

New India chief says no risk so far even as Padmavati's delayed

By Shilpy Sinha, ET Bureau | Updated: Nov 22, 2017, 08.38 AM IST

Mumbai: G Srinivasan isn't breaking a sweat over the controversy that has rocked Padmavati, Sanjay Leela Bhansali's latest magnum opus.

If the film's showings get disrupted following theatrical release, newly-listed New India Assurance could be on the hook for about Rs 150 crore.

"There is no risk so far," said Srinivasan chairman of New India Assurance. "This cover kicks in only after the film is officially released."

Apart from a number of groups and political leaders declaring themselves opposed to the film, death threats have been issued against lead star Deepika Padukone, who plays the titular role. Besides this, the sets were attacked during production. The film hasn't been viewed by any of those opposed to it.

The movie has been insured with the state-run company for Rs 300 crore under two heads – production and distribution. Since the film is complete, the insurer will be liable under the second part of the cover for loss of ticket revenue in the event of riots, strikes, malicious damage and acts of God such as floods or earthquakes.

On the other hand, if the movie fails to release at all because of law and order concerns or trouble with the censor board, the policy will not pay any claims, according to New India executives.

The release of the movie has been delayed from the originally scheduled December 1 by producer Viacom 18 amid protests in different parts of the country. No official release date has been set since the film hasn't yet been cleared for release by the Central Board of Film Certification (CBFC). The Supreme Court said it wouldn't intervene in the matter on Monday since this was the case.

Premiums are 0.5-1 per cent of a film's budget, estimated at Rs 150 crore in Padmavati's case. That would peg the production insurance price at about Rs 1.5 crore and cover shoot cancellations due to bad weather, damage to the set, casualties, natural disasters and injury or illness of actors during production. It's not known if any insurance payments were made after the film's sets were torched during the shoot in Kolhapur.

"The producers of Padmavati have taken sufficient insurance cover to take care of production loss and loss of revenue post release of the movie," said Sumant Salian, business head of the Alliance Insurance Brokers.

Distribution cover is based on performance projections, which are of three kinds– bullish, average and below average. The distribution team arrives at the projection based on audience feedback to the film's trailer. Down the chain, distributors buy policy coverage territory wise. There are 14 territories in India and each calculates its own projection.

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A BLOCKBUSTER CONTROVERSY

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