

### CONTRACTUAL LIABILITY INSURANCE

As a business, organizations enter into various contracts with other organization or end customers. These contracts can either be related to a product that is manufactured by them or a service that they are providing. Company has witnessed demand for liability policies that cover such contracts covering breach of service guarantees and compensates for financial losses incurred by such businesses or organizations.

The Contractual Liability Insurance cover indemnifies the Insured against contractual liability arising due to an event/risk mentioned under Contract which is part of the Policy Schedule

#### A. WHAT CAN BE COVERED?

- I. Type of Contracts: This Policy covers following type of contracts, which will form part of the Policy Schedule:
  - Product Contract, or
  - Service Contract
  - Any other Contract
- II. Covered Loss: Financial Loss arising from Covered Risk/Event.
- III. Covered Risk/Event: Any insurable incidence, condition or risk as specified in the contract, which will form part of the Policy Schedule.

#### B. WHAT CANNOT BE COVERED?

1. The Policy will not cover Contracts which are:
  - a. Verbal or Oral
  - b. Unconditional or Deemed
2. No claim shall be made for contracts that cannot be quantified or measured or assessed.
3. Any Unexplained Loss/Damage/Disappearance of the Product covered in the Contract.
4. Any liability arising due to unlawful act or illegal activities including criminal acts or intentional or fraudulent act by You or Your representative/employee or Contracting Party including Family member, domestic help, employee or staff member of Contracting Party.
5. Liability arising due to misuse, reckless, abusive, wilful or intentional conduct associated with handling and use of the Product covered in the Contract.
6. Any obligation or commitment or act that Contracting Party has not performed that he was supposed to perform as per the Contract terms.
7. Any liability arising due to decision or action or omission of Your employee/s including Director and company managers.
8. Any latent / inherent defect or Recall Campaign in the event of mass failure of the Products covered or any use other than in accordance with manufacturer's recommendation or use of any accessory which has not been approved by the manufacturer with the covered Product.
9. Any Pre-existing conditions in relation to damages or cosmetic loss or damage including but not limited to peeling of paint, scratches and dents that do not otherwise affect the functionality of the covered item.
10. Any product where identification could not be established at the time of claim as Identification Number has been altered, defaced or removed, except where product identification details could not be established due to damage by fire.

11. Any product that has been modified to alter its functionality or capability without the written permission of manufacturer
12. Asbestos: This Policy does not cover any claim connected in any way with asbestos, or with any product or material containing asbestos.
13. Explosives: This Policy does not cover claim connected in any way with blasting operations or the handling or use of explosives.
14. Radioactive Contamination: This Policy does not cover claim directly or indirectly caused by, or contributed to, or arising from:
  - a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel; or
  - b. radio-active toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.
15. War: This Policy does not cover claim for any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.
17. Specification, Formula or Design: This Policy does not cover claim arising directly or indirectly out of:
  - a. any design, plan, specification, formula or pattern that you provide for a fee; or
  - b. any error or omission associated with any such design, plan, specification, formula or pattern;
18. Legal Liability This Policy does not cover any claim unless:
  - a. you have expressly assumed it in Contract;
  - b. the claim would not have attached in the absence of that Contract; and
  - c. agreed by Us and mentioned in the Policy Schedule.
19. Penalties and Damages: This Policy does not cover claim for any:
  - a. aggravated or exemplary damages irrespective of whether agreed in the Contract and/or that may be awarded by any Court of Law;
  - b. any fine; or
  - c. any liquidated damages or other penalty imposed under the terms of Contract, or any warranty or agreement.
20. Pollution: This Policy does not cover claim arising directly or indirectly out of the discharge, dispersal, release, escape, removal, nullification, cleaning up or any measures taken to prevent escape of any Pollutant; or  
 However, this exclusion does not apply where the discharge, dispersal, release or escape results from a sudden identifiable event:
  - a. that you neither expected nor intended; and
  - b. that took place in its entirety at a specific time and place.
 'Pollutant' means any solid, liquid, gaseous, biological or thermal irritant or contaminant, including but not limited to dust, smoke, vapour, soot, fumes, chemicals, organisms or waste. 'Waste' includes but is not limited to any material destined to be recycled, reconditioned or reclaimed.
21. Breach of Contract: This Policy does not cover breach of Contract where

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- a. liability is incurred through your failure to arrange or maintain an insurance required by any law or statute; or
  - b. liability arising on account of violation of any legal and/or regulatory provision; or
  - c. any liability that would have been recoverable from another party but for your release, waiver or limitation of that liability. However, this exclusion does not apply to any such waiver or limitation that is required by Contract.
22. Consequential Loss: This Policy does not cover claim arising as a consequence of "illness" and/or Injury" and/or "Property Loss" and/or "financial loss" indemnifiable under this policy.
23. Design, Material and Workmanship: This Policy does not cover liability arising due to:
- a. any component part or individual item of property which is the subject of the Contract and which is defective in design, plan, specification materials or workmanship; or
  - b. such property lost or damage to enable replacement, repair or rectification of the otherwise undamaged property excluded by (a). above.
24. Injury to Employees: This Policy does not cover-
- a. liability for Injury to any Employee arising directly or indirectly out of the Insured's employment : or
  - b. any claim arising under Employee's compensation legislation or under any industrial award or agreement or determination; or
  - c. any claim that is or would be within the scope of any insurance cover mandated under any applicable law/regulation, irrespective of whether such insurance cover was maintained or not; or
  - d. any claim connected with an Employee's contract of employment.
25. Cyber Loss: This Policy does not cover any liability assumed by you from Cyber Loss caused by or arising from your Internet Operations. Internet Operations' means any of the following:
- a. the use of any electronic mail system by you or by anyone else at your order or with your consent; or
  - b. access through your network to the World Wide Web or a public Internet site by You or by anyone else at your order or with your consent; or
  - c. access to your internal company information and computing resources that is made available through the World Wide Web; or
  - d. the operation and maintenance of your web site.

Cyber Loss means any loss, damage, liability, expense, fines or penalties or any other amount directly or indirectly caused by:

- a. the use or operation of any Computer System or Computer Network;
- b. the reduction in or loss of ability to use or operate any Computer System, Computer Network or Data;
- c. access to, processing, transmission, storage or use of any Data;
- d. inability to access, process, transmit, store or use any Data;
- e. any threat of or any hoax relating to (a) to (d) above;

- f. any error or omission or accident in respect of any Computer System, Computer Network or Data.

Computer System means any computer, hardware, software, application, process, code, programme, information technology, communications system or electronic device owned or operated by the Insured or any other party. This includes any similar system and any associated input, output or data storage device or system, networking equipment or back up facility.

Computer Network means a group of Computer Systems and other electronic devices or network facilities connected via a form of communications technology, including the internet, intranet and virtual private networks (VPN), allowing the networked computing devices to exchange Data.

Data means information used, accessed, processed, transmitted or stored by a Computer System.

26. Wilful Act: Loss or damage caused by or arising out of wilful act of Yourself or any person acting on Your behalf or Contracting Party including circumstances, facts or matters that You are or ought to be reasonably aware prior to the commencement of this Contract.
27. Any loss deemed contrary to public policy or which is uninsurable under Indian Law.
28. Any loss arising out of act of Terrorism.
29. Communicable Disease Exclusion:

Notwithstanding any other provision, clause or term of this Policy to the contrary, this policy does not cover any claim, loss, liability, damage, cost or expense of any kind relating to, whether directly or indirectly and/or in whole or in part, a Communicable Disease and/or any fear or threat thereof (whether actual or perceived).

For avoidance of doubt: (1) no other prior, concurrent or subsequent provision, clause, term or exception of this policy (including (but not limited to) any prior, concurrent or subsequent endorsement and/or any provision, clause, term or exception that operates, or is intended to operate, to extend the coverage of, or protections provided by, this policy; (2) any change in the law clause or similar provision; (3) any follow the fortunes clause or similar provision; and/or, (4) no change in the law or any regulation (to the extent permitted by applicable law), shall operate to provide any insurance, coverage or protection under this policy that would otherwise be excluded through the exclusion set forth in this clause.

If the Insurer alleges that by reason of this clause, any amount is not covered by this Policy, the burden of proving the contrary shall rest in the Insured.

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Communicable Disease means any: infectious disease; contagious disease; communicable disease; and/or, any infectious, contagious or communicable substance (including (but not limited to) a virus, bacterium, parasite or organism or any mutation of any such things, whether living or not), regardless of the method of transmission (including (but not limited to) whether direct or indirect airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas) that causes, can cause or threatens: damage to human health; damage to human welfare; and/or, damage, deterioration, loss of value, marketability or loss of use to tangible or intangible property. For the avoidance of doubt Communicable Disease includes (but is not limited to) corona virus disease 2019 (COVID-19) and any mutation or variation thereof.

relating to' means: relating to; in connection with; arising under; arising out of; as a result of; as a consequence of; attributable to; contributed to by; and any other term commonly used and/or understood to reflect or describe a nexus and/or connection from one thing to another whether direct or indirect.

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### C. CANCELLATION

- a. Your Policy may be cancelled by you at any time by giving fifteen (15) days' notice to Us in writing. The cancellation will take effect from the date We receive Your notice. Premium refund will be as per the Policy terms agreed between You and Us.
- b. By Us at any time by giving fifteen (15) days' notice to You in writing on the grounds of misrepresentation, fraud, non-disclosure of material facts or non-co-operation. The Policy will be cancelled without any refund in premium.

Your Policy will automatically be cancelled from the time Your business becomes insolvent or is wound up or is permanently discontinued or a liquidator, administrator, receiver, manager and / or trustee in bankruptcy is appointed to You or any of Your assets.

No refund of premium shall be due if the Insured has made a Claim under this Policy.

### D. RENEWAL

The Company is not bound to accept any renewal premium or give notice that renewal is due. Under normal circumstances, renewal will not be refused except on the grounds of moral hazard, misrepresentation or fraud of the Insured.

### E. CLAIM CONDUCT

#### 1. Claim Intimation:

In the event of loss of an insured event the insurance company must be informed through any of below means immediately-

1. Relationship officer / channel partner
2. Call Centre - 022-6234 6234
3. E-mail at [care@hdfcergo.com](mailto:care@hdfcergo.com)
4. Our contact details are as follows:  
HDFC ERGO General Insurance Co. Ltd.  
Corporate Claims Department  
6th Floor, Leela Business Park,  
Andheri Kurla Road, Andheri (E), Mumbai – 400059

During Intimation of claim, Insured has to provide relevant information which includes Policy details and Loss details in the agreed format.

#### F. 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 - 0120-6234 6234 / 022-6234 6234
- Emails – [grievance@hdfcergo.com](mailto:grievance@hdfcergo.com)
- Contact Details for Senior Citizens: 022 6242 6226 | Email ID : [seniorcitizen@hdfcergo.com](mailto:seniorcitizen@hdfcergo.com)
- Designated Grievance Officer in each branch
- Company Website – [www.hdfcergo.com](http://www.hdfcergo.com)
- Courier- Any of Our Branch office or corporate office

You may also approach the Complaint & Grievance (C&G) Redressal Cell at any of Our branches with the details of Your grievance during Our working hours from Monday to Friday.

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 Redressal 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 Chief Grievance Officer of the Company at the following address:

To the Chief 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](mailto:cgo@hdfcergo.com)

You may also approach the nearest Insurance Ombudsman for resolution of Your grievance. The contact details of Ombudsman offices are mentioned below if Your grievance pertains to:

- Insurance claim that has been rejected or dispute of a claim on legal construction of the policy
- Delay in settlement of claim
- Dispute with regard to premium
- Non-receipt of Your insurance document

You may also refer Our website [www.hdfcergo.com](http://www.hdfcergo.com) / <https://www.hdfcergo.com/customer-care/grievances.html> for detailed grievance redressal procedure.

#### YOU CAN REQUEST A QUOTE TODAY

For more information about Our Contractual Liability Insurance and full range of HDFC ERGO Insurance products, contact your local broker or HDFC ERGO representative.

**DISCLAIMER:** THE ABOVE INFORMATION IS FOR DESCRIPTIVE PURPOSE ONLY. PLEASE REFER YOUR POLICY DOCUMENT OR OUR WEBSITE [WWW.HDFCERGO.COM](http://WWW.HDFCERGO.COM) FOR THE ACTUAL TERMS AND CONDITIONS. INSURED ARE ADVISED TO READ THE POLICY DOCUMENT COMPLETELY FOR A FULL DESCRIPTION OF THE TERMS AND CONDITIONS OF COVERAGE AND THE EXCLUSIONS RELATING THERETO.

#### 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 liable for penalty which may extend to Ten Lakh rupees.