IN THE NATIONAL CONSUMER DISPUTES REDRESSAL COMMISSION
AT NEW DELHI

NC/CC/1676/2016

The Andhra Cricket Association (Regd.),
Rep. by its Hon. Joint Secretary,
Mr. Ch. Arun Kumar,
Administrative Office at
60-8-8 5th Line,
Siddartha Nagar,
Vijaywada – 520010,
Krishna District,
Andhra Pradesh, ... Complainant

Versus

1. United India Insurance Co. Ltd.,
Rep. by its Branch Manager,
Branch Office-III,
12-1-18 1st Floor,
Opp. APSEB Waltair Main Road,
Visakhapatnam – 520002,
Visakhapatnam District,
Andhra Pradesh,

2. United India Insurance Co. Ltd.,
Rep. by its Chief Regional Manager,
Regional Office: 30-15-153,
Daba Gardens, Main Road,
Visakhapatnam – 530020,
Visakhapatnam District,
Andhra Pradesh,

3. United India Insurance Co. Ltd.,
Rep. by its Chairman-cum-Managing Director,
Registered & Head Office
24, Whites Road,
Chennai – 600014,
Tamil Nadu, ... Opposite Parties

BEFORE:
HON'BLE MR. JUSTICE A.P. SAHI, PRESIDENT
HON'BLE MR. BHARATKUMAR PANDYA, MEMBER

For the Complainant : Mr. G.V.R. Chaudhary, Advocate

For the Opposite Parties : Mr. Animesh Sinha, Advocate
Ms. Ishita Pandey, Advocate

****

Pronounced on 7th July, 2025

ORDER

PER A.P. SAHI, J., PRESIDENT

The complaint has been filed by the Andhra Cricket Association (hereinafter referred to as the Complainant) alleging deficiency in service against the opposite party United India Insurance Co. Ltd. (hereinafter referred to as the Insurance Company) that has repudiated the insurance claim of the Complainant regarding the coverage under a policy securing the risk of the cancellation of a One Day International Cricket Match between India and West Indies on 14.10.2014.

There is no dispute on certain facts and the matter concerns the interpretation and the application of the terms of the policy.

We have heard Mr. Chaudhary, learned counsel for the Complainant, as well as Mr. Sinha, learned counsel for the Insurance Company, at length. The admitted terms of the policy can be gathered from the policy which is extracted hereunder:

UNITED INDIA INSURANCE COMPANY LTD.,
BRANCH OFFICE – III, VISAKHAPATNAM

SPECIAL CONTINGENCY INSURANCE POLICY – POLICY SCHEDULE

Attached to Policy No. : 150203/46/14/39/000050

Period of Insurance : 14th October, 2014 to 15th October 2014

The insurance under this policy is subject to warranties & Clauses otherwise stated herein.

" Perils Covered :

Cancellation of match due to Fire, Riot & Strike, Terrorism, Flood & Inundation, Strom, Rain, Earthquake, Political Disturbances, Explosion, Bandh (Excluding the bandh declared prior to acceptance of risk) Death, Assassination of VIPs (when state and central mourning is declared) and non-arrival of players due to accident to their carrying vehicle.

Sum Insured :

Sale of tickets / Corporate Boxes	: Rs.2,00,00,000/-
Loss on Advertisement	: Rs.2,50,00,000/-
Third Party Liability	: Rs.50,00,000/-

[The TP liability is restricted to 25 persons and per person Rs.2,00,000/- only]

Excess: Subject to an excess of 5% of each and every claim subject to a minimum of Rs.10,000/-

Terms & Conditions:

1. The cover under the policy will cease immediately the first ball is bowled.

2. All payments of claim, if any, will be subject to documentary proof. The

NOTARY
Name: R.P. BANSAL
Area: New Delhi
Regd. No. 10578/14
Expiry Date: 27/06/2019
GOVT. OF INDIA

contract between the insured and various parties will form part of the policy.

3. Postponement of the match to a later date or different venue cannot be covered. "

For United India Insurance Co. Ltd.,

Sd/-
Authorised Signatory

// NOTARISED COPY //

IDENTIFIED BY

NOTARY
Name: R.P. BANSAL
Area: New Delhi
Regd. No. 10678/14
Expiry Date: 27/04/2019
GOVT. OF INDIA

ATTESTED
Notary Public, Delhi
Govt. of India
Regd. No. 10678/14

07/9/16

The period of insurance according to the learned counsel for the Insurance Company commenced at midnight on 14.10.2014 and continued for 24 hours till the midnight of 15.10.2014. The One Day International Cricket Match was to be held on 14.10.2014 that was to be played between India and West Indies. Unfortunately, the whole coastal area of Andhra Pradesh came to be affected by the Hudhud cyclone accompanied by Storm and Rain. Due to the said natural calamity, the organizing body of the One Day International Series, namely, the Board of Control for Cricket in India through a Media Release on 13.10.2014, published under the authority of the Honorary Secretary of the Board, announced cancellation of the Match due to the natural calamity that had impacted the City of Vishakhapatnam, including the area where the stadium is situate. The notification published is extracted hereunder:

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Annexure – A/17

BOARD OF CONTROL FOR CRICKET IN INDIA

D/ 13.10.2014

MEDIA RELEASE

The third game of the Micromax Cup India vs West Indies ODI series 2014, which was to be played at Vishakhapatnam on 14 October, has been cancelled as a result of the natural calamity that has impacted the city.

The last two matches of the ongoing ODI series will be played as per schedule, at Dharamshala and Kolkata on 17 October and 20 October respectively.

Sanjay Patel
Hony. Secretary
BCCI

D/ 13.10.2014

//notarized copy//

IDENTIFIED BY

NOTARY
Name: R.P. BANSAL
Area: New Delhi
Regd. No. 10678/14
Expiry Date: 27/06/2019
GOVT. OF INDIA

ATTESTED
Notary Public, Delhi
Govt. of India
Regd. No. 10678/14

As a result of the aforesaid cancellation of the Match, the Complainant claimed indemnification under the terms of the policy which covers the peril of a storm, rain, flood and inundation. The claim was repudiated by the Insurance Company by the letter dated 30.10.2014 extracted hereunder:

Annexure – A/26

UNITED INDIA INSURANCE CO.LTD
BRANCH OFFICE-III 12-1-18,
OPP. APSEB. WALTAIR MAIN ROAD
VISAKHAPATNAM-530002
Phone.0891 -2568155, 2568166

D/ 30.10.2014

Registered Post with Ack. Due

To
PROF. B J J RAJU
DY. General Manager
The Andhra Cricket Association
DR. Y.S. Rajaeskhara Reddy
ACA-VDA Stadium
P M PALEM.
Visakhapatnam - 530 041

Sir,

Sub: Policy issued to cover the event of one day match between India and West Indies On 14th October, 2014.

This has reference to the Policy bearing no 15020//46/14/39/00000050 covering the event of ONE day match between India and West Indies on 14th October, 2014 at Visakhapatnam.

This office is in receipt of your letter dated 14th October, 2014 where in it was mentioned that the One day Match has been cancelled due to storm and rain caused by the cyclone HUD-HUD.

The Policy covers Fire and allied perils for the period of 14th October, 2014 to 15th October, 2014 as the coverage is for an Event.

As you are aware that the cyclone Hud-Hud, had crossed vizag on 12th October, 2014 and there was no rain, or cyclonic weather or any other peril operated on the day of match i.e, 14th October, 2014.

The policy would come in force only after the event i.e.. the one day international cricket match is commenced and interrupted due to j the operation of the insured peril.

In the instant case, the match was cancelled due to administrative decision If which does not come under the Operation of the Policy.

In view of the above we regret to inform you that your claim is Not Admissible and Payable.

Thanking you

Yours truly,

Branch Manager

IDENTIFIED BY

NOTARY
Name: R.P. BANSAL
Area: New Delhi
Regd. No. 10678/14
Expiry Date: 27/06/2019
GOVT. OF INDIA

//notarized copy//

ATTESTED
Notary Public, Delhi
Govt. of India
Regd. No. 10678/14

The repudiation was made on the basis of an observation made by the Surveyor that the policy had commenced on 14.10.2014, but the incident of the cyclone had occurred on 12.10.2014, and the cancellation was announced on 13.10.2014.

The Insurance Company appointed a Surveyor who submitted a report dated 24.08.2015. It appears that a revision of the loss was assessed by the Surveyor through an Addendum on 08.02.2016, thereby reducing the amount after recalculating the assessed loss.

The survey report dated 24.08.2015 and the Addendum dated 08.02.2016 are extracted hereunder:

I.SUDHAKER F.C.A.
Chartered Accountant & Surveyor
SLA 11702 valid upto 11/10/2015
Misc. 'A' Category
Fire 'B' Category

I.SUDHAKER & CO
Chartered Accountants
Flat No.115,Amrutha Ville,
Rajbhavan Road,
Somajiguda,
Opp.Yashoda Hospital,
Hyderabad-500 082.
Phones: 040 23311017
30601017
Mobile: 98490 16055
E-mail:isker_21@yahoo.com

SURVEY REPORT

IS/SUR/UIIC/SCP/07/2015-16 24/08/2015

To
United India Insurance Co. Ltd.
Regional Office,
Daba Gardens,
Visakhapatnam.

Re: Claim under Special Contingency Policy No. 150203/46/14/39/000050 by THE ANDHRA CRICKET ASSOCIATION, 60-8-8, 5th Line, Siddhartha Nagar, Pinnamaneni Poly Clinic Road, Vijayawada, Andhra Pradesh in respect of loss due to cancellation of one day cricket match between India and West Indies scheduled to be held at Visakhapatnam on 14th October, 2014 due to occurrence of Cyclone "HUDHUD" on 12th October, 2014.

As per the instructions of United India Insurance Co. Ltd., Head Office, Chennai on 22nd December, 2014 I visited the insured's Office at Vijayawada and also visited Visakhapatnam, the place of occurrence to investigate into and assess the loss in respect of the above claim and report as follows:

1. POLICY NO. : 150203/46/14/39/000050

2. PERIOD OF INSURANCE : 00.00 hrs. on 14/10/2014 to midnight of 15/10/2014.

3. SUM INSURED : Rs. 5 Crores with break-up as follows:

Sale of tickets/corporate boxes	Rs.2.00 Crores
Loss on advertisements	Rs.2.50 Crores
Third party liability	Rs.0.50 Crores

4. EXCESS/DEDUCTIBLES: 5% of each and every claim subject to a Minimum of Rs.10,000.

5. PERILS/RISKS COVERED : Cancellation of match due to Fire, Riot & Strike, Terrorism, Flood & Inundation, Storm, Rain,Earthquake, Political disturbances, Explosion, Bandh (Excluding the bandh declared prior to acceptance of risk) Death, Assassination of VIPs (when State and Central mourning is declared) and non-arrival of players due to accident to their carrying vehicle.

6. TERMS & CONDITIONS:

   i) The cover under the policy will cease immediately the first ball is bowled,
   ii) All payments of claim, if any, will be subject to documentary proof. The contract between the insured and various parties will form part of the policy.
   iii) Postponement of the match to a later date or different venue cannot be covered.

7. DATE OF OCCURRENCE OF PERIL: 12/10/2014

8. DATE OF LOSS : 14/10/2014

9. LOSS CLAIMED : Rs.4.50 Crores

10. LOCATION OF EVENT/PLACE OF OCCURRENCE: Dr. YSR ACA-VDCA Cricket Stadium, PM Palem, Madhuravada, Visakhapatnam.

11. INSURED: The insured The Andhra Cricket Association is a society registered under Societies Act XXI of 1860 to develop, promote, regulate and encourage the game of cricket in Andhra Pradesh. It is affiliated to The Board of Control for cricket in India. It has its registered office in Guntur and administrative office in Vijayawada. It undertakes various functions for promoting cricket and one of the functions is to conduct tournaments within its jurisdictions. It covers the districts of Srikakulam, Vizianagaram, Visakhapatnam, East Godavari, West Godavari, Krishna, Guntur, Prakasam, Nellore, Chittoor, Kadapa, Kurnool and Anantapur.

12. OCCURRENCE : The West Indies cricket team toured India during October, 2014 to play 5 One day international matches, 1 Twenty20 match and 3 test matches. The first one day match was held at Kochi on 8th October,2014 and it was won by West Indies, the second one day match was held at New Delhi on 11th October,2014 and it was won by India and the third one day match was to be held at Visakhapatnam in Andhra Pradesh on 14th October, 2014 but it was cancelled on 12th October, 2014 due to cyclone "HUDHUD" and the series was reduced to four one day matches. The fourth was held at Dharamsala on 17th October,2014 and the fifth which was to be held on 20th October,2014 at Kolkata but was cancelled due West Indies players' abandonment of tour.

The claim relates to loss due to cancellation of third one day international a day night match to be held at Visakhapatnam, without a ball being bowled. It is reported that the match was cancelled due to cyclone which had devastated the city of Visakhapatnam, plunged the city into darkness and also unsuitable playing conditions. I am informed that the affect and damage due to the cyclone was so extensive that there were no flights to and from Visakhapatnam up to 16/10/2014 and it would not have been possible for the players who were in New Delhi to reach Visakhapatnam on 13/10/2014 or 14/10/2014. It is also reported that the pitch covers were blown away by the storm and gale resulting in damage to the pitch and rendering the pitch unsuitable for an international match.

13. MY OBSERVATIONS & ASSESSMENT: On my perusal of the newpaper and media reports and enquiries made it is observed that the cancellation of the third one day international (day/night) match scheduled to be held at Visakhapatnam on 14th October,2014 was cancelled on 13th October due to impact of massive cyclone "HUDHUD".

During my visit to the insured's administrative office at Vijayawada where all the records, documents and books of account are maintained, I perused and verified all the connected documents and books of account of the insured relating to the match and give my observations as follows:

As per the policy issued to the insured to cover the event/match the following loss is covered

Sale of tickets/corporate boxes Rs.2.00 Crores

Loss on advertisements	Rs.2.50 Crores
Third party liability	Rs.0.50 Crores

A. Advertisement Rights: The insured had entered into Instadia Advertisement amendment agreement dated 10th September,2014 with M/s Frontiers Group (India) Pvt. Ltd., Bangalore for instadia advertisement rights and also on the replay screen with the branding around the screen, for a sum of Rs.1.89 Crores plus applicable taxes and 5% of it was to be paid as advance and it was paid on 12th September,2014. The above agreement is an amendment to earlier agreement dated 28th October, 2013 for the match between India and West Indies which was conducted on 24th November,2013. The first agreement by the insured with M/s Frontiers Group (India) Pvt. Ltd., Bangalore was entered into on 14th April,2009. As per clause 2.9 read with clause 3.2.5 of the above Instadia Advertisement agreement the amount received from the party has to be refunded in the event the match is cancelled without a ball being bowled.

M/s Frontiers Group (India) Pvt. Ltd. had to pay to the insured the following amounts

	Rs.
Towards advertisement rights as per agreement	1,89,00,000
Service tax on above @ 12.36%	23,36,040
TOTAL	2,12,36,040

The party has to deduct 10% towards TDS (Income Tax) while making payment to the insured and accordingly made payment of Rs.1,70,10,000 ie. after deducting 10% on Rs.1,89,00,000 plus service tax of 12.36% amounting to Rs.23,36,040 as follows:

Date	Cheque No./ bank	Particulars	Rs.
12/09/2014	659691 Axis Bank	Advance 5% on 1,70,10,000	8,50,500
30/09/2014	659703 Axis Bank	Balance 95% on 1,70,10,000 plus Service tax Rs. 23,36,040	1,84,95,540
	TOTAL		1,93,46,040

The above amounts were credited in the bank accounts of the insured on 16/09/2014 and 30/09/2014 as follows:

Date	Bank account name	Rs.
16/09/2014	Axis bank a/c No. 909010032037888	8,50,500
30/09/2014	Axis bank a/c No. 914010040276491	1,84,95,540

Since the match was abandoned due to cyclone without a single ball being bowled the insured had to refund the amount as per the agreement and refunded an amount of Rs.1,70,10,000 ie. after deducting Rs.23,36,040 being service tax . The amount of Rs.1,70,10,000 was paid on 27/10/2014 from Axis bank a/c No. 914010040276491 by issuing cheque No.104556 to the bank for payment to the party through RTGS.

B. Sale of tickets/corporate boxes: It was observed that the total No.of tickets printed for sale towards the match were 28,020 of various denominations as per the stands, blocks and terrace of the stadium for a total value of Rs.3,73,82,000. As per the records of the insured verified the value of tickets sold is Rs.82,29,595 and the value of tickets amounts refunded to the spectators and cricket associations is Rs.76,12,600 and to M/s N & N Constructions who booked corporate box is Rs.2,00,000. Therefore the total amount ticket/gate collections refunded due to cancellation of match due to cyclone "HUDHUD" is Rs.78,12,600 (Detailed statements are enclosed).

Therefore the loss due to refund of advertisement rights money and sale of tickets is Rs.2,48,22,600 ie. A) Rs.1,70,10,000 plus B) Rs.78,12,600

14. INSURERS' LIABILITY: The loss assessed is Rs.2,48,22,600 which is due to cancellation of one day cricket match as a result of cyclone "HUDHUD". The policy covers storm which includes cyclone. However it is observed that the policy commenced on 14/10/2014 but the incident resulting in the loss occurred on 12/10/2014 and the match was cancelled on 13/10/2014. Therefore it is left to the discretion of the insurers to decide about the admissibility of the claim.

The excess under the policy is 5% of each and every claim subject to a Minimum of Rs.10,000. Therefore 5% of Rs.2,48,22,600 Works out to Rs.12,41,130 and the liability of the insurers if the claim is paid will be Rs.2,35,81,470..

This report is issued without prejudice to the rights of the insurers and is subject to the terms, conditions and warranties of the policy under which this claim is made.

I.SUDHAKER
CHARTERED ACCOUNTANT

ENCL:

1) Claim form,
2) Memorandum and Articles of association of the insured,
3) Receipts and Payments statement for the match from 01/04/2014 to 04/02/2015,
4) Copy of Instadia Advertisement amendment agreement dated 10th September,2014 with M/s Frontiers Group (India) Pvt. Ltd.,
5) Newspaper reports in respect of cancellation of the match,,
6) Correspondence with M/s Frontiers Group (India) Pvt. Ltd. relating to refund of the Instadia advertisement rights amount,
7) Bank statements and account statements in respect of receipt and refund of Instadia advertisement rights amount,
8) Details of total tickets printed,
9) Copies of records/documents connected with sale of tickets for the match,
10) Copies of records/documents connected with refund of tickets to spectators and corporate boxes,
11) Financial statements of the insured for the year ended 31st Match, 2014 and
12) My bill towards Professional fees and expenses.

I.SUDHAKER F.C.A.
Chartered Accountant & Surveyor
SLA 11702 valid upto 11/10/2018
Misc. 'A' Category
Fire 'B' Category

I.SUDHAKER & CO
Chartered Accountants
Flat No.115,Amrutha Ville,
Rajbhavan Road,
Somajiguda,
Opp.Yashoda Hospital,
Hyderabad-500 082.
Phones: 040 23311017
30601017
Mobile: 98490 16055
E-mail:isker_21@yahoo.com

ADDENDUM TO SURVEY REPORT

IS/SUR/UIIC/SCP/07A/2015-16 — 08/02/2016

To
Branch Manager,
United India Insurance Co. Ltd.
Branch Office-3,
12-1-18, Opp.APSEB,
Waltair Main Road,
Visakhapatnam-530002.

Sub:Claim under Special Contingency Policy No. 150203/46/14/39/000050 by **THE ANDHRA CRICKET ASSOCIATION**, 60-8-8, 5th Line, Siddhartha Nagar, Pinnamaneni Poly Clinic Road, Vijayawada, Andhra Pradesh in respect of loss due to cancellation of one day cricket match between India and West Indies scheduled to be held at Visakhapatnam on 14th October, 2014 due to occurrence of Cyclone "HUDHUD" on 12th October, 2014.

Ref: Your emails dated 03/02/2016 & 04/02/2016, My Survey Report No. IS/SUR/UIIC/SCP/07/2015-16 dated 24/08/2015

At the outset I would like to state that loss was assessed at Rs.2,48,22,600 in my Survey Report No. IS/SUR/UIIC/SCP/07/2015-16 dated 24/08/2015 based on the terms and sum insured under the policy issued to the insured. However, as required by you vide your emails dated 03/02/2016 & 04/02/2016 and teletalks I give hereunder the expenses incurred by the insured as per their books of account for the one day cricket match between India and West Indies scheduled to have been held at Visakhapatnam on 14th October, 2014 which was cancelled due to occurrence of Cyclone "HUDHUD".

Head of account	Amount paid Rs.
ACA members TA & DA	1,94,325
Advertising & Publicity	1,84,127
Drinks & Water	12,890
Food to staff and others	1,10,446
Freight, postage & courier	460
Hawk Security services	10,800
Hiring of Material	16,57,198
Hospitality expenses	41,530
Hotel Accommodation expenses	2,40,711
Insurance charges	6,65,733
Labour charges	10,34,987
Legal fees & consultancy charges	6,000
Materials purchased	11,09,946
ODI tickets printing charges	1,27,310
Petrol & Diesel expenses	1,87,956
Printing & Stationery	56,812
Purchase of tarpaulins	4,02,806
Stadium maintenance for ODI match	1,62,781
Telephone & Internet charges	95,265
Transport	77,949
Travelling & Conveyance	70,169
TOTAL EXPENSES INCURRED FOR THE MATCH	64,50,201
Less: Bank interest received	60,198
PECUNIARY LOSS INCURRED BY THE INSURED DUE TO CANCELLATION OF MATCH	**63,90,003**

Copies of bank statements and Receipts & Payments statement relating to the match were already submitted along with my Survey Report dated 24/08/2015.

I.SUDHAKER
CHARTERED ACCOUNTANT

Learned counsel for the Complainant has urged that the peril was clearly covered and the recital in the repudiation letter that there was no peril that operated on the day of the Match is an erroneous assumption, inasmuch as the cyclone had hit the entire area, crossing Vishakhapatnam on 12.10.2014, causing heavy damage to the entire area, including the stadium as well as the pitch on which the Match was to be played. The Match was therefore cancelled on account of this natural calamity and the observation made in the repudiation letter that the policy would come into force only after the event is a totally misconceived conclusion and cannot be sustained. He submits that there is no breach of the terms of the policy nor is there any exclusion of the nature as indicated in the repudiation letter.

He further submits that the third ground taken to repudiate the claim that the Match had to be cancelled due to an administrative decision is a totally misconceived approach, inasmuch as an administrative decision has to be taken but the reason for the administrative decision was the cyclone and the storm as well as the rain that widely impacted the holding of the One Day Match. Thus, this reason for repudiation as spelt out in the impugned order cannot be sustained. The reason therefore given to repudiate the claim results in clear deficiency in service and consequently the complaint deserves to be allowed.

Learned counsel has then invited the attention of the Bench to the description of the occurrence and the observations made by the Surveyor to urge that the Match was cancelled only on account of this natural adverse atmospheric conditions with rain, storm and a cyclone having hit the area. Describing the occurrence the Surveyor through his observations is a clear testimony to the loss suffered due to the cyclone. It is therefore urged that the peril was clearly covered and it is not a compulsion, to avail of a claim, only when such an occurrence takes place on the day of the Match.

Mr. Sinha for the Insurance Company submits that the policy clearly spells out that the same is just for 24 hours as noted above and there is a further caveat that if an occurrence takes place of a peril as described in the policy after the first ball is bowled, then too even the claim cannot be indemnified. He therefore submits that this necessarily means, and is a clear intent of the policy, that the peril should occur within the duration of the policy and hence any peril occurring prior to the commencement of the policy nowhere covers any loss.

He therefore submits that the administrative decision taken to cancel the Match was also one day prior to the Match itself when the policy was not in existence. He submits that for all practical purposes the duration of the policy restricts the coverage only within the period given therein with a further condition that if the first ball is bowled, then the coverage is not available. He has therefore urged that any observation regarding the loss as claimed in the Surveyor's report does not come to the aid of the Complainant and even otherwise all claims are not indemnifiable and are limited to the extent as indicated in the policy. The Complainant had made exaggerated and excessive claims even beyond what is covered under the policy and far above the sum insured, as such the calculation made by the Surveyor required a revision and consequently an Addendum was furnished on 08.02.2016.

Out of the said amount, he further submits that there are many amounts indicated in the Addendum as well which are not covered under the sum insured and therefore most of the items referred to in the Addendum are also not payable. The same does not amount to a loss covered under the policy and consequently the Complainant is not entitled to realise any amount as a loss for all the reasons submitted by him.

The primary issue to be resolved is about the admissibility of the claims in terms of the policy. For that, we may refer to the coverage of the perils mentioned in the policy. There is no doubt that the coverage is available and admissible on the cancellation of a match due to flood and inundation, storm, rain etc. We are mentioning these perils as the present case involves the invoking of the coverage on account of the stated perils having occurred resulting in the cancellation of the match that was to be held on 14.10.2014. The argument spearheaded by Mr. Sinha as also the recital in the repudiation is on the issue of the policy becoming operational, which, according to the Insurance Company, had not commenced and was not available for coverage when the peril had admittedly occurred. It is this complexity that has to be assessed on the basis of the coverage under the policy. The Insurance Company maintains that the cyclone/storm/rain did not occur on the date of the match nor did it occur during the duration of the policy which was for just 24 hours commencing from the midnight of the 14.10.2014 to the midnight of 15.10.2014. Thus, the resistance and the repudiation to the claim is on the ground that neither the policy had become operational nor the perils had occurred during the duration of the policy and hence the claim was not indemnifiable.

A perusal of the terms of the policy leaves no room for doubt that the nature of the occurrence is covered under the policy. The nature of the occurrence has even otherwise not been disputed in the letter of repudiation. The question is about the occurrence of the peril prior to the date of the match and further whether any damage or loss caused due to the peril can be carried over and included within a claim of a loss occurring on account of such a peril that was immediately preceding the date of the match.

Undoubtedly, the evidence on record and the facts pleaded leave no scope of doubt that the match was cancelled on account of the Hudhud cyclone having hit the entire coastal area of Andhra Pradesh, including the whole area of Vishakhapatnam where the match was to be played. Not only this, the occurrence as observed by the Surveyor and as noted by him in detail in the report dated 24.08.2015 has been recorded with absolute clarity as that of a windowpane. The effect of the cyclone causing damage was reported and it was informed that the pitch covers were blown away by the storm and gale resulting in damage to the pitch and rendering the pitch unsuitable for an International Match. The Surveyor has also stated that he was informed that flights to and from Vishakhapatnam had been cancelled due to the Hudhud cyclone which had passed over Vishakhapatnam and therefore it was not possible for the players who were in New Delhi to reach Vishakhapatnam either on 13.10.2014 or even on 14.10.2014. The aforesaid observations lead to only one conclusion which we can term as an unescapable conclusion that the impossibility of the holding of the match on 14.10.2014 was a direct consequence of the Hudhud cyclone. We are therefore not under doubt that the damage caused was due to the cyclone and the match was cancelled on account of the same. The proximity and the timing of the cyclone is therefore a determinative factor in arriving at this preponderant probability that has been established by way of evidence. This is not a case where the cyclone had occurred months ago and the organizers had sufficient time to carry out remedial measures for the holding of the match.

We now come to the argument advanced by the Insurance Company that neither the peril had occurred on the date of the match nor the policy had come into operation. To understand this, we may again turn back to the coverage clause where apart from these natural perils, there are other contingencies mentioned in which the cancellation of a match has been covered as a peril. We will analyse it one by one. We may point out that the proposal for the policy was made on 01.10.2014 and it was issued on the same date. This is evident from the proposal form that has been filed as Annexure A-14. The premium was paid inclusive of service tax to the tune of Rs.6,65,733/- and the collection of the premium is recorded in the receipt as 07.10.2014. This document remains undisputed.

We are mentioning this fact to assess the argument of the Insurance Company regarding the commencement of the policy and the occurrence on which the submissions have been raised.

Logically, any such peril has to occur and it can also occur in advance. The understanding of occurrence in a policy of this nature has therefore to be understood in the context of the nature of the perils mentioned in the policy. For instance, an earthquake may occur a day before and in that event can it be said that the match would still be held in spite of an earthquake. It is obvious that the match will have to be cancelled. Similarly, the other perils also have to be understood in a manner so as to give effect to the meaning of the peril and the coverage and not making it redundant. The condition also mentions the cancellation on account of the death or assassination of a VIP when a State or Central mourning is declared. In such cases, if the death or assassination has occurred a day preceding the match and a Three Day Mourning is declared, can it be said that the match can still be held and since the incident has occurred prior to the policy coming into operation, the claim would not be indemnifiable?

In our assessment, when the terms of the policy do not declare any such prohibition and a rational analysis as indicated above leads us to accept the admissibility of a claim, then in that event the rule of 'Contra Proferentem' deserves to be invoked and the benefit given to the Insured. The provision under the peril clause of anticipated events that can occur unannounced resulting in the consequence of the cancellation having a direct impact on the holding of the match, is a clear intention, express as well as implied, to indemnify the loss if the cause for the cancellation is established. The contention therefore on behalf of the Insurance Company that the cyclone had not occurred before the first ball was bowled and after the policy became operational in the midnight of 14.10.2014 is an argument that deserves rejection for all the reasons hereinabove.

The policy does not define the commencement of the peril and rather clearly seeks to indemnify the loss due to such peril once the cause of the consequences of cancellation are unimpeachably connected with the occurrence of the peril, which in the present case is the cyclone that had virtually stormed and inundated with rain the entire area of Vishakhapatnam, including the area where the stadium was located.

We may now come to the issue of insistence of the Insurance Company on the date and timing of the commencement of the policy. We may point out that the coverage is of cancellation due to a peril. The cancellation was due to the cyclone and the proposal had been made on 01.10.2014 and the premium payments were received by the Insurance Company on 07.10.2014. Unfortunately, the cyclone intervened immediately thereafter and just one day before the match. This is a peculiar nature of a policy where the coverage is only for one day but the period of the policy has been mentioned from 14.10.2014 to 15.10.2014. It is no doubt true that the coverage is only for one day which is the period of insurance but the coverage clause does not in any way exclude the admissibility of a claim arising out of a cancellation as a consequence of such peril that may have occurred prior to the date of the match or during the playing of the match, except for one exclusion clause which recites that the policy will cease immediately after the first ball is bowled. Admittedly, in this case this contingency of the commencement of the match did not arise due to the cancellation announced by the Board of Control of Cricket in India one day earlier. The decision had to be an administrative decision for announcing a cancellation and therefore the recital in the repudiation letter that the match was cancelled on the basis of an administrative decision is of no consequence when the decision was founded on the very fact of the cyclone having occurred resulting in the cancellation of the match. The premium of the policy had been accepted on 07.10.2014. This fact also indicates that the Insurance Company while covering cancellation due to any peril mentioned in the clause had apprehended and estimated the occurrence of any such contingency. To narrow down the period of coverage from the midnight of 14.10.2014 till the first ball was bowled, would be too narrow a meaning to construe that the match had been cancelled not on account of any peril but due to an administrative decision. The conclusion drawn in the repudiation letter therefore does not deserve acceptance and in our opinion the repudiation dated 30.10.2014 on this ground cannot be sustained. The commencement and interruption resulting in the cancellation of the match due to the peril of Hudhud cyclone is clearly established. To accept the argument of the Insurance Company to negate the entire insurance contract is bereft of the evidence which is on record. The facts and the background leading to the cancellation which have roots in the peril that had occurred cannot be dismembered or segregated and treat the claim to be inadmissible.

The terms of the policy, its purpose and the object, for which the policy was acquired by the complainant, on a true understanding after reasonable deductions of right reason in the light of hair-splitting submissions on behalf of the Insurance Company, in our opinion, envisages all anticipated perils indicated in the policy that stand covered for the purpose of indemnification of any loss. While traversing the legal space available, we find sufficient understanding emerging from the terms of the policy that establish an intrinsic connect between the cause of the peril, its impact and the consequences that are liable to be indemnified. This linkage tested on the rule of prudence also consolidates the mutual intention of the parties to the agreement which is in reference to the context and supports the nature of the contract. To our understanding, the inference drawn by us cements every part of the contract to make it look consistent and effectual without invalidating or violating the terms of the contract. A contrary view might manifestly contravene the purpose of the insurance coverage which is cancellation on account of the occurrence of the peril that is clearly anticipated in the terms of the contract and therefore any subtle or refined argument as suggested on behalf of the Insurance Company would defeat the sense and spirit of the contract. We are therefore justified even otherwise in invoking the Latin maxim *"verba ambigua fortius accipiuntur contra proferentem"* which means "the rule that the language of a contract is to be taken most strongly against the party using it". This rule has been described by Lord Bacon as "drawn out of the depth of reason". The rule is strict and rigorous as it applies whenever any ambiguity emerges or is reflected from the terms of the contract. Assuming for the sake of argument that there is a latent ambiguity in the contract of insurance involved in the present case, we find that the said rule can be pressed into service to extend benefit to the insured complainant. We find that there is yet another scholarly enunciation which says "the true principle of sound ethics is, to give the contract the sense in which the person making the promise believed the other party to have accepted it". We are therefore of the view that it would be unjust to pronounce as if the insurance policy had no valid operation on the date of the loss.

We are therefore satisfied that the claim deserves acceptance under the coverage as permissible and enunciated in the terms of the policy.

We now come to the indemnifiable coverage on the losses as assessed by the Surveyor and narrated in his report dated 24.08.2015. The policy on a cancellation of the match has extended coverage under three Heads of 'Sum Insured'. The first is on 'Sale of tickets' to the tune of Rs.2,00,00,000/-. The second is on 'Loss of advertisements' to the tune of Rs.2,50,00,000/- and then for losses on account of the 'Third party liability' to the tune of Rs.50,00,000/-. Under the loss assessment by the Surveyor under Clause-13 a detailed analysis has been made on the loss suffered by the complainant towards advertisement rights. After meticulously calculating the loss on advertisements, the Surveyor opined that the complainant had refunded an amount of Rs.1,70,00,000/- to M/s Frontiers Group (India) Pvt. Ltd. who had purchased the advertisement rights. The Surveyor under the heading of 'Sale of tickets' recorded that a loss that had occurred on that head is the value of the tickets refunded to the spectators and cricket associations was Rs.76,12,600/- and a refund of Rs.2,00,000/- to a Firm who had booked a Corporate Box. Thus, a total sum of Rs.78,12,600/- was suffered as a loss on that count. Adding the aforesaid assessed losses, a total of Rs.2,48,22,600/- was found to be indemnifiable and after deducting 5% for the Excess Clause under the policy the net liability of the Insurers was worked out at Rs.2,35,81,470/-.

It appears that some clarification was sought regarding the books of accounts of the complainant reflecting expenditures that was clarified by the Addendum dated 08.02.2016. This Addendum records that the total expenses that were incurred for the match that was also a loss was to the tune of Rs.63,90,003/-.

The question of assessing a quantum is directly correlated to the sum insured on the three different Heads as indicated above. The Surveyor has categorically found a loss on the 'Sale of tickets' as also the Loss on advertisements'. We find no justification for resisting this claim, inasmuch as, these losses are recorded and are clearly supported by documents and Bank accounts as well as Bank statements that have been discussed by the Surveyor in detail. The Insurance Company has nowhere doubted the said calculation. We have already reproduced the calculations contained in the Surveyor's report dated 24.08.2015 hereinabove. We find and hold that the repudiation is invalid and legally unsustainable, and that the quantum as explained above due to the loss suffered and assessed by the Surveyor is clearly indemnifiable. The services of the Insurance Company were therefore deficient.

We therefore allow this complaint for a sum of Rs.2,35,81,470/- together with an interest of 6% per annum thereon with effect from the date of the filing of the complaint before this Commission on 07.10.2016 up-to the date of actual payment within three months. In the event of default, the rate of interest shall stand enhanced to 9%.

Sd/-

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(A.P. SAHI, J.)
PRESIDENT

Sd/-

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(BHARATKUMAR PANDYA)
MEMBER

Mukesh/VM/Court-1/Reserved Matter