



## POLITICAL RISK INSURANCE POLICY - PROPOSAL FORM

### Notice to the Applicant

- Please answer all questions in full and if not applicable insert "N/A"
- If you have insufficient space to complete any of your answers, please attach a separate signed and dated sheet and identify the question number concerned
- This proposal forms part of the Policy Documents
- The liability of Underwriter does not commence until the proposal has been accepted by the Underwriter and the same has been duly conveyed to the Applicant.
- The liability of the Underwriter does not commence until the acceptance of premium has been realized by the Underwriter
- All financials should be noted in the currency of the investment or loan

### DETAILS OF THE APPLICANT

Name of the Applicant

Address

City  State  Pin Code

Ownership of the Applicant (e.g. public, private, government, etc)

Description of Applicant's business operations

Business

City  State  Pin Code

### PROJECT DETAILS

Project Name

Country

Name and address of foreign enterprise

Ownership of foreign enterprise

Project location within the host country

Purpose/Business

New  Expansion  Privatization  Other

Estimated date of investment

Projected start up date

Describe how management control of the project is allocated \_\_\_\_\_

Describe the security measures that will be implemented to protect the project site \_\_\_\_\_

### PROJECT FINANCIAL STRUCTURE

Indicate source and amount of funds for the project (in the investment/loan currency). If the project is an expansion of an existing enterprise, please indicate on a separate sheet its capital structure prior to the expansion

	%(Percentage) of Ownership	Equity	Debt	Other(Specify)	Total
<b>From Applicant:</b>					
<b>Other foreign Investors:</b>					
<b>Name</b>					
<b>From Host Country:</b>					
Private:					
Government:					
<b>International Financial Institutions:</b>					
<b>Name:</b>					
<b>Total Project Cost:</b>					

**EQUITY COMPONENT**

What is the total amount of the equity investment for which insurance is sought?

a) What is the amount of the cash portion of your equity contribution?

b) What is the amount of the in-kind (machinery, equipment or inventory) portion of your equity contribution? (Please attach a schedule and explain valuation of assets):

c) Other (Specify)

.Shares Applicant will acquire as a result of the equity contributions\*:

Number of Shares acquired:

Purchase Price/Share:

% of Total Outstanding Shares:

\*If no shares will be acquired as a result of the equity contribution, please explain.

Are there any restrictions on the transfer of shares (including right of first refusal)? If yes, please explain


**DEBT COMPONENT**

If you intend to insure a loan, loan guaranty, or lease, give details of each.

	Principal Amount	Total Interest Amount
Loan		
Loan Guaranty		
Lease		

(Please provide loan repayment or lease schedule)

**REMITTANCE SCHEDULE**

Projected remittance schedule: (annual average in the project/loan currency)

	Years 1-2	Years 3-5	Years 6-10
Dividends and profits			
Loan principal and interest			
Lease Payments			
Return of capital (partial/total divestment)			
Fees (licenses, royalties, etc.)			
Other (specify)			

By what method will the foreign enterprise be making remittances out of the host country? \_\_\_\_\_

Is local currency legally and freely convertible into U.S. dollars? If no, please explain \_\_\_\_\_

Has all necessary license /approvals required from the host country to transfer amounts out of the host country have been received? If no, please explain \_\_\_\_\_

**ASSETS DETAILS**

Description of Assets: \_\_\_\_\_

Description of the scope and nature of the activities in respect of which the Assets are being used: \_\_\_\_\_

Net book value of Assets: \_\_\_\_\_

Replacement value of Assets: \_\_\_\_\_

Remaining useful life of Assets: Years

Are the Assets owned or leased by you? Owned  Leased  If leased, are you responsible for any losses related to the Assets during the lease? Yes  No

Are any of the Assets covered by property and casualty insurance? Yes  No

## INSURANCE COVERAGE

1. Please specify the Maximum Aggregate Limits of Liability you would like quotation for. The amount should be based on your initial investment, plus additional amount (if any) for re-invested profits or interest over the requested policy period.

Maximum Aggregate Limit of Liability: Rs \_\_\_\_\_

Policy Tenure: \_\_\_\_\_

1. Will you have any other political risk insurance, including as part of your standard property policy, on your investment in the foreign enterprise? If yes, please explain.: \_\_\_\_\_

## LOSS HISTORY

Has the Applicant, any of its subsidiaries or any other entity to be insured under this insurance policy suffered a loss, whether insured or not, in the past 5 years from an incident of Political Risk? Yes  No

If yes, list the date, location, type of incident and amount of loss \_\_\_\_\_

Is the Applicant involved in any other operations in the host country, and has the Applicant ever been expropriated before in the host country or in another country? Please Explain. \_\_\_\_\_

## APPLICANT'S RELATIONS WITH HOST GOVERNMENT

1. Describe host government protection (import tariffs, duties, quotas, prohibitions, subsidies, tax concession, etc.) for the project: \_\_\_\_\_

2. Provide copies of all contracts and agreements between the host country government and the Applicant or foreign enterprise (e.g. pricing, raw material supplies):

3. Please specify the arbitration procedure and mechanism for resolution of disputes in the contracts or agreements listed in (2) above: \_\_\_\_\_

4. Has all authorizations required from the host government before investment can be made have been obtained? Yes  No  If No, please explain \_\_\_\_\_

5. What effect will project production have on the quality and availability of comparable products within the local markets? Indicate the project's projected percentage share of domestic production. \_\_\_\_\_

## ENVIRONMENTAL IMPACT

Has or will an environmental assessment of the project be performed? \_\_\_\_\_

Will the project comply with environmental, health and safety laws, regulations and guidelines of the:

Host country: Yes  No  Applicant's country: Yes  No

World Bank: Yes  No  Other: Yes  No

## REQUIRED ATTACHMENT

- Latest Applicant Annual Report\*
- Joint Venture Agreement
- Agreements between the host country (including state enterprises) and Applicant/foreign enterprise (e.g. power purchase agreement)
- Business Plan
- Loan and/or Loan Guaranty Agreement
- Environmental Assessment
- Operating permits, licence and land titles

## ANTI REBATING WARNING

Section 41 of the Insurance Act 1938

- 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.
- Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to ₹10 Lakhs.

## PREMIUM DETAILS

Amount (₹): \_\_\_\_\_ Rupees: \_\_\_\_\_

## DETAILS OF BANK ACCOUNT

Name of Bank Account Holder: \_\_\_\_\_

Bank Account No.: \_\_\_\_\_ MCR Code: \_\_\_\_\_ IFSC Code: \_\_\_\_\_

Name of Bank: \_\_\_\_\_ Branch: \_\_\_\_\_

Account Saving  Current

I wish:

Any refund due on the premium payment / any payment/claims will be directly credited to my aforesaid Bank Account.\*

\*As per the IRDA, it's mandatory that all payments made to the insured only through electronic mode.

SOURCES OF FUND

Salary \_\_\_\_\_ Business \_\_\_\_\_ Other \_\_\_\_\_

DECLARATION

(To be signed by a partner or director of the Main Applicant)

I, the undersigned, declare and acknowledge:

- that I am, after enquiry, authorised by all persons or entities seeking insurance, to make this proposal;
- that I understand that I am to disclose in this form, fully and faithfully, all the facts that I know or ought to know, otherwise the policy issued hereunder may be void and I may receive nothing from the policy;
- that after enquiry, all information supplied in this proposal and any supporting documents attached to this proposal or supplied separately, is true and correct and that until a contract of insurance is entered into, I am obliged to inform HDFC ERGO of any changes to any information supplied or of any new information that is relevant;
- that I understand HDFC ERGO relies on the accuracy of the information and documentation supplied proposing for this insurance;
- that if a contract is entered into, all information and documentation supplied in proposing for this insurance shall be incorporated into and form part of such contract of insurance;
- that I have read and understood the **Important Notices** which form part of this proposal;
- that I understood that no insurance is in force until a contract of insurance is entered into, which is upon the Applicant's acceptance of an offer by HDFC ERGO, if any.
- that the HDFC ERGO shall have the right to retain and disseminate the information provide by me/us to any service provider for providing services related to insurance.
- that signing of this application does not bind the undersigned to purchase the insurance, but it is agreed that this application shall be the basis of insurance should a policy be issued and will be attached to form part of this insurance policy.
- I hereby grant consent to Agent/Broker/Corporate Agent or any other licensed intermediary to share my KYC (Know your Customer) and customer due diligence information with HDFC ERGO General Insurance Company Limited for the purpose of my insurance proposal

[Empty box for signature]

Signed:

Print Name:

Title:

Title: 

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