

## Financial Institution Professional Indemnity Policy - Prospectus

In a difficult economic environment, businesses in all sectors face challenges. Many financial institutions face additional pressures generated by increased regulation, robust capital and lending criteria, and a global drive to improve disclosure, increased transparency and enhance shareholder protection. Finance professionals – bankers, fund managers, corporate advisers, stockbrokers – are uniquely exposed to litigation risk from regulators, clients and competitors. Experience tells us that such litigation may be driven by media interest, and often increases in times of economic recession. As they diversify and expand services to remain competitive, each advancement poses new and potentially significant risks to the firm. Financial Institutions face an array of potential professional and management liability exposures from governmental agencies, customers, creditors, vendors and competitors, any of which can result in a devastating lawsuit or regulatory proceeding.

Financial Institutions Professional Indemnity Insurance provides protection against losses sustained by clients of a financial institution as a result of unintentional errors, omissions or negligence of its employees. The policy offers protection to banks and financial institutions in their professional services and operations, including banking, trading, payment and other financial transactions.

### THIS POLICY COVERS – The policy covers third party claims such as

- for compensatory damages, such indemnity to include claimant costs and expenses including such damages and cost and expenses as result of the insured's physical loss of or damage to document or securities but excluding the intrinsic value of any property or face value of costs of reconstruction of any documents or any loss compensable under a Bankers Blanket Bonds or equivalent policy irrespective of the amount to thereof and whether or not such a policy is actually maintained by the insured ; and
  - first made against the Insured during the policy period; and
  - for financial loss caused by a negligent act, negligent error or negligent omission on the part of an Officer or Employee of the Insured; and
  - arise out of the ordinary course of the provision by the Insured of the financial services described in the Proposal Form; and
  - be brought other than wholly or partly within the countries stated in as specified in the Item 11 - Country of Jurisdiction of the Schedule, and
  - arise other than from any negligent act, negligent error or negligent omission which was or may have been or is alleged to have been committed or omitted (as the case may be) wholly or partly within the United States of America and/or Canada; if applicable and
  - relate other than to a negligent act, negligent error or negligent omission which was or may have been or is alleged to have been committed or omitted (as the case may be) before the Retroactive Date specified in the Schedule hereto.
- arising from any fact, circumstance or event wherein any third party claim against the Insured would be compensable under a Bankers Blanket Bond or equivalent policy irrespective of the amount thereof and whether or not such a policy is actually maintained by the Insured
  - Any claim by or on behalf of or at the behest of the Insured's parent company, or any subsidiary or Affiliate of the Insured or of the Insured's parent company, or any company or other entity in which the Insured, or Officers or Employees of the Insured, have an executive or controlling interest
  - Any third party claim arising out of the insolvency of the Insured
  - Any fines, penalties, punitive or exemplary damages and any multiple damages except for the single compensatory amount of damages prior to such multiplication
  - Any claim made against the Insured by or on behalf of or at the behest of any federal or state government, governmental body or governmental agency, except when acting solely in the capacity of a client of the Insured
  - Any suit or legal proceeding brought by or on behalf of or at the behest of a shareholder or shareholders of the Insured in their capacity as such
  - Any third party claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investments, including securities, commodities, currencies, options and futures transactions, or as a result of any actual or alleged representation, guarantee or warranty provided by or on behalf of the Insured as to the performance of any such investments
  - Any legal liability arising from or contributed to by loss of value, surrender value or cancellation value of any leased product or service as a result of fluctuations in value of such product or service
  - Any third party claim for the reimbursement of fees, commissions, costs or other charges paid or payable to the Insured, or, any third party claim based upon allegations against the Insured of excessive fees, commissions, costs or other charges
  - arising from or contributed to by any failure to provide insurance of any kind, whether such failure concerns the amount, existence or adequacy of such insurance or otherwise
  - Ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - arising from or contributed to by any actual or alleged seepage, pollution or contamination of any kind
  - arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, or the act of any lawfully constituted Insured

### EXCLUSIONS

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

- Any legal liability assumed by the Insured
- dishonest, fraudulent, criminal or malicious act or omission of the Insured or of any Director or of any Officer or Employee or of any sub-contractor or agent of the Insured
- arising from bodily, mental or emotional injury, sickness or disease,
- arising from any loss of or damage to property
- by any loss of or damage to any goods or other property
- deliberate breach of any laws, enactments or regulations relating to all and any of the constitution, operation and conduct of the Insured
- arising from or contributed to by the Insured having refused to provide any financing or refused to fulfil any actual or alleged commitment to make any loan or transaction in the nature of a loan or a lease or an extension of credit, whether such commitment was authorised or unauthorised

### CLAIMS PROCEDURE

#### I. CLAIMS NOTIFICATION

In the event of loss and/or damage or circumstance which may reasonably give rise to a claim under this Policy:

- a. The Insured shall notify the Company in writing (with full particulars of the claim or circumstances) of the knowledge of the claim and circumstances as soon as practicable but not later than Number of days specified on the Policy
- b. The Insured shall give all such information and assistance as the Insurer may require
- c. The Insurer shall verify the claim notified in the area of Coverage through various means and shall notify the acceptance/rejection of such claim to the Insured
- d. The Insured shall not negotiate /admit liability or make any promise payment /incur any defense cost or expenses or settlement without the Insurers written consent

## Financial Institution Professional Indemnity Policy - Prospectus

### II. CLAIMS PROCESSING

#### a) CLAIMS REGISTRATION/ RESERVING

1. The Claim intimations received by claims team are notified in system by the claims processor and a claim no. is generated
2. The details required for claims intimation
  - Policy no.
  - Name of insured
  - Date of loss
  - Nature / details of loss
  - Place of loss
  - Contact details of the insured
3. The claim is registered with default reserves

#### b) CLAIM ACKNOWLEDGEMENT AND PRELIMINARY DOCUMENTS FOR ASSESSMENT OF LOSS:

An acknowledgement is sent to the insured/Broker/Agent/Sales along with the claim no. and list of preliminary requirements such as:

1. Duly completed and signed claim form/details of incident and/or loss
2. Description of the events, in chronological order, as to how, when and where the circumstances leading to the claim or suit occurred
3. Date when the insured became first aware of such complaint/demand/circumstance
4. Details of the claimants
5. Copies of all written demands / court proceedings initiated against the Insured including the response of the insured to the said demand/ court proceedings
6. Copies of contract copies along with annexures entered between the insured and their clients
7. Details and break-up of the quantum claimed and supporting of the same in case if no quantum is claimed, the estimate of the damages likely to be claimed;
8. Copies of all relevant communications exchanged between the parties between the claimant and the insured and any agreements entered into;
9. Opinion of the counsel in connection to the merits and demerits of the case
10. Details of other persons or entities which may be responsible or liable for the loss or damage being claimed; and
11. Contact details of Insured's person handling the claim in Insured's company.
12. Any other document/ information in support of the claim

#### C. COVERAGE EVALUATION:

1. Preliminary documents are scrutinized by the claims team
2. Additional information are requested in case required based on preliminary documents submission
3. Decision on appointment of Surveyor/investigator/legal counsel will be taken, if required.
4. On receipt of complete claim documents/survey report, claims team will evaluate the coverage and communicate to the insured/broker/agent
5. Enhancement of reserves from default to realistic be done based on the review of documents

#### D. PAYMENT OF THE CLAIM:

On receipt of all the documents/information that is relevant and necessary for the claim, the Insurer within period of 30 days shall offer a settlement of the claim to the Insured.

#### E. REJECTION OF THE CLAIM :

1. If the Insurer, for any reasons to be recorded in writing and communicated to the Insured, decides to reject a claim under the Policy, it shall do so within a period of 30 days from the receipt of the final documents and/or additional information/documents as the case may be.
2. However, expense payments are processed, if any.

#### F. CLAIMS REOPENING

Claims can be re-opened by the claims officer with valid reason for re-opening.

Following is the list of reasons for claim re-opening

1. Processing of expense payments
2. Receipt of documents after closure of claims.
3. Receipt of additional information / documents in support of the claim.
4. Re-considering of claim after request from customer through CEM / IRDA / Ombudsman / Consumer forum / Courts etc.

### III. APPROVAL AUTHORITY

Limits for Claim Payments and Reserves are as per the Delegation of Authority Matrix of the Company.

#### CONTACT DETAILS FOR CLAIMS

**Claims Department**  
**HDFC ERGO General Insurance Company Limited**  
**6th Floor Leela Business Park**  
**Andheri Kurla Road, Andheri East**  
**Mumbai-400059**  
**India**

Claim can also be notified digitally by sending an email with complete description of loss to: care@hdfcergo.com or a call at 022 – 6234 6234

#### CONDONATION OF DELAY

The Company may condone delay in claim intimation/ document submission on merit, where it is proved that delay in reporting of claim or submission of claim documents, is due to reasons beyond the control of the Insured. Notwithstanding the above, delay in claim intimation or submission of claim documents due to reasons beyond the control of the Insured shall not be condoned where such claims would have otherwise been rejected even if reported in time.

#### PENAL INTEREST

In the event the claim is not settled within 30 days from the date of receipt of last relevant and necessary document from the insured/claimant, we shall be liable to pay interest at a rate, which is 2% above the bank rate from the date of receipt of last relevant and necessary document from the insured/claimant till the date of actual payment.

#### RECTIFICATION OF POLICY AFTER A LOSS

Rectification of policy after a loss is reported for reasons other than breach of condition / warranty should be carried out as Underwriting Manual

#### 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.

## Financial Institution Professional Indemnity Policy - Prospectus

### CANCELLATION

#### a) If Cancelled by Insured:

The Insured can cancel the policy at any time during the policy term, by informing the Company. The Company shall refund proportion premium for unexpired policy period subject to no claim(s) made during the policy period.

#### b) If Cancelled by Insurer:

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.

### GRIEVANCE REDRESSAL PROCEDURE

If You have any grievance about any matter relating to the policy, or Our decision on any matter, or Our decision about Your claim, You can pursue Your grievance with Our Grievance Redressal Officer.

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](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, Maharashtra**

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, Maharashtra  
e-mail: [cgo@hdfcergo.com](mailto: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 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-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](http://www.hdfcergo.com)

**Contact number** – 22 6158 2020/ 022 6234 6234

**Email** – [care@hdfcergo.com](mailto: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.