

Financial Institution Professional Indemnity Policy

Financial Institution Professional Indemnity Policy - Proposal Form

- 1) Answer all questions leaving no blank spaces.
- 2) If you have insufficient space to complete any of your answers, continue on your headed paper.
- 3) This form must be dated and is to be signed by two Directors of the Proposer.
- 4) Please attach last Annual Statement and Report and any Interim Report issued since.
- 5) It is the intention of the Company that any contract of insurance with the Proposer shall be based upon the answers and information provided in this Proposal Form and any other additional information provided by the Proposer. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this Proposal will be grounds for rescission. If a quotation is offered it will be the intention of the Company to offer coverage only in respect of those entities named in answer to question 1.

SECTIONS A – PARTICULARS OF THE PROPOSER

- 1) State the name, address and date of establishment and the financial services provided. Also list all subsidiaries for which cover is requested, indicating the locations, date of establishment and financial services provided by each company.

Name: (First Name) (Middle Name) (Last Name)

Address:

Landmark: City: Pin Code:

Tel.: Mobile:

Email-ID:

Occupation: Date of Birth: Gender: F ☐ M ☐ T ☐

PAN GST No. #:

Description of Financial Services provided: _____

- 2) Risk Information:

- a) Has the proposer been acquired by another entity, merged or acquired any other business during the last 5 years? If so, please give details.

- b) Has the Proposer provided any new services to its clients during the last 3 years? If so, please give details.

- c) Does the Proposer intend to offer any new services to its clients during the next 12 months? If so, please give details.

- 3) State the following as indicated and applicable-

Particulars	Currently or at date of last interim report	At last year end	At previous year end
(I) Authorized Capital	<input type="text"/>	<input type="text"/>	<input type="text"/>
(ii) Paid Up Capital	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iii) Total Assets	<input type="text"/>	<input type="text"/>	<input type="text"/>
(iv) Total Deposits	<input type="text"/>	<input type="text"/>	<input type="text"/>
(v) Total Loans and Discounts	<input type="text"/>	<input type="text"/>	<input type="text"/>
vi) Total funds under discretionary management	<input type="text"/>	<input type="text"/>	<input type="text"/>
vii) Total Profit before tax	<input type="text"/>	<input type="text"/>	<input type="text"/>

4) State names of all Executive and non-Executive Directors, their length of service, specific responsibilities and professional qualifications:

Name	Length of Service	Specific Responsibilities	Professional Qualifications

5) Employee and salary details:

a) State number of employees in following categories:

	India	Overseas
i) At Head office		
ii) At Computer Centre		
iii) at Branches		
iv) at Subsidiaries		
Total		

b) What has the percentage turnover in the following employment categories been during the last twelve months?

	Inward	Outward
Directors (including those of subsidiaries)	%	%
Employees	%	%

c) State the total of salaries, including commissions, paid to the Directors and Employees during the last financial year:

d) Are any Directors or Employees compensated by bonus, profit commissions, or similar performance related reward which is based upon their own performance or that of their department/division/subsidiary (as distinguished from the Proposer as a whole) ? If so, state in which departments (divisions/ subsidiaries):

SECTIONS B – PROPOSER’S ACTIVITY

6) In the last financial year what approximate percentage of the Proposer’s total revenues were derived from the following activities?

a) Commercial Loans	e) Foreign Exchange Dealings	_____ %
Domestic _____ %	f) Commodity Market Dealings	_____ %
Foreign _____ %	g) Securities Dealings	_____ %
Interbank Loans	h) Mergers and Acquisitions Advice	_____ %
Domestic _____ %	i) Share Placing and New Issues	_____ %
Foreign _____ %	j) Fund Management	_____ %
b) Leading _____ %	k) Venture Capital	_____ %
c) Trade Financing, Forfeiting _____ %	l) Overseas Advisory	_____ %
d) Barter, Countertrade or Swap Operations _____ %	m) Any Other Activity (Please describe)	_____ %

Attach an organizational chart showing responsibilities and reporting lines to the Board of Directors for each activity.

7) Details of Mergers / Floatations / Right Issues

- a) List each takeover or merger situation in which the Proposer acted on behalf of clients in the last twelve months, indicating by asterisk, on behalf of whom the Proposer was acting, and the values involved.

Offeror	Offeree	Outcome	Offer Value
			Total

- b) How many flotations has the Proposer undertaken in the last twelve months? List each indicating the share capital involved.

Company	Share Placed	Value
		Total

- c) How many rights issues has the Proposer undertaken in the last twelve months? List each indicating the share capital Involved.

Company	Share Placed	Value
		Total

8) Does the Proposer undertake trust activities or discretionary account management? If so:

- a) Are all clients agreements reviewed annually?

- b) Are all trust/discretionary transactions subject to the same procedures and review as the Proposer's own account transaction?

If not, please describe

- c) State:

- i) The number of trust/discretionary accounts.

- ii) The asset value of the largest managed account.

- d) How often are financial reports rendered to clients?

- e) Does the Proposer have an "approved" list of securities which can be recommended to clients?

SECTIONS C – FUNDS TRANSFER / TELEPHONIC INSTRUCTIONS

9) a) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems? List each one:

- b) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow direct access by clients to the Proposer's data base? List each one:

- c) Does the Proposer use or subscribe to any Electronic Funds Transfer Systems which allow clients to directly execute a transfer of funds? List each one, indicating whether transfer can be made on a pre-format or free-format basis.

10) Does the Proposer permit the initiation of Funds Transfer by telephonic instructions form clients? If so:

a) Do all clients to whom this facility is available complete written agreements outlining legal responsibilities, transfer limits and call back parameters for verification?

If so, attach a copy.

b) What are the call back parameters for verification?

c) Are all such instructions directed only to the Wire Transfer Room'?

d) Are all conversation including these instructions recorded?

e) Is a written document produced in respect of each instruction, which is date/time stamped, logged and maintained for at least 90 days?

11) Describe the procedures adopted when instruction are received by telephone:-

a) Within the Commodity Department

b) Concerning the purchasing / sale of stock.

c) Within the Foreign Exchange Department

SECTIONS D – PROCEDURES

12) To which regulatory authorities are the Proposer, and those, subsidiaries listed to the answer to question 1, accountable.

13) a) State the name and address of Chartered or External Accountants.

b) State the frequency of auditing services performed by the Accountant for the Proposer.

c) Does the Auditing Firm regularly review the system of internal controls and furnish written reports?

d) Has the Auditing Firm made any recommendations in the last two audits? If so, state recommendations and confirm that they have been adopted. If not adopted, please give reasons for not doing so.

e) Has the Auditing Firm been changed in the last five years? If so, give details and explain why the change was made.

Attach a copy of the most recent engagement letter from the Proposer's principal Auditing Firm.

14) a) State the name and address of Lawyers routinely acting for the Proposer.

b) Do the Lawyers supply written opinions as to the legality of any change in investment or management policy in connection with Trusteeship activities?

c) Does the Proposer have an in-house Legal Department?

If so, how many legally qualified individuals does it consist of?

What are the department’s responsibilities?

Does it offer its services to customers or other Third Parties? If so, please give details.

d) Does the Proposer use a standard form of contract, agreement of letter of appointment with regard to services performed?

Are these regularly reviewed, and if so, by whom?

e) Are all publications issued by the Proposer reviewed by the in-house Legal Department and/or outside legal advisers?

15) a) Does the Proposer have a Compliance Officer?

b) If so, state his duties and to whom he reports.

c) Attach his curriculum vitae.

16) a) Does the Proposer have a written code of ethics encompassing all employees which includes a statement on the principles of acceptable conduct, and with guidelines for acceptable outside activities, conflicts of interests, gifts from customers, and prohibition on other employment?

b) Are employees to agree in writing that they have read the ethics code and are abiding by said code?

c) Do you require all Directors and Employees to declare their outside business interests and specify relationships which could lead to possible conflicts of interest?

17) State details of similar insurances carried during the previous five years, if any:

a) Professional Indemnity

i) Insurers _____

ii) Sum Insured _____

iii) Deductible _____

b) Directors & Officers

i) Insurers _____

ii) Sum Insured _____

iii) Deductible _____

c) Bankers Blanket Bond/Fidelity/In and Out Policy

i) Insurers _____

ii) Sum Insured _____

iii) Deductible _____

d) Endorsements/Coverages- (Optional):

(i) Loss of Documents

(ii) Intellectual Property Rights (excluding Patents)

(iii) Outstanding Fees

(iv) Mitigation Costs

(v) Emergency Costs – 72 hours

(vi) Advancement of Defence Costs – 30 days

18) State the Limit of Indemnity requested.

19) During the last five years has the Proposer received any admonishment or critical directive from any regulatory authority? If so, please give details:

20) Is the Proposer currently involved in any litigation as a defendant? If so, please give details:

21) a) Has any proposal made by the Proposer or its predecessors in business for Professional Indemnity Insurance ever been declined? If so, state the reasons.

b) Has any Professional Indemnity Policy in the name of the Proposer or its predecessors in business ever been cancelled? If so, state the reasons.

22) Has the Proposer any knowledge or information, after full enquiry, or any circumstances whatsoever which might give rise to claims being made against it, its subsidiaries or any branches to which this proposal applies?

23) Has any demand or claim of a type being the subject of this insurance been made against the Proposer, its subsidiaries or any branches to which this proposal applies during the past five years?

24) Please provide "Retro Active Date" as per expiring policy?

Other Information:**FRAUD WARNING:**

This policy shall be voidable at the option of the HDFC ERGO in the event of mis-representation, mis-description or non-disclosure of any material particulars by the Applicant. Any person who, knowingly and with intent to defraud the insurance company or any other person, files a proposal for insurance containing any false information, or conceals for the purpose of misleading, Information concerning any fact material thereto, commits a fraudulent insurance act, which will render the policy voidable at the sole discretion of the insurance company and result in a denial of insurance benefits.

ANTI REBATING WARNING:

As per Section 41 of the Insurance Act 1938, as amended, the practice of rebating is prohibited, as follows: 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 policy 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 any 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 Ten Lakhs rupees.

DATA PROTECTION REQUIREMENT:

"I/We hereby understand, declare, consent and authorize the Company that all details of the policy and financial information, as provided to the Company may be utilized for processing the claim made under the Policy. I/We hereby also understand, declare and consent that the Company shall have right to retain and disseminate the same to any service provider for providing services related to insurance"

ANTI- MONEY LAUNDERING:

The Company believes in adherence to Anti Money Laundering (AML) guidelines/rules as it aids in ensuring that financial institution like ours are not used as vehicle for money laundering. The policyholder/ nominee are thus bound to provide such information as may be required by the Company for ensuring the adherence of AML guidelines/rules.

SHARING OF INFORMATION CLAUSE:

The information sought from the insured is strictly for the purpose of policy issuance and policy servicing. This information sought and the details of policy are kept confidential and will not be shared with any external party in any circumstances whatsoever. However, in instances when such information/ details is sought by any governmental bodies / regulatory authorities or when the Company is directed to share such information in accordance with any law/ regulations or direction from any such governmental bodies / regulatory authorities, the Company will be bound to abide to such directions.

PREMIUM DETAILS

Amount (Rs.) _____ GST No. _____
Premium including tax (Rs.) _____ (Rupees in words) _____

PAYMENT DETAILS

Cheque ☐ NEFT ☐
Instrument No. Instrument Date: Bank Account No.
Account Type: Savings ☐ Current ☐ Other ☐ If others, please specify _____
Branch Name & Address:
IFSC Code MICR Code
Bank details for refund of premium in case of cancellation to be considered as above Yes ☐ No ☐

If NO, please provide additional bank details in below provided space:

Bank Account No.
Account Type: Savings ☐ Current ☐ Other ☐ If others, please specify _____
Branch Name & Address:
IFSC Code MICR Code

Nationality: Indian ☐ Non-Indian ☐ If Non-Indian, please specify Country: _____

Are you a Political Exposed Person or related to Political Exposed Person: Yes ☐ No ☐ (appropriate tick) If Yes, give details _____

Type of Organization

Corporation: ☐ Governments: ☐ Society: ☐ Private Organizations: ☐ International Organization: ☐ Partnership: ☐
Trust: ☐ Others: ☐

Sources of Fund:

Salary ☐ Business ☐ Other _____

I/We wish:

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

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

Note:

1. Please provide a cancelled copy of cheque of your bank account.
2. The Company will not be responsible in case of non-credit or delay in processing of payout due to incomplete/incorrect information provided by the customer. Please ensure that you provide accurate details to the Company.

DECLARATION:

- I/We hereby declare that the information given is, to the best of our knowledge and belief, correct and that we are not aware of any circumstances that we have not disclosed to you which might influence your assessment of and willingness to accept the risk.
- I/We hereby agree that, if you issue a policy to us, this proposal shall form the basis of, and be incorporated in, such policy.
- I/We agree that this declaration and the answers given above shall be the basis of the contract between me/us and the Company and shall be deemed to be incorporated in such contract. And that if any untrue statement be contained therein the said contract shall be absolutely null and void.
- I/We undertake to exercise all reasonable and ordinary precaution for the safety as desired and I/We agree to accept the policy in the form issued by the Company subject to the terms exceptions and conditions prescribed therein or endorsed on the policy.
- "I/We hereby understand, declare, consent and authorize HDFC ERGO General Insurance Company Ltd. that financial information, as provided to the Company may be utilized for processing the claim made under the Policy.
- I/We hereby also understand, declare and consent that the Company shall have right to retain and disseminate the same to any service provider for providing services related to insurance"
- I/We hereby confirm that all premiums have been/will be paid from bonafide sources and no premiums have been/will be paid out of proceeds of crime related to any of the offence listed in Prevention of Money Laundering Act, 2002. I understand that the Company has the right to call for documents to establish sources of funds.
- I hereby authorize the Company to notify me through email, SMS, or any other electronic mode any information pertaining to my proposal, policy document, claim servicing etc.

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Signed:

Print Name _____

[illegible]

Date

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TERMS AND CONSIDITIONS

Note: The liability of the Company does not commence until the acceptance of the proposal has been formally intimated by the insured and full premium has been realized by the company.

We are under no obligation to accept any proposal for insurance. The Applicant agrees that the receipt of the Proposal Form by HDFC ERGO General Insurance Company Limited along with the premium payment does not tantamount to the acceptance of the Proposal for insurance by HDFC ERGO General Insurance Company Limited and does not result in a concluded contract of insurance. The acceptance of the Proposal for insurance shall be at the Company's sole and absolute discretion and upon full realization of the premium payment. In the event of acceptance of the Proposal for insurance by HDFC ERGO General Insurance Company Limited, such acceptance shall be specifically intimated to the Applicant by HDFC ERGO General Insurance Company Limited along with the date from which the insurance Cover shall become effective. HDFC ERGO General Insurance Company Limited shall not be liable for any claim in respect of an event giving rise to a claim covered under the Policy of Insurance that has occurred prior to policy issuance is not covered under this Policy (Your proposal form will be considered after HDFCERGO General Insurance Company Limited receives premium payment.)