

Quick Guide to Claims Settlement

This E-book gives SME/MSME owners and startup leaders a simple, practical checklist to avoid claim rejections.



About Us

Mialtus Insurance is a professional services firm specializing in Insurance Broking and Risk Management Consulting.

Insurance is bought for peace of mind, but when claims get rejected, it shakes business confidence.

Who should read this?

- SME & MSME Owners
- Co-founders, CFOs, CHOs
- Startup Founders

01 Why Claims Get Rejected

The top reasons in India:

- Incomplete documentation
- Delay in reporting claims and etc

02 Before a Claim – Be Prepared

- Read your policy: know inclusions & exclusions
- Keep key documents handy – bills, invoices, agreements

03 At the Time of Loss

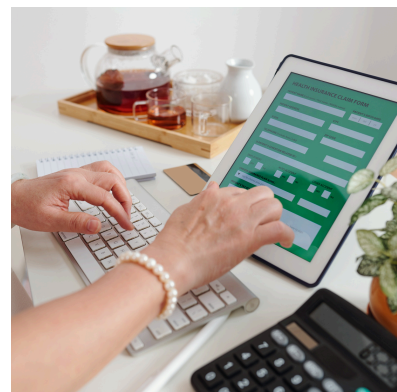
- Report immediately – within 24–48 hours
- Collect evidence – photos, videos, witnesses

04 Filing & Processing the Claim

- Submit a complete claim form + documents
- Cooperate with surveyor; be transparent
- EB and Non EB claims

05 Quick Checklist

Policy & exclusions understood
Documents organized
Claims coordinator assigned
Incident reported within 24 hrs
Evidence collected



The background is a dark, grayscale image of a desk. On the left, there is a desk lamp. In the center, a large red stamp with the word 'REJECTED' in a bold, sans-serif font is visible. The stamp is tilted slightly. The overall lighting is dim, with the lamp providing a soft glow.

Reason 1

Why Claims Get Rejected

Why Claims Get Rejected

The top reasons in India:

Incomplete documentation

Insurance companies in India work strictly on evidence and paperwork. If you don't provide the right supporting documents (invoices, FIR, medical bills, repair estimates, photos, etc.), your claim may stall or get rejected.

- **Example:** A manufacturing SME files a fire claim but only submits photos—without purchase bills or stock registers. The insurer rejects due to lack of proof of asset value.

Delay in reporting claims

Most policies have strict time-bound reporting requirements (often 24–48 hours). Delaying intimation makes insurers suspicious and can legally void your claim.

Policy exclusions overlooked

Every policy has exclusions—conditions under which claims won't be paid. Many SMEs skim the fine print and only discover these at claim stage.

Non-disclosure of facts

When buying insurance, hiding or misrepresenting facts (intentionally or unintentionally) is one of the biggest causes of claim rejection.

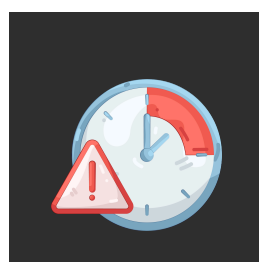
Under **IRDAI guidelines**, insurers can cancel claims if material facts were undisclosed.

Lapsed policies

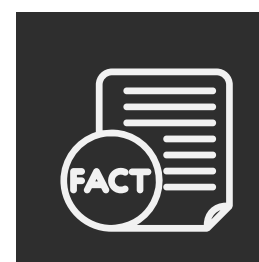
The simplest but most painful reason—if premiums are not paid on time, the policy lapses. Any claim made during the lapsed period will be **outright rejected**, no matter how genuine.



**Incomplete
documentation**



**Delay in
reporting claims**



**Non-disclosure
of facts**

The background is a dark, grayscale image of a desk with a pen, a stapler, and a red 'RECEIVED' stamp. A vertical gold line is positioned to the left of the text, and a horizontal gold line is positioned below it.

Reason 2

Before a Claim – Be Prepared

Before a Claim – Be Prepared

Read Your Policy

1. Know Inclusions & Exclusions

Most Indian businesses sign up for insurance without carefully reviewing the scope of coverage and exclusions. Later, when disaster strikes, they realize that certain risks (like floods, strikes, riots, terrorism, cyber incidents, etc.) were never covered.

- Example: A startup's office equipment was damaged during monsoon floods in Mumbai. They assumed "all risks" were covered, but their policy excluded natural perils—claim denied.

2. Keep Key Documents Handy – Bills, Invoices, Agreements

When claims are filed, insurers demand proof of ownership and value. Missing documents often delay or kill the claim.

- Example: An SME in Pune lost machinery in a fire. Without invoices, the insurer reduced payout drastically.

3. Assign a Claims Coordinator in Your Company

Most SMEs in India lack a dedicated person to handle insurance claims, leading to confusion and delays. A claims coordinator acts as the single point of contact between your business, broker, and insurer.

- Example: In a mid-sized textile firm, HR was handling health claims, admin handled property, finance handled liability—causing overlap and missed follow-ups.

4. Renew Your Policy on Time (Set Reminders)

One of the simplest yet deadliest mistakes—policy lapses. If your policy expires even for a day, claims during that period will be rejected outright.

- Example: A logistics company's vehicle met with an accident on the day after renewal date—they had missed the premium payment. The claim was legally invalid.

Know
Inclusions &
Exclusions

Keep Key
Documents
Handy – Bills,
Invoices,
Agreements

Assign a
Claims
Coordinator
in Your
Company

Renew Your
Policy on
Time



Reason 3

At the Time of Loss



Before a Claim – Be Prepared

Read Your Policy

1. Report Immediately – Within 24–48 Hours

Most insurance policies in India require that claims be reported promptly, typically within 24 to 48 hours of the incident.

Delays create suspicion for insurers and give them legal ground to reject or reduce the claim.

- **Example:** A warehouse theft was reported 10 days later. The insurer questioned the delay and refused the claim.

2. Collect Evidence – Photos, Videos, Witnesses

The more proof you have, the stronger your claim. Evidence helps the insurer's surveyor validate the incident and the extent of damage.

- **Example:** A factory machine broke down. The company took only one blurry photo; the surveyor argued damage looked like “wear & tear,” not accident. Claim payout was cut in half.

3. File FIR / Police Report (If Required)

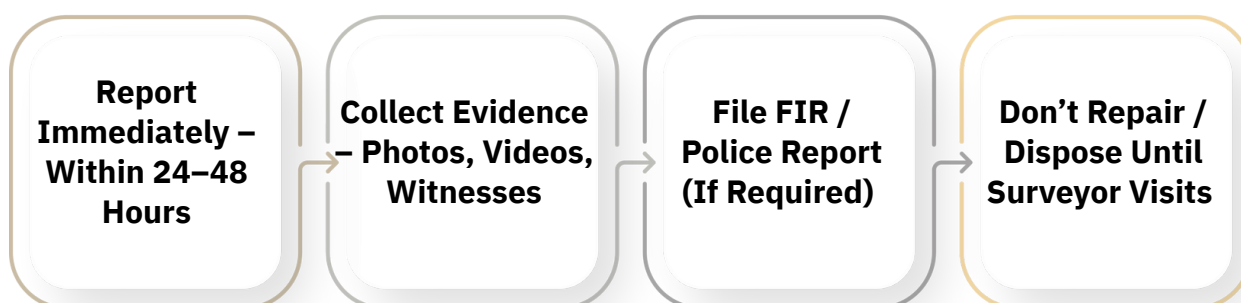
For theft, burglary, accident, fraud, or any criminal activity, an FIR or police report is mandatory for claims in India. Insurers reject without it.

- **Example:** An SME reported theft of office laptops but did not file an FIR. Insurer rejected as “unsupported claim.”

4. Don't Repair/Dispose Until Surveyor Visits

One of the most common mistakes—businesses rush to repair or replace damaged property before the surveyor inspects it. This weakens or voids the claim.


- **Example:** After a fire, an SME repainted the premises before surveyor's visit. Without visible damage, the insurer reduced claim value.





Reason 4

**Filling and
Processing the
claim**



Filing and Processing EB Claim

1. Intimation of Claim

What to do: Notify us as soon as the incident occurs with basic claim details.

Example: An employee meets with an accident and is admitted to the hospital. HR/employee sends an email/WhatsApp message to their broker:

- Employee Name: Manish Kumar
Policy No.: EB12345
Date of Admission: 15 Sept 2025
Hospital: Apollo Hospital, Mumbai

2. Document Submission

What to do: Provide the necessary documents for processing.

Example: Manish wife uploads scanned copies of:

- Duly filled claim form
- Hospital admission & discharge summary
- Original medical bills & pharmacy bills
- Doctor's prescription and diagnostic reports

3. Claim Review & Coordination

What we do: Our claims team verifies documents, coordinates with the insurer, and handles queries.

Example: Mialtus Claims Officer notices a missing investigation report, informs Rajesh's HR, and gets it submitted. Meanwhile, we track the insurer's TAT (turnaround time) and follow up for quicker approval.

Settlement & Payout

What happens: Claim amount is settled either cashless (hospital directly paid) or reimbursed (employee paid back).

- **Example:** Since Apollo Hospital is on the insurer's cashless network, the bill of ₹2.8 Lakhs is directly settled by the insurer. Manish only pays ₹10,000 for non-payable items (e.g., consumables).

Filing and Processing Non EB Claim

1. Submit a Complete Claim Form + Documents

Insurance companies need a properly filled claim form with all required enclosures (invoices, bills, FIR, medical reports, photos, etc.). Missing or incorrect information can lead to delays—or worse, outright rejection.

- Example: A Pune-based SME submitted a claim form but skipped attaching repair estimates. The insurer put the claim “on hold” for 3 months until complete documents were furnished.

2. Cooperate with Surveyor; Be Transparent

The insurer usually appoints a licensed surveyor to assess the loss. Hiding facts or being uncooperative weakens your credibility and slows settlement.

- Example: A company exaggerated stock loss figures. The surveyor cross-verified with GST returns and reported fraud. Claim was rejected and the company blacklisted.

3. Get Written Acknowledgment from Insurer

In India, claims sometimes get “lost in the system” or delayed endlessly. A written acknowledgment (email/letter) ensures you have proof that the insurer has officially accepted your claim intimation.

- Example: An MSME filed a claim verbally through an agent but had no acknowledgment. Months later, the insurer denied having received it.

4. Keep Track of Communication

Claims involve multiple back-and-forth communications. Losing track can cause delays or missed deadlines.

- Example: A startup received an email requesting additional documents but overlooked it. The claim file was closed after 30 days of no response.

Quick Checklist

Policy & exclusions understood	Documents organized	Claims coordinator assigned
Incident reported within 24 hours	Evidence collected	FIR/reports filed
Claim submitted	Surveyor coordinated	Follow-up & records maintained



About Us

Mialtus Insurance is a professional services firm specializing in Insurance Broking and Risk Management Consulting. As a insurance broker and trusted local consultant, we help people and business move forward with confidence.

We work under three vertical model – Corporate, Retail and Agency. We have a core set of values and this approach forms an essential part of what we call the “Mialtus Way”.

Every business is unique —
so should be your insurance strategy.

[Click here to book a call with our Director.](#)

Connect with us

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