



No. IRDA/ENF/ORD/ONS/ 245 /09/2021

**Final Order in the matter of**

**Team Insurance Surveyors and Loss Assessors LLP**

**[Based on the reply to the Show Cause Notice (SCN) dated 09/06/2020 and submissions made during the hearing through video conference held on 16<sup>th</sup> July, 2021 at 4:30 p.m., chaired by Member (Non Life).]**

**Background: -**

1. The Insurance Regulatory and Development Authority of India (Authority) had conducted during 22/07/2019 to 26/07/2019 an onsite inspection of M/s. Team Insurance Surveyors and Loss Assessors LLP (SLA).
2. The Authority forwarded a copy of the Inspection Report to the SLA on 27/08/2019 seeking comments and the SLA's comments were received on 16/09/2019. Upon examining the documents on hand and submissions made by the SLA, the Authority issued Show Cause Notice (SCN) to the SLA on 09/06/2020 which was responded to by the SLA vide letter dated 30/06/2020.
3. As requested therein, a hearing through video conference was given to the SLA on 16<sup>th</sup> July, 2021. Shri Rajesh Ranadive, Partner, Shri Vikram Khanna, Partner and Shri Saurabh Murarka, Partner, attended the hearing on behalf of the SLA. On behalf of the Authority, Shri Prabhat Kumar Maiti, GM (Enforcement), Shri Pankaj Kr. Tewari, GM (Surveyors), Smt. Nimisha Srivastava, DGM (Surveyors) and Shri Chandan Singh, AM (Enforcement), attended the hearing.
4. The submissions made by the SLA in their written reply to the Show Cause Notice and those made during the hearing through video conference and the documents submitted by the SLA in evidence of their submissions have been considered by the Authority and accordingly the decisions on the charges are detailed below.

**5. Charge No.1**

Violation of Regulation 16(9) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 and Clause 4(c) of Authority's Circular No. IRDA/INSP/CIR/ONS/157/09/2018 dated 20<sup>th</sup>September, 2018.



**Observation:** The SLA furnished inaccurate and incomplete data with respect to the surveys conducted by them during last two financial years. There were many incomplete fields such as the "Policy inception Date", "Policy expiry Date" and "Date of completion of survey". The entire data with respect to the above fields were blank as the SLA does not capture the same in their system. In the data provided in excel sheet, the "Date of Survey", "Gross Loss" fields were also missing. Unavailability of these fields made the Inspecting Authority unable to ascertain as to when the surveys were completed and whether the policies were in-force at the time of claim etc.

#### **Summary of Reply to SCN:**

The data was maintained as per requirement of Form IRDAI-11 of Surveyor Regulation 2015 and all fields were maintained accordingly. Some of the fields like (1) Policy inception and Policy Expiry date, (2) Date of completion of survey are not maintained as same is not envisaged under the Form IRDAI-11. Further, fields for Gross Loss Assessed and Date of Survey, were provided in Format 3 IRDA for audit and it was filled as per provided format.

#### **Decision:**

The SLA is advised to maintain proper records for the work done by them in order to ensure compliance of Regulation 16(9) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 and submit the same as and when asked by the Authority so as to ensure compliance of Clause 4(c) of Authority's Circular No. IRDA/INSP/CIR/ONS/157/09/2018 dated 20<sup>th</sup> September, 2018.

#### **6. Charge No. 2:**

Violation of Regulation 4 (15) (4) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015.

**Observation:** Multiple surveys were conducted on the same day across different locations. Some of the sample surveys in Delhi were not conducted by the licensed surveyor as the surveyor was not in Delhi. Rather the assigned surveyor was conducting surveys in Kerala or Bihar on the concerned dates. The surveyor did not visit the site himself and only signed the report. The SLA failed to establish that all the surveys were done by the surveyor who signed the report. The SLA has not been doing surveys commensurate with their resources and the number of the Individual Surveyors and Loss Assessors they employ.

#### **Summary of reply to SCN:**

Regarding multiple survey jobs pertaining to the Surveyor who was attending survey jobs in Bihar, the SLA submitted that for the initial visit, other Partner available in Delhi, had done the initial visit as the appointed partner was attending survey jobs in Bihar. The appointed Surveyor also visited the Insured upon his return immediately as per the requirement of the claim and conducted/completed the survey.

Regarding multiple survey jobs pertaining to the Surveyor who was attending survey jobs in Kerala, the initial visit was done by another Licensed Surveyor with employee code – T003 on 31.08.18. Due to clerical error, the date mentioned in Survey report is 29.08.18 which may be ignored. Further, the appointed surveyor also visited the Insured upon his return immediately as per the requirement of the claim and conducted/completed the survey.

**Decision:**

It is evident from the details of the whole observation and the submission of the SLA that there are two instances where a surveyor carried out surveys on the same day at locations distant from each other. Hence, it is inferred that unlicensed persons had been utilised for carrying out surveys. Such employment of unlicensed persons for survey jobs by the SLA is proof that they do not have enough licenced SLAs to carry out surveys. Hence the survey jobs carried out by the SLA are not commensurate with the manpower and resources employed by them. The act of the SLA carrying out surveys not commensurate with the individuals and resources employed is violation of Regulation 4(15)(4) of the IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015.

As per the sample survey reports examined, three surveys of Delhi, were not undertaken by the surveyors who signed the reports. These three reports were signed on two different dates and hence based on the sample cases examined, the violation took place on two different dates. Therefore, by virtue of the powers vested in it under Section 102(b) of the Insurance Act, 1938, the Authority levies a penalty of Rs. 2,00,000 (Rupees Two lakh only) on the SLA. The SLA is further directed to ensure that they undertake survey commensurate with their resources and that the survey job is conducted by the Surveyor who has a valid licence. The surveyor who conducts the survey job should only sign the report.

**7. Summary of Decisions:**

Charge No.	Provision violated and charge	Decision
1	<b>Charge:</b> Furnishing inaccurate and incomplete data with respect to the surveys conducted <b>Provision:</b> Regulation 16(9) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015 and Clause 4(c) of Authority's Circular No. IRDA/INSP/CIR/ONS/157/09/2018 dated 20thSeptember, 2018	Advisory
2	<b>Charge:</b> Undertaking surveys not in commensurate with their resources <b>Provision:</b> Regulation 4 (15) (4) of IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015	Penalty of Rs. 2,00,000 and direction



8. As directed under the respective charges, the penalty of Rupees Two Lakh shall be remitted by the SLA within a period of 45 days from the date of receipt of this Order through NEFT/ RTGS (details for which will be communicated separately). An intimation of remittance may be sent to Mr. Prabhat Kumar Maiti, General Manager (Enforcement) at the Insurance Regulatory and Development Authority of India, Sy. No. 115/1; Financial District; Nanakramguda; Gachibowli; Hyderabad – 500032.

9. The SLA shall confirm compliance in respect of the above decisions, within 21 days from the date of receipt of this order. The order shall be placed in the upcoming Board meeting and the SLA shall submit a copy of the minutes of the discussion.

10. If the SLA feels aggrieved by any of the decisions in this order, an appeal may be preferred to the Securities Appellate Tribunal as per Section 110 of the Insurance Act, 1938.

Sd/-  
(T.L. Alamelu)  
Member (NL)

Place: Hyderabad

Date: 9th September, 2021