

**GOVERNMENT OF INDIA  
PETROLEUM AND NATURAL GAS  
LOK SABHA**

UNSTARRED QUESTION NO:428  
ANSWERED ON:24.11.2005  
INSURANCE CLAIM  
Singh Shri Sugrib

**Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:**

- (a) the actual loss suffered by Oil and Natural Gas Corporation (ONGC) due to fire accident which occurred in Mumbai High North (MHN) on July 27, 2005;
- (b) whether ONGC has submitted the insurance claim to the concerned insurance company for the damage caused due to fire in the Bombay High North platform;
- (c) if so, the details thereof; and
- (d) the steps taken to expedite and clear its entire claims from insurance company?

**Answer**

MINISTER OF PETROLEUM & NATURAL GAS AND PANCHAYATI RAJ (SHRI MANI SHANKAR AIYER)

a) Quantification of the loss/damage arising out of the MHN fire accident is still being done by ONGC. Based on preliminary estimates, the loss estimated by surveyors / average adjustors pursuant to the accident is about US\$ 375.10 Million.

(b) & (c) Till date, a claim of US\$ 196,624,504 out of preliminary estimates of US\$375.10 million, has been lodged as below :

i) US\$ 175,080,589 (Net of policy deductibles of US\$ 20 million), was lodged on 10-8-2005 towards the insured value on the MHN Platform on total loss basis;

ii) US\$ 21,543,915 towards modifications and others was lodged subsequently on 7-10-2005.

Based on the insurance policy, a monetary claim can be lodged for loss/damage only after the quantification of each item of the claim / conclusive proof of any constructive or actual total loss of the insured item.

Consequently, remaining claims would be lodged immediately after the quantification of each item of the claim / conclusive proof of any constructive or actual total loss of the balance insured items.

(d) Out of their claim of US\$ 196,624,504, ONGC have received, as on 15.9.2005, an amount of US\$ 175,080,589 from the United India Insurance Company Ltd. towards the insured value of the MHN platform. ONGC are constantly in touch with all the agencies involved in the claim settlement process for:-

i) The settlement of the other claims lodged so far; and

ii) Finalization of the repair work, scope of the damage to the adjoining platforms & pipelines, and the quantification of the cost of repairs to enable ONGC to lodge their claims in accordance with their insurance policy.