

## **Signature Plus Professional Indemnity Insurance Policy For Design And Construction**

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 Insurance Policy**.

**Unlike commonly found Project related Professional Indemnity policies, this product covers the Principal of the project as Insured at all times.**

**Signature Plus Professional Indemnity Insurance Policy for Design and Construction Insurance Policy** has been designed to respond to the long term professional indemnity requirements of project participants in the named project for its duration and possibly beyond.

The intent is to cover the following -

- 1) Loss (as defined) to the principal arising solely out of an act, error or omission of a Contractor in the performance of Professional Services provided the act, error or omission is first discovered and reported to HDFC ERGO by the Insured during the Policy Period
- 2) Civil liability the Insured incurs in respect of a Claim brought by any third party (other than a Contractor) arising solely out of the performance of Professional Services by a Contractor

### **INSURING CLAUSES**

Part A of the Policy provides insurance on a "discovery" basis. Accordingly, HDFC ERGO will only cover the Insured for Loss first discovered and reported to HDFC ERGO during the Policy Period.

Part B of the Policy provides insurance on a "claims made" basis. Accordingly, HDFC ERGO will only cover the Insured in respect of Claims which are first made against the Insured during the Policy Period and reported to HDFC ERGO during the Policy Period. The Policy may contain a retroactive date exclusion by endorsement.

#### **1. Part A Insuring Clause**

##### **1.1 Insured's Loss**

HDFC ERGO will pay the Insured its Loss arising solely out of an act, error or omission of a Contractor in the performance of Professional Services provided the act, error or omission is first discovered and reported to HDFC ERGO by the Insured during the Policy Period.

##### **1.2 Multiple Causes of Loss**

In the event that there are a number of causes which give rise to a Loss, HDFC ERGO will pay to the Insured only that proportion of its Loss which is attributable to the act, error or omission of the Contractor in the performance of Professional Services provided the act, error or omission is first discovered and reported to HDFC ERGO by the Insured during the Policy Period. HDFC ERGO will pay that amount irrespective of whether one or more of the other causes of the Loss is excluded or otherwise not covered under the Policy.

#### **2. Part B Insuring Clauses**

##### **2.1 Insured's Liability**

HDFC ERGO will indemnify the Insured against civil liability the Insured incurs in respect of a Claim brought by any third party (other than a Contractor) arising solely out of the performance of Professional Services by a Contractor.

## **2.2 Multiple Causes of Loss**

In the event that there are a number of causes which give rise to a loss in respect of which a Claim is made, HDFC ERGO will indemnify the Insured against the civil liability the Insured incurs in respect of only that proportion of the loss which is attributable to the performance of Professional Services by the Contractor. HDFC ERGO will indemnify the Insured against that civil liability irrespective of whether one or more of the other causes of the loss is excluded or otherwise not covered under the Policy.

## **2.3 Advancement of Defence Costs**

HDFC ERGO will pay for Defence Costs in respect of a Claim covered under Insuring Clause 2.1 or 2.2. HDFC ERGO will pay for these Defence Costs as and when they are incurred prior to final resolution of the Claim.

However, each Insured shall repay to HDFC ERGO all payments of Defence Costs incurred on that Insured's behalf if and to the extent it is established that such Defence Costs are not in fact Insured under the Policy.

Defence Costs are subject to the Excess and form part of the Limit of Liability.

## **EXCLUSIONS**

HDFC ERGO will not pay for any amounts insured under the Policy for or arising out of:

### **3.1 Commercial Risks**

- a) the insolvency, receivership, administration, bankruptcy or liquidation of the Insured; or
- b) any trading debt incurred by the Insured; or
- c) the failure to provide, effect, or maintain any bond, surety or insurance.

### **3.2 Defamation**

any defamation, libel or slander.

### **3.3 Employer's Liability** death, bodily or mental injury, sickness or disease, emotional distress or mental anguish of any actual or deemed employee of the Insured.

### **3.4 Goods & Services Tax**

GST imposed or Payable in respect of the Premium or any payment of insured amounts made under the Policy.

### **3.5 Insureds Professional Services**

the performance of any Professional Services by the Insured.

### **3.6 Owners & Occupiers Liability**

The ownership, management, control or occupation of real property by or on behalf of the Insured or a Contractor.

### **3.7 Penalties & Punitive Damages**

- a) any fines or other penalties; or
- b) any exemplary, aggravated, multiple or punitive damages.

### **3.8 Prior Matters**

Or in any way connected with:

- a) any facts that, before the commencement of the Policy Period, the Insured was aware, or a reasonable person would have been aware, might give rise to a Claim / Loss under the Policy;

- b) any facts that might give rise to a Claim / Loss under the Policy which have been reported, or which can be or could have been reported, to an insurer under any insurance policy entered into before the commencement of the Policy Period;
- c) any facts that might give rise to a Claim / Loss under the Policy which have been disclosed to any insurer in any proposal for insurance before the commencement of the Policy Period; or
- d) any facts that might give rise to a Claim / Loss under the Policy which were disclosed to HDFC ERGO in the proposal.

**3.9 Product Defects** any defect in any product or good unless such defect arises out of the performance of Professional Services by a Contractor.

**3.10 Uninsurable Amounts** amounts uninsurable at law.

### **3.11 War, Terrorism & Nuclear**

- a) war (whether declared or not), civil disturbance or riot;
- b) any actual or threatened act of terrorism or any action taken to, or taken in an attempt to, control, prevent or suppress any act of terrorism;
- c) ionising radiation or contamination by radioactivity from any nuclear fuel or any waste from the combustion of nuclear fuel; or
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any nuclear weapon, installation, reactor or other nuclear assembly or nuclear component thereof.

### **3.12 Watercraft, Aircraft & Motor Vehicles**

the ownership, maintenance, operation, possession, use, loading or unloading by or on behalf of the Insured or a Contractor of any watercraft, aircraft, motor vehicle or trailer.

### **3.13 Exclusion Bodily Injury**

Based upon, arising from or in consequence of bodily injury, sickness, disease or death of any person,

### **3.14 Delay Exclusion**

Any actual, alleged or threatened:

- delay in performance and / or
- failure to begin;

### **3.15 IPR Exclusion**

based upon, arising from, or in consequence of defamation, invasion of privacy, assertion or infringement of copyright, patent, service mark, trade name, design right or trade mark, whether registrable or not, or misappropriation of ideas or trade secrets or know how or any assertion or infringement of any intellectual property right;

### **3.16 Cyber Risk Exclusion**

With respect to all coverage(s) under this contract, this insurance does not apply to any damages, loss, cost or expense arising out of any bodily injury, sickness, disease or death of any person and damage to or destruction of any tangible property, including loss of use thereof, whether or not it is damaged or destroyed resulting from any Cyber attack.

For the purpose of this exclusion only, the following definitions shall be applied

Cyber-attack means the transmission of fraudulent or unauthorized Data that is designed to modify, alter, damage, destroy, delete, record or transmit information within a System without authorization, including Data that is self-replicating or self-propagating and is designed to contaminate other computer

programs or legitimate computer Data, consume computer resources or in some fashion usurp the normal operation of a System.

Data means a representation of information, knowledge, facts, concepts, or instructions which are processed or have been processed in a Computer.

System means a Computer; and

- A. all input, output, processing, storage and communication devices controlled, supervised or accessed by the operating systems that are proprietary to, or licensed to, the owner of the Computer; and
- B. Computer means a device or group of devices that by manipulation of electronic, magnetic, optical or electromechanical impulses pursuant to a computer program can perform operations on Data.

#### **4. Additional Exclusions Applicable to Part B**

HDFC ERGO will not pay for any amounts insured under Part B of the Policy for or arising out of.

##### **4.1 Contractual Liability**

- a) a liability which the Insured has assumed under a contract unless such liability would have attached in the absence of such contract; or
- b) any guarantee given by the Insured for a debt.

##### **4.2 Fraud & Dishonesty**

any fraudulent, wilful, grossly reckless, malicious or dishonest conduct including any intentional breach of any law or regulation committed by the Insured

This exclusion will only apply where it is established by an admission of such Insured or by a judgment, award, finding or other adjudication of a court, tribunal, commission or arbitrator that such conduct did in fact occur.

##### **4.3 Management Liability**

the **Insured** acting in the capacity of a director or officer.

##### **4.4 Prior Written Demand** or in any way connected with any written demand or legal proceedings for compensation made, threatened, intimated against or involving the Insured prior to the commencement of the Policy Period.

##### **4.5 Related Parties:** any Claim made by or on behalf of:

- a) one or more Insured;
- b) a child, sibling, spouse, partner or parent of an Insured or a parent of a spouse or partner of an Insured;
- c) any entity which is owned, controlled or managed by any Insured; or
- d) any parent company or other entity which owns, controls or manages any Insured.

#### **BENEFITS OF BEING INSURED UNDER THIS POLICY**

- The policy is issued to the Principal and covers within its scope liability arising solely out of an act, error or omission of all Contractors and sub-contractors engaged for the project.
- Provides protection against loss due to performance of professional services of the contractor 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
- Coverages can also be extended to sub-contractors
- Adequate, dedicated limits for project

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

## **RENEWAL**

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

### **For long term policies (policy duration more than 1 year):**

In case of No claim: The Company shall refund proportionate premium for the unexpired policy period.

In case of claim: No refund shall be made for the year in which claim is made. The Company shall refund proportionate premium for the unexpired policy years.

### **For policy duration up to 1 year:**

The Company shall refund proportion premium for rest of the policy period subject to no claim(s) made during the policy period.

### **Cancellation by 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 PROCEDURE**

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

Our contact details are as follows:

- i. Relationship officer / channel partner
- ii. Contact us: 022 6158 2020/ 022 6234 6234
- iii. E-mail at care@hdfcergo.com

Our contact details are as follows:

**HDFC ERGO General Insurance Co. Ltd.**  
**Corporate Claims Department 6th Floor,**

It shall be a condition precedent to any of our liability to make any payment under this Policy that in the event of any occurrence giving rise to or which may give rise to a claim under this Policy that we will need the below mentioned information in complete

1. Written notice as mentioned in 5.1 of Section V above
2. Notify to Us in writing as soon as possible he/they shall have knowledge of any circumstances or impending prosecution inquest or fatal accident inquiry in connection with any occurrence for which there may be liability under this Policy
3. Forward to Us immediately on receipt every claim notice or letter or verbal notice of claim or other originating process or any other document served on the Insured within 90 days or during policy period whichever occur earlier,
4. Give all such information and assistance as the insurer may require
5. The Insured shall not negotiate admit liability or make any promise payment or settlement without our written consent
6. The Insured shall not admit any liability or incur any Costs or expenses without our written consent, except in the event of an imminent and substantial threat to human health or the environment
7. Company shall in its sole discretion shall exercise its rights to:
  - to take over and have the sole conduct and control of any claim and legal proceedings or alternative dispute resolution relating thereto in the name of the Insured and shall have full discretion in the settlement of any claim
  - To prosecute in the name of the Insured but for the Insurer's benefit any claim for compensation or 420 indemnity.
8. In general, primarily, the following basic documentations are required for taking the claim forward
  - Description of the claim or suit and the date received;
  - Description, in chronological order, as to how, when and where the circumstances leading to the claim or suit occurred including the date the insured was first aware of such loss
  - The names and addresses of any injured persons and any witnesses;
  - The nature, location and extent of any injury;
  - The nature and quantum of damages claimed against you along with supporting or, if the claimant has not quantified its damages, your estimate of the quantum of damages which may be claimed against you.
  - Copies of all relevant documents relating to the underlying transaction which gave rise to the claim, including correspondence prior to the occurrence and any agreements entered into;
  - Copy of any internal or external, survey, investigation or test reports and all other relevant reports;
  - Copies of all written demands made against you;
  - If court proceedings have been initiated, copies of all court documents served on you and all court documents filed by you;
  - Copies of all relevant internal communications, including a log on all internal verbal communications whether prior or subsequent to the occurrence giving rise to the claim;
  - Details of other persons or entities which may be responsible or liable for the loss or damage being claimed; and
  - Contact details of person handling the claim in insured's company.

In addition, you must:

- i. authorized us to obtain records and other information;
- ii. co-operate with us in the investigation of the claim or in the defence of the suit;
- iii. allow us reasonable access to your premises, records and other information; and

assist us, upon our request, in the enforcement of any right against any person or organisation that may be

liable to you because of loss to which the policy applies.

## 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, a list of preliminary documents is requested from the Insured.
- Surveyor / Investigator may be appointed, if required.
- In case of surveyor appointment, the details of the appointment is conveyed to the Insured within 24 hours of reporting of claim
- Insurance company can appoint investigator at any stage of claim for fact finding or for investigating reported claim.
- In case of settlement, offer of claim settlement will be made to the Insured within 7 days of receipt of the last document / Surveyor report
- In case of rejection or settlement, Claim will be settled by the Insurer within 7 days from the receipt of last, relevant & necessary document from the Insured.
- Apart from surveyor, an investigator and/or forensic investigator can be appointed and Legal counsel opinions be can be sought, if required.

The documents required for processing of claims are:

- Policy/Underwriting documents.
- Survey Report along with annexure and/or Photographs wherever applicable
- All documents and/or information relevant to the claim
- Discharge voucher of the Insured accepting full and final settlement

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

## GRIEVANCE

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.

You can send Your grievance in writing by post or email to Our Grievance Redressal Officer at the following address:

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, 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.

**Please provide Ombudsman details too**  
**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** – 022 - 62346234 / 022- 6158 2020  
**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.**