

Policy Wording

Educators Insurance Policy

In consideration of payment of the premium and subject to the Schedule, limitations, conditions, provisions, and other terms of this policy, the Company agrees as follows:

1. INSURANCE CONTRACT

The Company shall pay on behalf of an **Insured** all **Loss** which such **Insured** becomes legally obligated to pay on account of any **Claim** first made against such **Insured** during the **Policy Period** or, if exercised, during the Extended Reporting Period, for:

- (a) a **Wrongful Act**;
- (b) **Educator's Errors or Omissions**; or
- (c) **Employment Practices**

committed, attempted, or allegedly committed or attempted, by such **Insured** before or during the **Policy Period**.

2. Spousal Liability Coverage

If a **Claim** against an **Insured Person** includes a claim against the lawful spouse of such **Insured Person** solely by reason of such spouse's status as a spouse or such spouse's ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**, all loss which such spouse becomes legally obligated to pay on account of such claim shall be treated for purposes of this policy as a **Loss** which such **Insured Person** becomes legally obligated to pay on account of the **Claim** made against such **Insured Person**. All limitations, conditions, provisions and other terms of coverage (including the Deductible Amount) applicable to such **Insured Person's Loss** shall also be applicable to such spousal loss. However, coverage shall not apply to the extent any **Claim** alleges any act or omission by such **Insured Person's** spouse.

3. Extended Reporting Period

If this policy is terminated or not renewed for any reason other than nonpayment of premium, any **Insured** shall have the right, upon payment of the additional premium set forth in Item 8(a) of the Schedule, to an extension of the coverage granted by this policy for the period set forth in Item 8(b) of the Schedule (Extended Reporting Period) following the effective date of termination or nonrenewal, but only for a **Wrongful Act** committed, attempted or allegedly committed or attempted, prior to the effective date of termination or nonrenewal. This right of extension shall lapse unless written notice of such election, together with payment of the additional premium due, is received by the Company within 30 days following the effective date of termination or nonrenewal.

Any **Claim** made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding **Policy Year**.

4. Exclusions

4.1 The Company shall not be liable for **Loss** on account of any **Claim**:

- (a) based upon, arising from, or in consequence of any circumstance if written notice of such circumstance has been given under any policy of which this policy is a renewal or replacement and if such prior policy affords coverage (or would afford such coverage except for the exhaustion of its limits of liability) for such **Loss**, in whole or in part, as a result of such notice;
- (b) based upon, arising from, or in consequence of any demand for monetary damages, suit, formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document or arbitration proceeding pending, or order or judgment entered against any **Insured** on or prior to the Pending or Prior date set forth in Item 9 of the Schedule, or the same or any substantially similar fact, circumstance or situation underlying or alleged therein;
- (c) based upon, arising from, or in consequence of any deliberately fraudulent act or omission by such **Insured** if a judgment or other final adjudication adverse to the **Insured** establishes such deliberately fraudulent act or omission;
- (d) based upon, arising from, or in consequence of such **Insured** having gained in fact any profit, remuneration or advantage to which such **Insured** was not legally entitled;
- (e) based upon, arising from, or in consequence of **Pollution**. However, this exclusion shall not apply to any **Claim** for wrongful dismissal, discharge or termination of employment of any claimant in retaliation for such claimant's actual or alleged (i) refusal to violate any central, state or local statutory law or common law regarding **Pollution**; or (ii) disclosure regarding any actual or alleged **Pollution** by any **Educational Institution**;
- (f) based upon, arising from, or in consequence of any written, oral, express or implied contract or agreement. However, this exclusion shall not apply to (i) **Employment Practices**; or (ii) that part of **Loss** which constitutes **Defence Costs**;

- (g) based upon, arising from, or in consequence of performing or failure to perform any **Professional Service** other than education or teaching of students;
- (h) based upon, arising from, or in consequence of any collectively bargained or negotiated labor agreement;
- (i) based upon, arising from, or in consequence of any actual or alleged obligation of any **Insured** pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or similar law. However, this exclusion shall not apply to any **Claim** for any retaliatory treatment of any claimant by any **Insured** based upon such claimant's exercise of rights pursuant to any such law;
- (j) for bodily injury, sickness, disease or death of any person, loss of use of tangible property whether or not it is damaged or destroyed, or damage to or destruction of any tangible property; or
- (k) for assault, battery or any act or omission in connection with the prevention or suppression of such acts, whether caused by or at the instigation or direction of any **Insured**, other person or entity.

4.2 The Company shall not be liable for **Loss** on account of any **Claim**:

- (a) for an actual or alleged violation of the responsibilities, obligations or duties, under the U.S. Fair Labor Standards Act (except the Equal Pay Act), the U.S. National Labor Relations Act, the U.S. Worker Adjustment and Retraining Notification Act, the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, the U.S. Occupational Safety and Health Act, the Indian Employees Provident Fund and Miscellaneous Provisions Act, 1952, the Indian Employees State Insurance Act, 1948, the Indian Payment of Bonus Act, 1965, the Indian Payment of Gratuity Act, 1972, the Indian Maternity Benefits Act, the Indian Factories Act, 1961, amendments to or rules or regulations promulgated thereunder, or similar provisions of any central, state or local statutory law or common law. However, this exclusion shall not apply to any **Claim** for any retaliatory treatment of any claimant because of any claimant's actual or alleged protected lawful activity under the U.S. Fair Labor Standards Act or the U.S. Occupational Safety and Health Act, the Factories Act, the Industrial Disputes Act, the Industrial Employees Standing Orders Act, the Contract Labour Act and the Shops and Establishments Act;
- (b) for liability of others assumed by any **Insured** under any written, oral, express or implied contract or agreement except to the extent that an **Insured** would have been liable in the absence of the contract or agreement; or
- (c) brought or maintained by or on behalf of any **Insured** except:
 - (i) a **Claim** that is a derivative action brought or maintained on behalf of an **Educational Institution** by one or more persons who are not **Insured Persons** and who bring and maintain such **Claim** without the solicitation, assistance or participation of any **Insured**;
 - (ii) a **Claim** for **Employment Practices**; or
 - (iii) a **Claim** brought by an **Insured Person** for **Educator's Errors or Omissions**.

4.3 The Company shall not be liable for that part of **Loss**, except for **Defence Costs**, on account of any **Claim**:

- (a) which constitutes **Benefits** due or to become due or the equivalent value of such **Benefits**. However, this exclusion shall not apply where such **Loss** is based upon a **Claim** made against an **Insured** for actual or alleged wrongful dismissal, discharge or termination of employment;
- (b) which constitutes any costs associated with any accommodation required pursuant to the U.S. American With Disabilities Act, the U.S. Civil Rights Act of 1964, the Bonded Labour System (Abolition) Act, 1976, Child Labour (Prohibition and Regulation) Act, 1986, The Children (Pledging of Labour) Act, 1933 and Equal Remuneration Act, 1976, rules or regulations promulgated thereunder and amendments thereto, or similar provisions of any central, state or local statutory law or common law; or
- (c) which constitutes the cost of compliance with any order for, grant of or agreement to provide injunctive or non-pecuniary relief.

5. Severability of Exclusions

With respect to the Exclusions in subsections 4.1, 4.2 and 4.3 of this policy, (i) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine if coverage is available; and (ii) only facts pertaining to and knowledge possessed by any past, present or future President, Chairman, Dean or Principal of any **Educational Institution** shall be imputed to any **Educational Institution** to determine if coverage is available.

6. Limit of Liability and Deductible

For purposes of this policy, all **Loss** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** of any **Insured** shall be deemed one **Loss**, and such **Loss** shall be deemed to have originated in the earliest **Policy Year** in which a **Claim** is first made against any **Insured** alleging any such **Wrongful Act** or **Interrelated Wrongful Acts**.

The Company's maximum liability for each **Loss** shall be the Limit of Liability for each **Loss** set forth in Item 3(a) of the Schedule. The Company's maximum liability for all **Loss** on account of all **Claims** first made during the same **Policy Year** shall be the Limit of Liability for each **Policy Year** set forth in Item 3(b) of the Schedule for this policy.

The Company's liability under this policy shall apply only to that part of each **Loss** which is excess of the Deductible Amount set forth in Item 4 of the Schedule for this policy, and such Deductible Amounts shall be borne by the **Insureds** uninsured and at their own risk. The Deductible Amount for Non-Indemnifiable **Loss** set forth in Item 4(a) of the Schedule for this policy shall apply to **Loss** incurred by any **Insured Person** for which no **Educational Institution** is permitted or required to indemnify, or is permitted or required to indemnify but does not do so by reason of **Financial Impairment**. The Deductible Amount for Indemnifiable **Loss** set forth in Item 4(b) of the Schedule for this policy shall apply to all other **Loss**.

If a part of a single **Loss** is subject to the Deductible Amount for Non-Indemnifiable **Loss** and part of the same **Loss** is subject to the Deductible Amount for Indemnifiable **Loss**, the maximum Deductible Amount applicable to such **Loss** shall be the Deductible Amount for Indemnifiable **Loss**.

An **Educational Institution** shall be deemed permitted or required to indemnify an **Insured**, and the shareholder, managing committee, board of trustees and board of directors resolutions of an **Educational Institution** shall be deemed to provide indemnification to an **Insured**, to the fullest extent authorised by law. For purposes of this paragraph, the shareholder, managing committee, board of trustees and board of directors resolutions of the **Educational Institution** shall be deemed to provide indemnification for such **Loss** to the fullest extent permitted by such law.

For purposes of this subsection 6 only, the Extended Reporting Period, if exercised, shall be part of and not in addition to the immediately preceding **Policy Year**.

7. Reporting and Notice

Any **Insured** shall, as a condition precedent to exercising rights under this policy, give to the Company written notice as soon as practicable of any **Claim**.

If during the **Policy Period** or Extended Reporting Period (if exercised) an **Insured** becomes aware of circumstances which could give rise to a **Claim** and gives written notice of such circumstances to the Company, then any **Claim** subsequently arising from such circumstances shall be considered to have been made during the **Policy Period** or the Extended Reporting Period in which the circumstances were first reported to the Company.

All **Insureds** shall, as condition precedent to exercising their rights under this policy, give to the Company such information and cooperation as it may reasonably require, including but not limited to a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim** or circumstances.

8. Notice

Notice to the Company under this policy shall be given in writing addressed to:

Claims Department Manager
HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri-Kurla Road,
Andheri-East
Mumbai 400 059
India

For All Other Notices

Attention: Executive Protection Manager

HDFC ERGO General Insurance Company Limited
6th Floor, Leela Business Park,
Andheri-Kurla Road,
Andheri-East
Mumbai 400 059
India

Such notice shall be effective on the date of receipt by the Company at such

address.

9. Defence and Settlement

The Company shall have the right and duty to defend any **Claim** covered by this policy. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The Company's duty to defend shall cease upon exhaustion of the Company's applicable Limit of Liability set forth in Item 3 of the Schedule.

Defence Costs are part of and not in addition to the applicable Limit of Liability set forth in Item 3 of the Schedule of this policy, and the payment by the Company of **Defence Costs** reduces such applicable Limit of Liability.

All **Insureds** agree to provide the Company with all information, assistance and cooperation which the Company reasonably requests and agree that they will do nothing that may prejudice the Company's position or its potential or actual rights of recovery.

No **Insured** shall settle any **Claim**, incur any **Defence Costs**, assume any contractual obligation or admit any liability with respect to any **Claim** without the Company's written consent, which shall not be unreasonably withheld. The Company shall not be liable for any settlement, **Defence Costs**, assumed obligation or admission to which it has not consented.

10. Other Insurance

If **Loss** arising from any **Claim** made against any **Insured** is insured under any other valid policy, prior or current, then this policy shall cover such **Loss**, subject to its limitations, conditions, provisions and other terms, only to the extent that the amount of such **Loss** is in excess of the amount of payment from such other insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this policy.

11. Changes in Exposure

If an **Educational Institution** (i) acquires any entity by merger into or consolidation with the **Educational Institution**; or (ii) acquires securities or voting rights in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**, such entity and its **Insured Persons** shall be **Insureds** under this policy but only with respect to **Wrongful Acts** committed, attempted, or allegedly committed or attempted, after such acquisition or creation unless the Company agrees, after presentation of a complete proposal and all appropriate information, to provide coverage by endorsement for **Wrongful Acts** committed, attempted, or allegedly committed or attempted, by such **Insureds** prior to such acquisition or creation.

The **Educational Institution** shall give written notice of such acquisition or creation to the Company as soon as practicable together with such information as the Company may require, and shall pay any reasonable additional premium required by the Company.

In the event an entity ceases to be a **Subsidiary** before or after the inception date of this policy, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this policy but only with respect to **Claims** for **Wrongful Acts** committed, attempted, or allegedly committed or attempted, prior to the date such entity ceased to be a **Subsidiary**.

12. Territory

Coverage shall extend anywhere in the world.

The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with the law of India, and any disputes relating thereto shall be submitted to the exclusive jurisdiction of the courts of India.

13. Investigation and Settlement

The Company may make any investigation it deems necessary and may, with the written consent of the **Insured**, make any settlement of a **Claim** it deems expedient. If the **Insured** withholds consent to such settlement, the Company's liability for all loss on account of such **Claim** shall not exceed the amount for which the Company could have settled such **Claim** plus costs, charges and expenses accrued as of the date such settlement was proposed in writing by the Company to the **Insured**.

14. Valuation and Foreign Currency

All premiums, limits, retentions, loss and other amounts under this policy are expressed and payable in Indian currency. Except as otherwise provided, if judgment is rendered, settlement is denominated or another element of loss under this policy is stated in a currency other than Indian Rupees, payment under this policy shall be made in Indian Rupees at the rate of exchange indicated by the Reserve Bank of India on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of

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loss is due respectively.

15. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery, and the **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Company effectively to bring suit in the name of the **Insured**

16. Authorisation Clause

By acceptance of this policy, the **Principal Organisation** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notice of claim or termination, the payment of premiums and the receiving of any return premiums that may become due under this policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this policy (except the giving of notice to apply for the Extended Reporting Period), and the **Insureds** agree that the **Principal Organisation** shall act on their behalf.

17. Alteration and Assignment

No change in, modification of, or assignment of interest under this policy shall be effective except when made by a written endorsement to this policy which is signed by an authorised employee of the Company.

18. Termination of Policy

This policy shall terminate at the earliest of the following times:

- (A) sixty days after the receipt by the **Principal Organisation** of a written notice of termination from the Company.
- (B) upon the receipt by the Company of written notice of termination from the **Principal Organisation**.
- (C) upon expiration of the **Policy Period** as set forth in Item 6 of the Schedule of this policy, or
- (D) at such other time as may be agreed upon by the Company and the **Principal Organisation**.

The Company shall refund the unearned premium computed at pro-rata rates if the policy is terminated by the **Principal Organisation**.

19. Termination of Prior Policy

Any policies issued by the Company or its affiliates and specified in Item 11 of the Schedule of this policy shall terminate, if not already terminated, as of the inception date of this policy.

20. Representations and Severability

In granting coverage to the **Insured's**, the Company has relied upon the declarations and statements in the written proposal for this policy and the written proposal submitted to any other insurer which is specified in section 17 of the proposal for this policy. Such declarations and statements are the basis of coverage and shall be considered as incorporated in and constituting a part of this policy.

Such written proposal for coverage shall be construed as separate proposal for coverage by each **Insured**. With respect to the declarations and statements contained in such written proposal for coverage, no statement in the proposal or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available.

In the event that any of the statements, representations or information in the Proposal are not true and accurate, this policy shall be void with respect to any **Insured** who knew as of the effective date of the Proposal the facts that were not truthfully and accurately disclosed (whether or not the **Insured** knew of such untruthful disclosure in the Proposal) or to whom knowledge of such facts is imputed.

21. Estates and Legal Representatives

Subject to the limitations, conditions, provisions and other terms of this policy, coverage shall extend to **Claims** for **Wrongful Acts** of **Insureds** where such **Claims** are made against the estates, heirs, legal representatives or assigns of **Insured Persons** who are deceased, or against the legal representatives or assigns of **Insured Persons** who are incompetent, insolvent or bankrupt.

22. Definitions

Benefits means perquisites, fringe benefits, payments in connection with an employee benefit plan and any other payment, other than salary or wages, to or for

the benefit of an employee arising out of the employment relationship.

Claim means:

- (i) a written demand for monetary damages;
- (ii) a civil proceeding commenced by the service of a complaint or similar pleading;
- (iii) a criminal proceeding commenced by the return of an indictment; or
- (iv) a formal administrative or regulatory proceeding commenced by the filing of a notice of charges, formal investigative order or similar document.

against an **Insured** for a **Wrongful Act**, including any appeal therefrom.

Defence Costs means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the trustees, committee members, volunteers, directors, officers or employees of an **Educational Institution**) incurred in defending any **Claim** and the premium for appeal, attachment, or similar bonds.

Educational Institution means any entity designated in Item 5 of the Schedule.

Educator's Errors or Omissions means a **Wrongful Act** constituting wrongful educational instruction, career guidance, student consumerism, class content, grading practices, guidance counseling, admittance procedures, expulsion procedures, integration, desegregation, student enrollment, participation in any extracurricular program, busing and other student transportation practices relating to a program or plan of integration or desegregation, or any advice in connection with any of the above.

Employment Practices means a **Wrongful Act** constituting wrongful dismissal, discharge or termination of employment, denial of natural justice, breach of any oral or written employment contract or quasi-employment contract, employment related misrepresentation, violation of employment discrimination laws (including workplace and sexual harassment), wrongful failure to employ or promote, wrongful discipline, wrongful deprivation of a career opportunity, failure to grant tenure, negligent evaluation, or employment related wrongful infliction of emotional distress.

Financial Impairment means the status of any **Educational Institution** resulting from (i) the appointment by any state or central official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Educational Institution**; or (ii) the **Educational Institution** becoming a debtor in possession.

Insured means any **Educational Institution** or any **Insured Person**.

Insured Capacity means the position held by any **Insured Person** in any **Educational Institution**, but shall not include any position in any entity other than such **Educational Institution**, even if such **Educational Institution** directed or requested that such **Insured Person** serve in such other position.

Insured Person means any natural person who has been, now is or shall become a duly elected director or trustee, duly elected or appointed officer, chancellor, provost, dean, personnel director, risk manager, university counsel, administrator, chaplain, guidance counselor, faculty member, student teacher, employee, volunteer, or committee member (whether or not salaried) of an **Educational Institution**.

Interrelated Wrongful Acts means all causally connected **Wrongful Acts**.

Loss means the total amount covered under this policy which any **Insured** becomes legally obligated to pay on account of any **Claim** made against any **Insured** for **Wrongful Acts** for which coverage applies, including, but not limited to, damages, judgments, settlements, costs and **Defence Costs**. Loss does not include (i) any amount not indemnified by an **Educational Institution** for which any **Insured Person** is absolved from payment by reason of any covenant, agreement or court order; (ii) fines or penalties (including punitive or exemplary damages) imposed by law; (iii) the multiple portion of any multiplied damage award; (iv) the future salary or benefits of a claimant who has been or shall be hired, promoted or reinstated to employment pursuant to a settlement order or other resolution; (v) front pay, future damages or other future economic relief or the equivalent thereof, if an **Educational Institution** is ordered, pursuant to a judgment or other final adjudication, but fails to reinstate the claimant as an employee; or (vi) matters uninsurable under the law pursuant to which this policy is construed.

Principal Organisation means the organisation designated in Item 1 of the Schedule.

Policy Period means the period of time specified in Item 6 of the Schedule of this policy, subject to prior termination in accordance with subsection 18 above. If this period is less than or greater than one year, then the Limits of Liability specified in the Schedule shall be the Company's maximum limit of liability for

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the entire period.

Policy Year means the period of one year following the inception of this policy or any anniversary thereof, or, if the time between inception or any anniversary and the termination is less than one year, the lesser period.

Pollutants means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, an environmental protection agency (including but not limited to the Central and State Pollution Control Boards) or a country, state, territory, county, municipality, locality or counterpart thereof. Such substances shall include, without limitation, solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials. **Pollutants** shall also mean any other air emission, odor, waste water, oil, oil products, infectious or medical waste, asbestos or asbestos products and any noise.

Pollution means (i) the actual, alleged or threatened discharge, release, escape, dispersal or disposal of **Pollutants** into or on real or personal property, water or the atmosphere; or (ii) any direction or request that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **Pollutants**, or any voluntary decision to do so.

Professional Service means any service that may be legally performed by an individual holding a professional license (including but not limited to medical, legal, accounting, architectural and engineering services); or any services provided for a fee or remuneration by an **Insured Person** to any party other than an **Educational Institution**.

Subsidiary means any organisation in which more than 50% of the issued shares or voting rights representing the present right to vote for the election of directors in such organisation is owned or controlled, directly or indirectly, in any combination, by any **Educational Institution**.

Wrongful Act means any error, misstatement, misleading statement, act, omission, neglect, or breach of duty committed, attempted or allegedly committed or attempted, by an **Educational Institution** or an **Insured Person**, individually or otherwise, in their **Insured Capacity**, or any matter claimed against such **Insured Person** solely by reason of serving in such **Insured Capacity**.

Any person who has a grievance against the Company, may himself or through his legal heirs make a complaint in writing to the Insurance Ombudsman in accordance with the procedure contained in The Redressal of Public Grievance Rules, 1998 (Ombudsman Rules). Proviso to Rule 16(2) of the Ombudsman Rules however, limits compensation that may be awarded by the Ombudsman, to the lower of compensation necessary to cover the loss suffered by the insured as a direct consequence of the insured peril or Rs. 20 lakhs Rupees Twenty Lakhs Only) inclusive of ex-gratia and other expenses. A copy of the said Rules shall be made available by the Company upon prior written request by the Insured.