

MUTUAL FUND ASSET PROTECTION INSURANCE

MUTUAL FUND ASSET PROTECTION INSURANCE IS WRITTEN ON A CLAIMS-MADE BASIS. EXCEPT AS OTHERWISE PROVIDED, THIS POLICY WILL COVER ONLY CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD. PLEASE READ CAREFULLY.

DEFENSE COST PROVISIONS: PLEASE NOTE THAT THE DEFENSE COSTS PROVISION OF THIS POLICY STIPULATES THAT THE AGGREGATE LIMIT OF LIABILITY MAY BE COMPLETELY EXHAUSTED BY DEFENSE COSTS. ANY DEDUCTIBLE MAY BE SIMILARLY REDUCED OR EXHAUSTED BY DEFENCE COSTS.

Please answer all of the following inquiries. If HDFC Ergo General Insurance Company Limited (hereinafter referred to as the "Company") agrees to issue a policy, all of the information which the Applicant provides will become a part of and shall form the basis of any policy issued to the Applicant by the Company and shall be incorporated therein. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this Proposal will be grounds for rescission.

Please note: The term "Applicant" as used in this Proposal refers to the Trustee, Investment Manager, their directors, officers and employees and all Mutual Funds for which coverage is required. It is agreed that coverage is required only for those entities listed on the Schedule of Proposed Named Insured.

DETAILS ABOUT PROPOSER

1. **Name of Proposer :**

Present Address of Proposer :

City District

State Pin Code

Is your present address same as your permanent address? ☐ Yes ☐ No

If no, please state your permanent address along with pin code:

City District

State Pin Code

Address proof (document & number):

Phone No.: Mobile

Landline

Email:

Identity proof (document & number):

Occupation: Salaried ☐ Professional ☐ Self Employed ☐ Student ☐ Housewife ☐

Retired ☐ Other (Please specify)

Industry Type: Jewellery ☐ import-export ☐ mining ☐ shipping ☐ scrap dealing ☐ real estate ☐

agriculture ☐ stock broking ☐ BFSI ☐ manufacturing ☐ others (Please specify):

Income (Annual): 0-2.5 lakh ☐ 2.5 - 5 lakh ☐ 5 - 20 lakh ☐ 20-30 lakh ☐ 30 lakh and above ☐

Income proof: _____

PAN (document & number): _____

Existing KYC Number, if any: _____

Policy to be issued in favor of (list out all the parties who have insurable interest) including the financial institutions _____

Period of Insurance: From **To**

Nomination: ☐ Yes ☐ No

If yes, please provide the below details:

Nominee Name	Nominee Relation	Nominee DOB	Age	Nomination %	Appointee Name if in case of Minor Nominee	Appointee Relationship, if Nominee is minor

Is the Applicant licensed by any regulatory authority? ☐ Yes ☐ No

If yes, please list the regulatory authority(ies) _____

2. Year Applicant commenced operations:

a) Investment Manager _____

b) Trustee _____

3. Coverage requested:

Insured Mutual Fund Insured ☐ Yes ☐ No

Trustee ☐ Yes ☐ No

Insured Investment Manager ☐ Yes ☐ No

Directors' and Officers' Liability ☐ Yes ☐ No

4. Limit of Liability Required - Aggregate each Policy Period Rs. _____ Rs. _____

5. Please complete the attached Schedule of Proposed Named Insureds on Page 10.

6. Please provide the following documents and information:

a) Latest audited annual report & accounts to unit holders

b) Latest interim report & accounts to unit holders

c) List and percentage ownership of unit holders which hold 5% or more interest in each of the Mutual Funds

d) Latest prospectus or offering memorandum and brochure offered to unit holders

e) Trust Deed

f) Investment Management Agreement

- g) Other Advisory or Sub-delegation Agreements
- h) Applicant's current organisational chart
7. Please indicate the officer position of the Applicant whose incumbent will be designated as agent of the Applicant and of all Insureds, to receive any and all notices from the Company or the Company's authorised representative(s) concerning this insurance.

Position _____ Name of Current Incumbent _____

8. a) Has any Applicant been involved in any mergers, acquisitions or consolidations in the past three (3) years?
☐ Yes ☐ No

If yes, please provide full details. _____

- b) Is any Mutual Fund presently involved in or considering any merger, acquisition or change in control?
☐ Yes ☐ No

If yes, please provide full details. _____

- c) Have any Mutual Funds been dissolved in the past three (3) years?

☐ Yes ☐ No

If yes, please provide full details. _____

- d) Will any Mutual Funds be dissolved within the next twelve (12) months?

☐ Yes ☐ No

If yes, please provide full details. _____

9. a) Number of offices in India of Trustee: _____

Number of offices in India of Investment Manager: _____

- b) Are any of the Trustee's or Investment Manager's offices located outside of India? ☐ Yes ☐ No

If Yes, please state the number and their location(s): _____

10. Are shares or units of any Mutual Fund sold to investors residing outside India? ☐ Yes ☐ No

If yes, please provide details. _____

11. Indicate the areas in which formal policies and/or procedures have been implemented by the Trustee and/or Investment Manager to address the following:

Investment Policy	Risk Management Policy
Investment Asset Valuations	Audit Policy
Conflicts of Interest	Directors and Officers Duties
Insider Trading	Operations Procedures
Redemption Policy	Personnel Policy

12. a) What investment restrictions are imposed on the Mutual Fund(s)? _____

- b) How are investment restrictions monitored and by whom? _____

- c) Are exceptions to the investment restrictions permitted? ☐ Yes ☐ No

If YES, please describe the procedures for exceptions: _____

d) Does any Mutual Fund invest in one particular a) industry or b) geographic location? ☐ Yes ☐ No

If YES, please describe which industries and/or geographic locations the Mutual Fund invests in:

e) Does any Mutual Fund offer capital guaranteed investments? ☐ Yes ☐ No

f) Does any Mutual Fund invest in derivative securities? ☐ Yes ☐ No

If YES, please describe procedures for managing such investments: _____

13. a) Do all Mutual Funds have an investment committee that is responsible for determining investment strategy and objectives and the implementation of policies for monitoring investment performance and positions?
☐ Yes ☐ No

If NO, who performs this function for each Mutual Fund? _____

b) How often does the investment committee meet? _____

14. a) How often are fund assets valued? _____

b) Who undertakes the valuation of fund assets? _____

c) Please describe the methodology(ies) used to value fund assets: _____

d) How often are fund valuations the subject of audit? _____

15. Please describe the stock selection process: _____

16. a) Describe the manner in which investors are advised of fund performance: _____

b) How often are investor's informed of fund performance? _____

17. Please describe the formal procedure in place for dealing with investor complaints: _____

18. Do all prospectus' and/or offer documents for each Mutual Fund detail the following:

a) The function and responsibilities of the investment manager?

b) Management and administration fees?

c) Investment Strategies and Objectives?

d) Investment Procedure?

e) Warnings regarding the risks associated with the assets invested in including but not limited to a statement that there is no guarantee of performance or against loss resulting from investment in such assets?

f) The manner in which valuations are to be conducted?

g) Redemption of units or shares in the Mutual Fund?

19. a) Name of current external auditor _____
- b) Has the Applicant changed its external auditor in the last three years? ☐ Yes ☐ No
If YES, please explain: _____
- c) Does the Applicant have an internal audit department? ☐ Yes ☐ No
- d) State the number of staff in the internal audit department: _____
- e) What is the frequency of internal audits? _____
- f) Have all criticisms from the last external and/or internal auditors review been corrected? ☐ Yes ☐ No
If NO, please detail the areas requiring correction: _____
- g) Does the Applicant have an in-house legal department or counsel? ☐ Yes ☐ No
If YES, how many qualified lawyers does the department consist of? _____
What are the department's responsibilities? _____
- h) Does the Applicant use a standard form of contract setting out the terms and conditions of the services provided? ☐ Yes ☐ No
If YES, (i) are all contracts approved by legal counsel? ☐ Yes ☐ No
(ii) do all contracts provide an indemnity to and/or limit the ☐ Yes ☐ No

Applicant's liability?

- (i) Does the Applicant have a Compliance Officer? ☐ Yes ☐ No
If YES, state his/her duties, to whom he/she reports and attach his/her resume:
20. Has any government agency, foreign or domestic, conducted an inspection of any Applicant within the past three (3) years? ☐ Yes ☐ No
If yes, was any letter of deficiency or review of licensing received as a result of the inspection? If yes, ☐ Yes ☐ No
please attach a copy of such letter and management's response. ☐ Yes ☐ No
21. a) Have there been during the last five (5) years, or is there now pending any suits, claims, or proceedings against any Applicant ☐ Yes ☐ No
If yes, please provide full details. _____
- b) Is the Applicant aware of any fact, circumstance, situation or wrongful act which would fall within the scope of the proposed insurance? ☐ Yes ☐ No
If yes, please provide full details. _____

With respect to Question 21. (a) and (b), it is agreed that if the Applicant is aware of any such fact, circumstance, situation or wrongful act, any claim subsequently arising therefrom shall be excluded from coverage.

22. During the past five (5) years, has any claim been made under any prior or current Mutual Fund Indemnification, Trustees Liability or Investment Managers Professional Indemnity Insurance, Fidelity Bond, or Directors & Officers Liability Insurance providing coverage to any of the Applicants for this insurance, or has notice been given to any company providing such coverage?
If yes, please provide full details. _____

23. If at any time the Applicant has not carried any of the coverages mentioned in Item 22., have there been any losses that would have been submitted under the policies if such coverages had been in place? ☐ Yes ☐ No
If yes, please provide full details. _____
24. Has any insurer refused or cancelled or refused to renew any of the coverages mentioned in Item 22?
☐ Yes ☐ No
If yes, please state reasons: _____
25. In the past twelve (12) months, have there been any changes, modifications or material changes in the investment restrictions, policies or administration of any Mutual Fund? ☐ Yes ☐ No
If yes, please outline changes or modifications. _____
26. With respect to any previous Mutual Fund Indemnification, Trustees Liability or Investment Managers Professional Indemnity Insurance carried, please advise the following.
- a) Insurer: _____
- b) Limit: Rs. _____
- c) Deductible: Rs. _____
- d) Policy Period: From _____

PREMIUM DETAILS

PREMIUM DETAILS:

Amount (INR) _____

GST (INR) _____

Premium including tax (INR) _____

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 _____

Note: Politically Exposed Persons” (PEPs) are individuals who are or have been entrusted with prominent public functions domestically/in an international organisation/in a foreign country. This would include individuals who have or had positions of Heads of States or Government, Senior Politicians, Senior Government or Judicial or Military officers, Senior Executives of State-Owned Corporations and important Political Party Officials.

Type of Organization

Corporation: _____ Governments: _____

Society: _____ Private Organizations: _____

International Organization: _____ Partnership: _____

Trust: _____ Others: _____

Sources of Fund:

Salary _____ Business _____ Other _____

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.

If you require physical copy of your policy in future, please visit “Help” section on www.hdfcergo.com or contact our customer care.

Note: The liability of the company does not commence until the acceptance of the proposal has been formally intimated by the Proposer 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 HDFC ERGO General Insurance Company Limited receives premium payment.

Insurance is the subject matter of the solicitation

A policy cannot be issued unless the proposal is duly completed, signed, dated and stamped.

Signed: _____ Date: _____ Title: _____

Chairman of the Board or Managing Director Only

Supplementary Questionnaire.

Please provide information in respect of the following questions. Please note that the responses are subject to the same warranties as mentioned above. You may use a separate paper to respond to these questions.

Please provide answers in detail.

Risk Management

1. Please advise if the Applicant employs or has an independent risk management department consisting of one or more risk management.
2. To whom does the risk manager report?
3. What is the qualification of the risk manager? Please supply a copy of CV of the manager.

Investment Policy

1. Does the fund have a documented investment policy? -
2. What are the main underlying instruments in the schemes that are in existence? Are any of the schemes invested in derivative instruments?
3. What are the broad investment restrictions imposed on investments by the fund on the schemes currently in existence?
4. How are these restrictions monitored and by whom? If exceptions need to be made, explain the procedure for this.
5. Are there any investments concentrating on any one particular industry or segment?
6. Do you offer any capital guaranteed schemes?

Investment Committee

1. Does the fund have an investment committee, which is responsible for laying down investment policy and philosophy, reviewing performance and positions with regard to objectives of the schemes?
2. How often does the investment committee do the review?
If the response to question 1 above is "No", who carries out this function

Valuation

1. Who does the valuation of fund assets?
2. How often are they updated?
3. Is there a formal document that outlines the elements critical to the NAV calculations?
4. How often are audits done on this?

Stock Picking

1. How is stock picking done?
2. Who makes the final decision on stocks recommended for investments? Is there a committee that review the investment decisions taken?

Investors

1. How are investors advised on the performance of the funds
2. How often are they updated?
3. How are investors' complaints handled? Is there a formal procedure outlined with regard to this?

Offer Documents

Does the all offer documents lay out the following

- i) function and responsibility of investment manager
- ii) asset management fee

- iii) investment objectives and strategies
- iv) investment procedure
- v) risk associated with investments which clearly states among other things that there are no guarantees against loss resulting from investments
- v) how valuations are conducted

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.

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.

DECLARATION BY INSURED/REPRESENTATIVE (IN CASE PROPOSER IS DISABLED)

I/We, the undersigned, declare and acknowledge:

- 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 as listed in Prevention of Money Laundering Act, 2002 & its subsequent amendments thereof. I understand that the Company has the right to call for documents to establish sources of funds.
- 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.
- 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.
- I/ We authorize the Company to process my/ our Personal as well as Sensitive information for profiling purposes and to contact me/ us for renewal of my/our policy. I/We also authorise the Company to contact me/us (including overriding my/our registration on NDNC under the extant TRAI Regulations) to promote products and to notify me/us about the services being rendered by the Company.
- We hereby authorise the Company to share/ verify the information provided by me/us pertaining to my proposal with third party, rating agencies or service provider for the purpose of underwriting the proposal, issuance of a policy or settling of a claim under the policy.

Date : _____

Place : _____

Signature of the Proposer _____

VERNACULAR DECLARATION

Declaration in case the proposal is filled other than the Proposer / the proposer sign in vernacular language / proposer is not familiar with the language printed here/ proposer is illiterate (to be certified by someone other than agent/employee of the company)

(The content of this form and its particulars have been explained by me in vernacular to the Proposer who has understood and confirmed the same.)

Name of the Translator: _____

Place: _____

Date: _____

Signature of the Translator

Name of the Proposer: _____

Place: _____

Date: _____

Signature of the Proposer

INTERMEDIARY DECLARATION

I, _____ (Full Name) in my capacity as an Insurance Advisor/ Specified Person of the Corporate Agent/Intermediary/Authorized employee of the Broker/Relationship Officer, do hereby declare that I have explained all the contents of this Proposal Form, Including the nature of the questions contained in this Proposal Form to the Proposer including statement(s), information and response(s) submitted by him/her in this Proposal Form to questions contained herein or any details sought here in will form the basis of the Contract of Insurance between the Company and the Proposer, if this Proposal is accepted by the Company for issuance of the Policy. I have further explained that if any untrue statement(s)/information/response(s) is/are contained in this Proposal Form/ including addendum(s), affidavits, statements, submissions, furnished/ to be furnished, the company shall have the right to vary the benefits which may be payable and further more if there has been a non-disclosure of any material fact, the policy issued to his/her favor pursuant to this Proposal may be treated by the Company as null and void and all premiums paid under the Policy may be forfeited to the company.

Signature of Intermediary _____ Date _____

Time _____ Place _____

INSURANCE ACT 1938 SECTION 41- PROHIBITION OF REBATES

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 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.

List all Mutual Funds, Trustees and Investment Managers for which coverage is required.

Mutual Funds: _____ **Date Established** _____

Trustee: _____ **Date Established** _____

Investment Manager: _____ **Date Established** _____