



SENON INSURANCE ADJUSTERS & APPRAISERS

Unit 3G10 Olivarez Condominium, Juanita De Leon St., San Dionisio, Parañaque City
Tel. Nos.: (02)-984-2274; (02)-856-0435; (02)-856-3621; Telefax No. (02)-553-3734; email adds: claims@senonadjuster.com

Our Ref. No.: SENON-14-2480F/JSS

Your Claim No.: _____

June 5, 2014

PIONEER INSURANCE AND SURETY CORPORATION

Pioneer House – Paseo de Roxas, Legaspi Village,
Makati City

Attention : **MR. AMADO V. LIMPENCO**
Vice President – Fire and Engineering Claims

EVALUATION REPORT

Re : Damaged to insured properties due to fire occurring last April 3, 2014 at
No. 4 Blossom Estate Inc., Compound Veterans Center, West Bicutan,
Taguig, Metro Manila

Gentlemen:

POLICY NUMBER : **FI-SP-13-0002595-06-D**
INSURED : **KK CONVERTER PHILS., INC.**
ADDRESS : No. 4 Blossom Estate Inc., Compound Veterans Center,
West Bicutan, Taguig, Metro Manila
POLICY TYPE : Standard Fire Insurance Policy
POLICY TERM : From : 20th September 2013
To : 20th September 2014
TOTAL SUM INSURED : **Php 71,200,000.00**
LOCATION OF RISK : No. 4 Blossom Estate Inc., Compound Veterans Center,
West Bicutan, Taguig, Metro Manila
PROPERTY INSURED : Item 1 Php 60,000,000.00 - On Stocks
Item 2 11,000,000.00 - Machinery/Equipment
Item 3 200,000.00 - Office FFF
Totals Php 71,200,000.00
NATURE OF LOSS : By Fire
TIME & DATE OF LOSS : 3rd April 2014
RECOMMENDED AMOUNT
OF SETTLEMENT : Item 1- On Stocks Php 71,406.25
Item 2- On Mac./Eqpt. 273,649.46
Personal Expenses 53,752.57
Totals Php 398,808.28

FOREWORD

We apprised Insurers of the previous development in connection with this case per our 4th April 2014 Advance Report and various recent correspondences with the Insured, brokers and Insurers relative to this case.

This considered, we are now pleased to submit our Evaluation Report, to wit:

THE INSURED

The Assured is **KK CONVERTER PHILS., INC.** was established on year 1990 with the primary objective of manufacturing of self adhesives, Book Code Paper, Satin White, Bar Code Paper, Thermal Transfer Paper, Pressure Sensitive Kraft Tape - PSA, Reflectorized, High Gloss, Direct Thermal Paper, Vinyl Clear/Vinyl Gloss, Mylar Gold/Silver & Transparent, Double Sided Tapes, and Adhesive Lamination Services with business address at No. 4 Blossom Estate Inc., Compound Veterans Center, West Bicutan, Taguig, Metro Manila.

The Insured's operation is from Monday to Saturday, 6:00 a.m. to 10:00 p.m. It is represented by Mr. Yung Fang Yang in his capacity as President.

Insurers are already well aware of the nature and scope of Assured's business operation. This matter shall, therefore, no longer be discussed any further in this report.

INSURANCE IN FORCE

Your Policy No. FI-SP-13-0002595-06-D provides coverage against the perils of fire and lighting on the three (3) items/properties, as follows:

Item 1	Php 60,000,000.00	- On Stocks
Item 2	11,000,000.00	- Machinery/Equipment
Item 3	200,000.00	- Office FFF
<u>Totals Php 71,200,000.00</u>		

Only **Item 1 and Item 2** were affected by the fire, thus, this matter shall no longer discuss on Item 3.

CIRCUMSTANCES OF LOSS

We were informed by the Insured representative, Ms. Elvie Panganiban that on April 3, 2014 a fire broke out inside their plant located at No. 4 Blossoms Estate Inc., Compound Veterans Center, West Bicutan, Taguig, Metro Manila. The machine operator, Mr. Eduardo Jiminez narrated that while he was adjusting the tension of the paper roller of the coating machine at

Member: Association of Philippine Adjustment Companies (APAC)
Philippine Association of Realty Appraiser (PARA)
Philippine Institute of Loss Adjusters (PILA)

around 8:15 p.m. a big ball of flames suddenly appeared and had grown out of proportion within the said machine which was fueled by the adhesive mixture due to its flammable content of Toluene. He immediately grabbed fire extinguishers and sprayed the fire. The other workers helped him in extinguishing the fire. The fire was confined only in the said machine due to immediate action of the Insured's workers.

ORIGIN AND CAUSE OF LOSS

Reportedly, the fire was originated from the sensor of the machine. Considering that the particular fire incident was established to be "ACCIDENTAL" and no other evidences was discovered to prove that the fire was intentionally set.

We have not unearthed any data/information that that the Insured has in collusion with others with regards to the cause of the fire.

EXTENT OF DAMAGE

The Insured stocks, machinery and equipment were affected by the fire. Accordingly, we took inventory all the identifiable debris of machinery and equipment and stocks. Photographs were captured for record purposes.

INSURED'S CLAIM

The Insured filed a claim against the captioned policy in the amount of Php 475,114.97 representing the repair cost of the damaged parts of NDC Machine.

In support of the claim, the following documents were submitted, to wit:

1. Copy of Expense Summary for Airfare of Technical from Taiwan with Taiwan character Receipt No. 1866165 amounting to \$485.00;
2. Copy of Expense Summary for the Allowance of Technician from Taiwan amounting to \$450.00;
3. Copy of Petty Cash Voucher for the travel expenses amounting to Php550.00 with expense summary;
4. Copy of Statement of Account No. 144656 amounting to Php7,160.00 with acknowledgement receipt;
5. Copy of Tour Operator's Copy Voucher;
6. Copy of expense summary for the reimbursement of Taiwanese Technician with attached receipts; and

7. Copy of Invoice with Invoice No. INVB14E2201 dated May 22, 2014 for the payment of labor and parts of NDC Machine with attached telegraphic transfer from CTBC Bank dated May 27, 2014 in the amount of \$6,826.00.

CLAUSES AND WARRANTIES

We found that all warranties and clauses were complied with.

POLICY LIABILITY

The captioned policy provides an indemnity for loss of or damage to the property insured arising from fire and lightning subject only to specific exclusions and exceptions as contained therein.

Our assessment into the circumstances surrounding the loss suggest that the same fall well within the coverage afforded by the policy as the cause of fire is fortuitous in origin as far as the Insured is concerned. In the absence of breach of any policy terms and conditions, policy liability is engaged.

MEASUREMENT OF LOSS

On the basis of the submitted document and our field inspection notes, we develop the likely loss and damage sustained by the Insured properties, described as follows:

Item 1 - On Stocks

A Insurance	Php	<u>60,000,000.00</u>
B Actual Cash Value		<u>60,000,000.00</u>
C Policy Deductible		<u>NIL</u>
D Loss and Damage		
Affected Stocks	Php	79,975.00
Less: 12% VAT		<u>8,568.75</u>
Net Loss and Damage	Php	<u>71,406.25</u>
E Proposed Payable		
Insurance	Php	60,000,000.00

Actual Cash Value	60,000,000.00
Loss and Damage	<u>71,406.25</u>
Pays	Php <u><u>71,406.25</u></u>

Item 2 - Machinery & Equipment

A Insurance	Php <u>11,000,000.00</u>
B Actual Cash Value	Php <u>11,000,000.00</u>
C Policy Deductible	<u><u>NIL</u></u>
D Loss and Damage	
Repair Cost for the parts of NDC Machine with labor	Php 306,487.40
Less: 12% VAT	<u>32,837.94</u>
Net Loss and Damage	Php <u><u>273,649.46</u></u>
E Payable	
Insurance	Php 11,000,000.00
Cash Value	11,000,000.00
Loss and Damage	Php <u>273,649.46</u>
Pays	Php <u><u>273,649.46</u></u>

SUMMARY

Item / Property Insured	Insures	Cash Value	Loss and Damage	Pays
Item 1 - On Stocks	60,000,000.00	60,000,000.00	79,975.00	71,406.25
Item 2 - On Machinery/Equipment	11,000,000.00	11,000,000.00	273,649.46	273,649.46
Personal Expenses	-	-	-	<u>53,752.57</u>
Totals	<u><u>71,000,000.00</u></u>	<u><u>71,000,000.00</u></u>	<u><u>353,624.46</u></u>	<u><u>398,808.28</u></u>

Page 6

Our Ref. No.: SENON-14-2480F/JSS

Cont.

PRESENT POSITION

In line with your standard claims handling procedures, we hereby request for your instruction and/or comments on how you wish us to proceed in the final disposition of this case.

Very truly yours,

SENON INSURANCE ADJUSTERS & APPRAISERS

IC License No. 2013-22-R-FM

JOSE G. DALANON, JR.

CEO/General Manager

PTR No. 10082611, January 9, 2014, Parañaque City