

POLITICAL RISK INSURANCE POLICY

PROSPECTUS

INTRODUCTION

1. BASIC OF PRODUCT

All type of business is on the lookout to spread out their operation across national and international market. Liberalization of International trade practices, policies and processes has further expanded new horizons of international trade of developing market. Though developing market can offer great opportunity, they also present a variety of unpredictable political events which are beyond an investor's control. Such unpredictable political events can have an adverse impact on foreign operation and can quickly destroy the value of investment. Such risk are not covered under the standard policy. Thus to provide the protection from such risk new product titled **Political risk insurance policy** has been designed to protect investors investment in overseas market against unpredictable losses due to specified political perils. It is to protect investor's rights, assets, investment against the negative effects of arbitrary government action.

2. FUNDAMENTALS OF UNDERWRITING

a. Scope of cover

Political risk which are covered under this policy are as follows-

1. **Expropriatory act**- provides the protection against the losses resulting due to various acts of expropriation such as confiscation, nationalization or seizure of plant, property, equipment or funds or due to breach, cancellation or termination of a fundamental agreement by the host government.
2. **Selective discrimination**- provides protection against losses resulting due to imposition of any law, order, decree or regulation by the host government, applied selectively against the project or insured but not applied against the locally owned entities with similar interest.
3. **Forced Abandonment**-protects insured against the losses resulting due to **complete** abandonment of the operations of the project in the host country due to host country deteriorating security situation where such abandonment is at the direction of insured's government
4. **Forced divestiture**- protects insured against losses resulting due to imposition of any law, decree, order or restriction imposed by the government of the insured's country.
5. **Deprivation**-protects insured against losses resulting due to implementation of any law or order by the host government, implementation of which in any circumstances outside the control of the insured
6. **Political violence**-covers the loss, destruction or damage of any tangible property of the foreign enterprise relating to the project due to politically motivated acts of violence such as war, terrorism, strikes etc.
7. **Currency inconvertibility**-protects the insured's in the events local currency cannot be converted into hard currency or that insured are restricted in transferring funds from the host country.

MAJOR EXCLUSIONS

1. Failure to comply with the laws of the host country
2. Engaged in any criminal activities
3. Insolvency of the insured
4. Breach by the insured of any contractual agreement with the host government



- 5.Fail to take reasonable measures to protect and preserve the property from political violence
- 6.Fail to exercise all reasonable efforts to convert local currency through all lawful mechanism
- 7.Devaluation or fluctuation of local currency
- 8.Any chemical, biological, biochemical or electromagnetic weapon

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.

GRIEVANCE REDRESSAL PROCEDURE

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 of Your grievance. 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.html> for detailed grievance redressal procedure.

DISCLAIMER: THE ABOVE INFORMATION IS FOR DESCRIPTIVE PURPOSE ONLY. PLEASE REFER YOUR POLICY DOCUMENT OR OUR WEBSITE WW.HDFCERGO.COM FOR THE ACTUAL TERMS AND CONDITIONS. INSUREDS ARE ADVISED TO READ THE POLICY DOCUMENT COMPLETELY FOR A FULL DESCRIPTION OF THE TERMS AND CONDITIONS OF COVERAGE AND THE EXCLUSIONS RELATING THERETO.

PROHIBITION OF REBATES

Section 41 of the Insurance Act 1938 as amended

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 or 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 or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the 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 Rs. Ten lakh rupees.