). The insurer has vide letter dated 27/11/2018 submitted evidences and documentary proofs of the alleged incident. A video recording shows the surveyor negotiating with the insured and promising him that he would get the claim amount approved from the insurer for a commission upfront. However, the video clip and related documents were received from the insurer only after the personal hearing was granted to the surveyor.
- (d). Therefore, keeping in mind the due process of law, a further opportunity was granted to the surveyor to make his submissions and a copy of the video clip was sent to the surveyor. In his submissions vide E-Mail dated 30/01/2019, the surveyor challenged the genuineness of the video clips and requested the Authority to examine its genuineness by sending it to a forensic lab/expert opinion. In light of his submissions and also to lend maximum credibility to the evidence in hand, the Authority engaged the services of a forensic laboratory. The forensic laboratory submitted a video-audio authentication report to the Authority vide letter dated 19/02/2019. The Authentication report concluded that the video recording is authentic and represents incidents recorded in an event truly occurred as detailed in Para 13 above.
- (e). After considering the submissions made by the surveyor with respect to the violation and material submitted by the insurer in support of the misconduct and the forensic analysis report of the said video recording, the Authority is of the view that in the instant case, the surveyor has not behaved ethically and with integrity in his professional capacity and accordingly the continuation of his license would be prejudicial to the interests of the policyholders.
15. Therefore, the Authority, in exercise of powers vested under Section 42(D)(6) of the Insurance Act, 1938 and Regulation 24(1) & (2) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 read with 42D(5)(g) of the Insurance Act, 1938 and Regulation 16(1) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 hereby cancels the Individual Surveyor and Loss Assessor License (SLA No.13954) issued in the name of Shri. Geddam Uma Maheshwara Rao (SLA No-13954) with immediate effect. Pending works, if any, shall be returned to the respective insurance companies by the surveyor.

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16. Further, if the surveyor is not satisfied by the order of the Authority, an appeal may be preferred to the Securities Appellate Tribunal as per the provisions stipulated under Section 110 of the Insurance Act, 1938.

Place: Hyderabad
Date: 18/03/2019


Sujay Banarji
Member (Distribution)