



General Insurance Council

(A body created under Sec 64(c) of Insurance Act, 1938)
5th Floor, National Insurance Building, 14, J Tata Road,
Church Gate, Mumbai - 400 020.

PUBLIC ADVISORY

It has come to our notice that some persons claiming to be 'Insurance Experts', in the guise of Advisors, Consultants, Legal Experts, etc. are advising / encouraging insureds to lodge claims on their insurers in respect of losses arising due to COVID-19 'shut down', under various insurance policies such as Loss of Profits (LoP) / Business Interruption (BI) policies, viz Fire LoP / BI, Industrial All Risks LoP / BI etc., issued to Industrial Establishments, Shops, Hotels, Offices etc., and offering services, promising 'help' / 'guidance' in getting their claims settled.

The General Insurance Council, a body created under Section 64(c) of Insurance Act, 1938, representing all the Non-life Insurers, Re-Insurers, Standalone Health Insurers and Specialised Insurers, operating in India, would like to clarify that for all the LoP / BI policies issued in India, a claim under LoP / BI is triggered only if the claim under Material Damage section is admissible.

Therefore, policy holders are advised not to get carried away by the false promises / suggestions of such entities, that 'Business Interruption losses' arising out of the COVID-19 "shut down" are admissible.

It may also be noted that such persons claiming to be acting as insurance consultants are violating the provisions of Section 42D(8) of the Insurance Act, 1938. Further it is also stated that any registered entity of the Authority who deals with such persons will also become liable under the provisions of Section 42D(9) of the Insurance Act, 1938.

Therefore public are hereby advised and cautioned against dealing with such persons or entities and not to fall prey to such mis-guidance.

**Secretary General,
GI Council**

Date: 21-04-2020