

Signature Plus Professional Indemnity Insurance Policy for Design and Construction - Prospectus

India's economy is big and getting bigger. It is estimated that India will become the world's third largest economy by 2050. Liberalization of government regulations and a deliberate strategy on the part of the Indian Government to promote infrastructure, spells great opportunity for construction industries. But at the same time risks associated are quite complex and possess high degree of potential liability. To deal with this ever-increasing complexity of construction industry **HDFC ERGO** has come up with new product - **Signature Plus Professional Indemnity Insurance Policy for Design and Construction**

Signature Plus Professional Indemnity Insurance Policy for Design and Construction has been designed to respond to the long term professional indemnity requirements of project participants who render their professional services in connection with the named project for the duration of the project and possibly beyond. The intent is to cover liability arising from the professional acts, error or omissions of the various parties employed on the project. This may also include contractors and consultants alike, whether working individually or in joint ventures or consortiums.

INSURING CLAUSE

- Professional Liability**- arising from performance of professional services in respect of the project.
- Advancement of Defence Costs** - Insuring Clause now provides for defence costs to be paid in advance for claims covered under the policy.

EXTENSIONS

- Breach of Confidentiality** - this new extension provides cover for claims alleging breach of confidentiality.
- Continuous Cover** - this is now an automatic extension.
- Deemed Employees** - this new extension covers contractors and consultants who are deemed to be employees under workers' compensation laws.
- Fraud & Dishonesty** - this is now an automatic extension.
- Implied Warranties & Conditions** - this new extension provides cover for claims alleging breach of warranty or condition as to merchantable quality, due skill and care or fitness for purpose implied in a contract under common law or the Trade Practices Act.
- Intellectual Property Rights** - this is now an automatic extension.
- Interference with Privacy** - this new extension provides cover for claims alleging unlawful interference with privacy.
- Limitation of Liability Contracts** - this new extension ensures that the insured's right to claim under the policy will not be prejudiced by contracts entered into by the insured with other parties that limit the other parties' liability.
- Multiple Causes of Loss** - this new extension provides that if there are a number of insured and excluded causes which contribute to a loss, the policy will indemnify the insured for that part of the loss which is insured under the policy.
- New Subsidiaries** - this new extension provides automatic cover for new subsidiaries which do not exceed certain threshold requirements. For those that do, there is a 45 day window to provide information about the new subsidiary and to agree to any additional terms and conditions.
- Period of Grace** - if the policy is not renewed or replaced with a similar policy, this new extension allows the insured to notify a claim under the policy for a period of 30 days for professional services performed prior to the end of the policy period.
- Public Relations Costs** - this new extension provides costs for engaging a public relations consultant to protect the insured's professional reputation in the event of a claim or a potential claim.
- Spouses, Estates & Representatives** - this extension has been moved from definition of insured and expanded to include claims brought against the lawful spouse or domestic partner of an insured.

- Trade Practices Act** - this extension has been expanded to include all claims brought under the Trade Practices Act or Fair Trading Legislation except for anti-competitive practices.
- Contractual Liability** - this new optional extension provides cover for the insured's liability to pay under an indemnity or hold harmless term of a contract to the extent that such liability results from the insured's performance of professional services.
- Loss Mitigation & Rectification** - this new optional extension covers the direct costs and expenses incurred by the insured in taking action to rectify or mitigate the effects of any act or omission that would otherwise result in a claim covered under the policy.
- Novated Contracts** - this new optional extension covers liability the insured has assumed by reason of a novated contract.
- Proportionate Liability** - this new optional extension provides cover for liability the insured has assumed by contracting out of proportionate liability legislation.
- Anti-Competitive Practices** - this new exclusion excludes anti-competitive practices.
- Personal Injury, Property Damage & Pollution** - these exclusions have been removed
- Products & Workmanship** - this exclusion has been removed and replaced with a product defects exclusion with a carve-out for professional services.
- Insured** - the definition of insured has been expanded to include subsidiaries which were a subsidiary of the named insured prior to the commencement of the policy period.
- Professional Services** - the definition of professional services has been clarified and expanded to include technical advice and inspection.
- Loss of Documents** - Cost of Documents which are destroyed, damaged or after diligent search cannot be found.
- Defamation** - Policy will pay Claims alleging due to libel, slander, defamation or injurious falsehood in the provision of Professional Services
- Vicarious Liability** - Policy will pay Loss which the Insured becomes legally liable to pay as a result of claims alleging an act, error or omission by an Agent of Insured in provision of Professional Services

EXCLUSIONS

This policy will not pay for any loss or defence cost arising out of, or in any way connected with

- Aircraft & Watercraft** - operation, ownership, maintenance or use of aircraft or watercraft
- Anti Competitive Practices** - claims arising due to price fixation or pricing discrimination
- Asbestos**- loss arising from asbestos
- Contractual Liability & Commercial Risk** - Liability assumed by the insured
- Employer's Liability** - Bodily or mental injury of any employee of the insured
- Intellectual Property Right** - infringement of intellectual property rights, unless otherwise covered (Unintentional)
- Fraud & dishonesty** - Any willful, malicious or dishonest act committed or allegedly committed by the insured, unless otherwise covered.
- Licensing Inquiries** - Deliberately fail to comply with national or local regulations.
- Owners & Occupiers Liability** - ownership, management, control or occupation of real property by the Insured.
- Personal Injury** - bodily injury caused directly due to an act, error or omission of Insured
- Pollution** - actual or alleged discharge, dispersal, release or escape of any pollutant

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12. **Products & Workmanship** – Product recall or Product Defect
13. **Property Damage** – Loss, damage or destruction of property
14. **Radiation & Nuclear** - ionizing, radiation or contamination by radioactivity from any nuclear fuel
15. **Retroactive Limitation** – act committed prior to retroactive date.
16. **War & Terrorism** - consequence of any war, invasion, sabotage, acts of foreign enemies

BENEFITS OF BEING INSURED UNDER THIS POLICY

- Provides protection against loss due to performance of professional services in respect of the project.
- Allows you to tailor the definition of “Professional Services” to meet your specific needs unique to a specific project.
- Consistency in scope of cover
- Protection beyond project completion.
- Multi-year term policy, not to be renewed annually
- Coverages can also be extended to sub-contractors
- Adequate, dedicated limits for project
- Provide optional extension which covers direct cost incurred in rectifying a problem before it turns into a claim.

Apart from above Standard documents some other documents may be called for based on the nature of claim.

RENEWAL

The Company shall be under no obligation to renew the policy on expiry of the period for which premium has been paid. 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 for which premium has already been paid.

CANCELLATION

The Insured can cancel the policy at any time during the policy term, by informing the Company. The Company can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the Insured. The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.

CLAIMS INTIMATION

In the event of loss of an insured event the company must be informed immediately

Our contact details are as follows:

1. Relationship officer / channel partner
2. Branch Office
3. Contact us - 022 6158 2020/ 022 6234 6234
4. E-mail at care@hdfcergo.com

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
Contact us - 022 6158 2020/ 022 6234 6234

During Intimation of claim, Insured has to provide relevant information which includes Policy details, policy period and Loss details (viz. Loss Location, Contact Details, Details of Loss, Details of claimants, Rough estimates of Loss along with copy of Project carried for which the policy is obtained).

In general, primarily, the following basic documentations are required for taking the claim forward:

- Detailed description of the incident in chronological order and the manner by which insured first became aware of the circumstance/ claim right from the date of discovery until the current status
- Details of quantum of loss with supporting documents
- Detailed description of the manner by which insured first became aware of the claim or circumstance which give rise to the claim.
- Actions taken by the insured post discovery of claims
- First Information Report /charge sheet filed by the police. If, the matter has been reported to the police.
- Internal Investigation report, if any, from the Insured giving an Insight into the act with Criminal intent allegedly performed by an Employee resulting in a Third Party Loss.
- Any other documents which could be construed as material information to the case.

CLAIMS PROCESS

- An acknowledgement with respect to the claim intimation is given to the insured, once we are in receipt of any claim intimation from the insured.
- Based on the information submitted in the claim intimation letter, if required, we may procure more information from the insured depending on the facts mentioned therein. Up to the satisfaction of the Company.
- Surveyor / Investigator may be appointed, if required.
- Apart from surveyor/investigator, opinions of legal experts are sought, if required.
- In case of surveyor appointment, the same will be appointed within 72 hrs from the date of intimation and the details of the appointment is conveyed to the Insured
- Within 48 hrs of appointment, the surveyor will start the survey and will request the list of preliminary documents within 7 days of appointment from the insured
- Final survey report will be provided by the surveyor within 90 days of appointment except where special circumstance exist in respect of a claim due to its special complicated nature or due to difficulties associated with replacement/reinstatement, the surveyor will seek an extension from Insurers for submission of report
- In case of settlement, offer of claim settlement will be made to the Insured within 30 days of receipt of the last document
- In case of settlement, Claim will be settled by the Insurer within 30 days from the receipt of last, relevant & necessary document from the Insured.
- In case of rejection, the same will be conveyed to the Insured within 30 days from the receipt of the final report and/or documents
- Based on the information submitted in the claim intimation letter / claim form, if required, we may procure more information from the insured depending on the facts mentioned therein up to the satisfaction of the Company.
- Apart from surveyor, an investigator and/or Senior engineer can be appointed and legal counsel opinions can be sought, if required.

Apart from above Standard documents some other documents may be called for based on the nature of claim.

1. Policy/Underwriting documents.
2. Survey Report along with annexure and/or Photographs wherever applicable
3. All documents and/or information relevant to the claim
4. Discharge voucher of the Insured accepting full and final settlement
5. KYC documents are compulsory

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

- Contact us - 022 6158 2020/ 022 6234 6234
- **Emails** – grievance@hdfcergo.com
- **Contact Details for Senior Citizens:** 022 6242 6226
- **Email ID:** seniorcitizen@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) 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**

Grievance may also be lodged at IRDAI Integrated Grievance Management System- <https://bimabharosa.irdai.gov.in>

You may also approach the nearest Insurance Ombudsman for resolution, if - your grievance is not redressed by the Company. 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 - <https://www.hdfcergo.com/customer-voice/grievances> for detailed grievance redressal procedure.

ABOUT OUR COMPANY

Name of the company – **HDFC ERGO General Insurance Company Limited (IRDAI Reg No 146)**

Registered & Corporate Office: 6th Floor, Leela Business Park, Andheri-Kurla Road, Andheri (East), Mumbai – 400 059.

Website – www.hdfcergo.com

Contact us - 022 6158 2020/ 022 6234 6234

Email – care@hdfcergo.com

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.

Disclaimer: In the event of any question relating to interpretation of the insurance coverage, the policy document will prevail.