

WORLD WIDE CLAIMS SERVICES

INSURANCE AND MOVIE INDUSTRY



The recently released Indian film, “Bahubali 2” is touted to be the most expensive film made in India till date. The production costs of this big budget movie with elaborate sets as never before seen, is reported to be over INR 250 crore (USD 39 million approx). It is said to have been insured for over INR. 200 crore (USD 31 million approx) . This is reportedly the largest insurance cover provided for any film in India. The Insurance applies to unforeseen incidents like death / illness of an actor, occurrence of calamities or accidental damage leading to delays in film schedule , damages to equipments, and in addition, legal liability to third parties in respect of bodily injury or property damage. The cover is reported to have concluded without any major claim.

*“Life is good when You are happy;
But life is better when you make Others happy”*



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DOCUMENTARY FRAUD – THEFT OF CONTAINERS

The incident involved three shipments of Tyres from US Ports to Sharjah by three different shipping Lines. All the shipments were consigned to one party in Sharjah. The Master bills of lading were surrendered at load port. The Forwarding Company in US who issued the House bills of lading had nominated an Agent in Sharjah to facilitate the delivery of the three shipments comprising of 6 containers. The Agent had taken the Delivery Orders from the three Lines and was waiting for the consignee to settle the dues and collect the delivery documents. However, despite their giving the usual Pre Alerts and Arrival Notices, the consignee did not come forward to take delivery. The House bills of lading were still in the custody of the shipper as the consignee had not yet paid for the goods. In view of this, the Shipper began to consider options to re export the cargo for selling to another party. While this was being considered, someone cleared all the six containers from the Port without the Agent's knowledge. The Shipper thus lost all the six containers of cargo without getting paid for them. The total value of the cargo was USD 3.9 Million.



WWCS was instructed by the Forwarder's Liability Insurers to investigate the incident. Upon enquiring with the three Lines, it was understood that some third parties had approached them with relevant documents, paid the dues and took the Delivery Orders. These parties submitted No Objection letters purportedly signed by the Agent and obtained Delivery Orders directly from the Line and cleared the cargo. The empty containers were returned to the respective Lines. A thorough investigation was carried out in the Agent's office and their concerned employees were also questioned. They denied signing No Objec-



***“Never try to defeat anyone; Try to win everyone.
Don't laugh at anyone; but laugh with everyone”***



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tion letters to the three Lines and insisted that their signatures have been forged. They asserted that they did not even know the parties who took the delivery. Apparently, someone had stolen the stationery from the Agent's office. Their stationery and seals would have been easily available to anyone. The suspicion fell on an ex employee who had left the company a few months earlier. It is possible that he may have taken some office stationery, forged the signatures and colluded with the third parties to take delivery of the cargo.

The issue was also discussed with the Port authority. They advised that they had no reason to suspect any fraud as the bill of entry was processed with apparently legitimate documents.

The original consignee denied any knowledge of the incident and insisted that they are expecting to receive their cargoes. However, they did not pursue a claim for non delivery as they had not paid for the goods.

Following our advice, the Agent sent formal notices to the three Lines holding them liable for releasing the containers to unauthorized parties. The Agent was also advised to file a complaint with the police. Following their investigations, the Police advised the Agent to file a case with the Prosecution. The case is presently going on.

Our investigations revealed lapses on the part of the various parties involved. The goods were sold on CIF basis with payment terms "wire transfer on loading". Even though the buyer did not make payment accordingly, the shipper did not alert the disport Agent to withhold delivery process.

The Agent's stationery and seals were easily accessible to anyone. The Agent was advised to be more vigilant in future. As per our recommendation, they replaced all the seals which were thereafter kept under safe custody.

All the three Lines acted negligently and allowed the delivery without proper verification once they received the demurrage charges. Though they were aware that their original Delivery Orders are with Agent, they still issued further Delivery Orders to the parties without checking with the Agent. Besides, they did not verify the signatures on the No objection letters.

"Sometimes things that hurt you most, teach you the greatest lessons in life."

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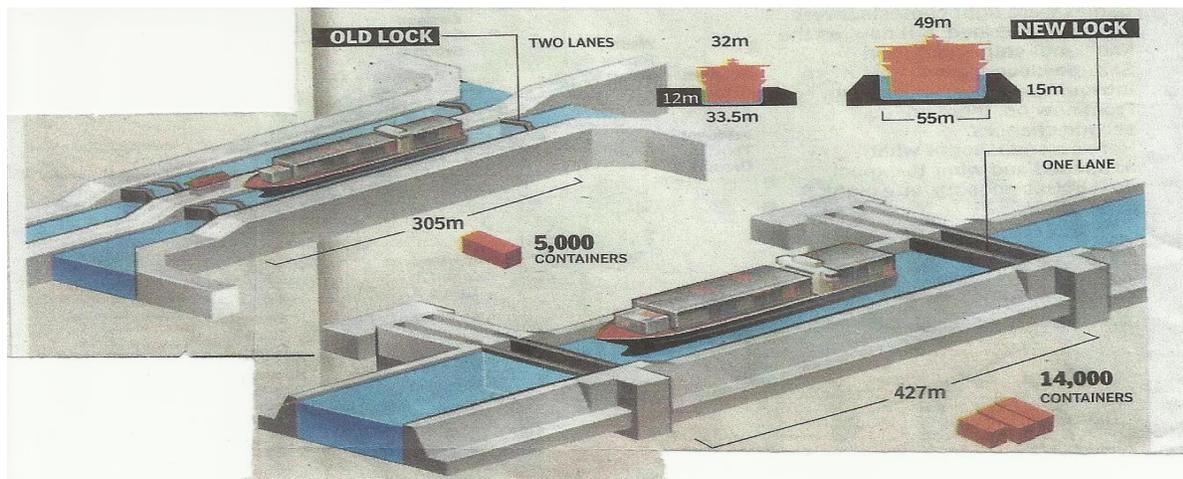
PANAMA CANAL

Some interesting facts.....

The Panama Canal is an engineering marvel linking the Pacific and Atlantic Oceans . The 50 mile long canal was constructed by the U.S. in 1914 capable of accommodating ships carrying upto 5000 containers. As shipping progressed, the size of ships also increased keeping up with the trade. By the year 2000, there were ultra large Carriers that were too big to pass through the canal. In 2007, the canal authority embarked on an expansion project to widen the canal to accommodate much larger ships known as Neopanamax class vessels that can carry upto 14,000 containers. Built at a cost of \$ 5.5 billion, the new canal is expected to boost sea traffic between North America and Asia. On 26 June 2016, a Chinese container ship became the first vessel to pass through the newly opened lane.

Vessels carrying liquefied natural gas which were too big to use the old canal are expected to take advantage of the new canal thereby reducing their transit time between North America and Asia.

Though doubts have been raised about the safety and quality of the construction, the canal authority insists that the new locks are sound and safe. The expansion of the canal will no doubt give a boost to the economy of Panama.





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