

Business Kisht Suraksha

The occurrence of catastrophe events / disasters results in many problems for a developing country like India by limiting the income opportunities, destruction of assets of households and firms etc. The Financial Institutions (Banks / MFI's and other Commercial establishments) may not be sufficiently equipped to manage the community and regional effects of disasters due to risk concentration and accumulations. The loan losses are the major threat leading to write-offs as borrowers are unable to repay. To ensure that financing continues for this vulnerable post occurrence of catastrophe events, the Company has designed a portfolio-level insurance against catastrophes to meet the demands of financial institutions.

A. Coverage

In consideration of payment of Premium by Insured and any further premium that may become payable under the policy, The Company shall indemnify the Insured in the manner specified on the Schedule if Insured suffers Loss, due to operation/ occurrence of Insured Peril in the Area of Coverage during Period of Insurance which solely and directly results into damage to Property insured described or any part of such Property be destroyed or damaged in the Insured Risk Details on the Policy Schedule.

The Coverage under this Policy is basis statements of Insured/Responsible officer in the Proposal form, Information Package and declarations which forms part of this Policy and is subject to Limit of Indemnity, Sub-limit, Event limit, Deductible, terms, definitions, Clauses, warranties, exclusions, provisions and conditions contained or endorsed or otherwise expressed herein.

POLICY DURATION

Policy duration is for 12 months.

EXCLUSIONS

The indemnity provided by the Company to the Insured under this Policy shall not apply in respect of a Loss arising directly or indirectly from any of the following unless expressly stated to the contrary in the Policy Schedule.

1. Any peril other than that insured and mentioned on Policy Schedule
2. Loss arising out of or due to deliberate, conscious or intentional disregard to the Insured's effective due diligence in business decision making as contained in Information Package set out in the Policy and failure to take all reasonable steps to prevent / recover any Loss.
3. The acts of any person or persons acting on behalf of or in connection with any organization with activities directed towards the overthrowing or influencing of any government de jure or de facto by force or violence;
4. Any Loss including loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act Of Terrorism. In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
5. Wilful sanction of waiver of payment obligations or extension of payment obligations due date by the Insured or by the Government or any related agency
6. Sanction of waiver of Credit in full or part by the Insured or by the Government or any related agency
7. Indemnity towards Credits where delinquency has already begun or where payment obligations are overdue and unpaid by the Insured Risks covered under the Policy prior to operation of Insured Peril in the specified Area of Coverage.
8. Any restrictions imposed by public authority, including restrictions imposed on reconstruction or operation;
9. Any unpaid payment obligation which remains unpaid due in any part by reason of expropriation, confiscation, conspiracy, commandeering, requisition, nationalisation or destruction of the whole or any part of the assets of the Insured Risks covered under the Policy by acts of government or any laws or regulations that have an effect on the payment obligations of the Insured Risks covered under the Policy , or any other action by order of the Government, whether lawful or de facto, or any public authority.
10. Any loss amounts stated in The Schedule as being the Deductibles, Time Excess or otherwise Insured's Retained Liability.
11. The following property is excluded from the cover provided under this Policy:
 - a. All property on the premises of nuclear power stations;
 - b. Nuclear reactors, reactor buildings and plant and equipment therein on any premises;

- c. All property on any premises used or having been used for the generation of nuclear energy or the production, use, transmission or storage of nuclear material.

CANCELLATION/ TERMINATION

This Policy is non-cancellable by the Insured or Company unless otherwise specifically agreed and mentioned on the Policy Schedule except that the Company reserves the right and may at any time, cancel this Policy on grounds of misrepresentation, fraud, non- disclosure or suppression of material facts or non-cooperation by Insured by giving 15 day notice and no refund of premium shall be applicable under the Policy for such cancellation.

RENEWAL CLAUSE

The Company shall be under no obligation to renew the Policy on expiry of the Policy Period. The Company reserves the right to offer revised rates, terms and conditions at renewal based on claim experience and a fresh assessment of the risk. This policy may be renewed only by mutual consent and subject to payment in advance of the total premium at the rate in force at the time of renewal. The Company, however, shall not be bound to give notice that the policy is due for renewal or to accept any renewal premium. Unless renewed as herein provided, this policy shall automatically terminate at the expiry of the Period of Insurance.

ANTI REBATING WARNING

Section 41 of the Insurance Act 1938

- (i) No person shall allow or offer to allow, either directly or Indirectly as an Inducement to any person to take out or renew or continue an insurance In respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept rebate except such rebate as may be allowed In accordance with the published prospectus or tables of the insurer.
- (ii) Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to Ten Lakhs rupees

CLAIMS:

i. Claims and Loss Notification

In the event of loss and/or damage or claim which may reasonably give rise to a claim under this Policy, the Insured shall:

- (a) The Insured shall notify the Company as soon as reasonably practicable but not later than Number of days specified on the Policy Schedule, after the occurrence of an Insured Peril or the discovery of an Insured event in the Area of Coverage which may reasonably likely to give rise to Claim under the Policy in the Form of "Event Notice" containing particulars sufficient to identify the loss and/or damage, claim or suit and also reasonably obtainable information with respect to the time, place and circumstances thereof as well as nature and extent of the loss or damage, and the names and addresses of available witnesses. The Company shall verify the occurrence of Insured Peril in the Area of Coverage through various means and shall notify the acceptance/rejection of such occurrence to the Insured
- (b) The Insured shall use all reasonable efforts to ensure that its rights in respect of an Insured Risk are properly and fully preserved and exercised, provided that nothing herein shall require the Insured to commence or institute legal, attachment or enforcement proceedings in the name of the Insured or otherwise if the Insured determines in good faith that taking such proceedings is likely to prejudice the Insured's reputation, finances or commercial prospects
- (c) Take such measures as may be reasonable for the purpose of averting or minimising such loss or damage
- (d) Co-operate with The Insurer, and, upon The Insurer's request, assist in making settlements and in enforcing any right of contribution or indemnity against any person or organisation who may be liable to the Insured because of property damage with respect to which insurance is afforded under this Policy.
- (e) The Insured shall not voluntarily waive any payment obligations /Credit receivable, assume any obligation, or incur any expenses. Notwithstanding the foregoing this clause shall not override the provisions of the Subrogation Clause.
- (f) Do and Concur in doing and permit to be done all such things as may be practicable to establish the cause and extent of the loss or damage
- (g) Preserve all parts affected and make them available for inspection by The Company as long as The Company may require
- (h) Furnish any information and documentary evidence that The Company may

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- require together with, if required, a statutory declaration of the truth of the claim
- (i) Inform the police/local authorities of loss or damage due to insured peril and render all reasonable assistance to the police authorities
- (j) The Insured shall at his own expense produce and furnish to The Company such books of account and other business books or other evidence as may reasonably be required by The Insurer for the purpose of investigating or verifying the claim together with, if required, a statutory declaration of the truth of the claim and of any matters connected therewith.

ii. Notification of Claim

The Insured shall notify the Company with documents/information post conclusion of Loss within one month of such conclusion.

iii. Documents for assessment of Loss/Claim

1. Completed Claim Form signed by Responsible Officer of the Insured
2. Details of Credits issued and Credit defaulted
3. Details and proof of documented Recovery/collection procedure followed
4. Collection report of the affected Area of Coverage
5. Statements required by the Company to assess the loss audited by the Company appointed Auditor
6. Any other document required by the Company to prove the Loss
7. KYC documents where settlement amount is over 1 lac

iv. Payment of Claim

- a. On receipt of all the documents/information that is relevant and necessary for the claim, the Company within period of 30 days shall offer a settlement of the claim to the Insured. If the Company, for any reasons to be recorded in the writing and communicated to the Insured, decides to reject a claim under the Policy, it shall do so within a period of 30 days from the receipt of the final documents and/or additional information/documents as the case may be.

The Company shall be entitled to postpone payment beyond the period set out above if;

- i. There are doubts as to The Insured's right to receive payment, in which case payment shall not become due until such time as the necessary proof is furnished by The Insured or The Company accepts liability;
- ii. As a result of any loss or damage or any interference with or interruption of the Business or liability Insured, police or criminal investigations have been initiated against The Insured, in which case payment will not become due until the completion of such investigations, provided always that if The Insured is convicted of any offence in respect of any claim for indemnity under this Policy of Insurance, the insurance cover under this Section shall be void.

The Company shall not be liable to pay interest on indemnity withheld other than interest for default.

- b. Upon payment by the Company to the Insured, the Company shall be released of all liability to the Insured under this Policy in respect of that Loss
- c. In the event that subsequent to the Date of Loss but prior to payment of Loss by the Company:
 - i. Amounts are received by or on behalf of the Insured or the Company that are not accounted for in the Proof of Loss; and
 - ii. Such amounts referred to in (i) above would have constituted Recoveries had they been received after payment of Loss by the Company, then such amounts shall be applied so as to reduce the amount of the Loss to be indemnified by the Company.

FOR MORE COMPLETE DESCRIPTION OF COVERAGE / EXTENT THEREOF AND EXCLUSIONS PLEASE REFER TO THE POLICY WORDING.

GRIEVANCE REDRESSAL PROCEDURE

If you have a grievance that you wish us to redress, you may contact us with the details of your grievance through:

- ✓ Call Centre - 022-6234 6234
- ✓ Emails – grievance@hdfcergo.com
- ✓ Designated Grievance Officer in each branch.

✓ Company Website – www.hdfcergo.com

✓ Courier : Any of our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Cell at any of our branches with the details of your grievance during our working hours from Monday to Saturday.

If you are not satisfied with our redressal of your grievance through one of the above methods, you may contact our Head of Customer Service at

The Complaint & Grievance Cell ,

HDFC ERGO General Insurance Company Limited

D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg,

Bhandup (West) Mumbai-400078,

In case you are not satisfied with the response / resolution given / offered by the C&G cell, then you can write to the Principal Grievance Officer of the Company (underwriter) at the following address

To the Principal Grievance Officer

HDFC ERGO General Insurance Company Limited

D-301, 3rd Floor, Eastern Business District (Magnet Mall), LBS Marg,

Bhandup (West) Mumbai-400078,

E-mail: cgo@hdfcergo.com