

**HDFC ERGO Side A D&O Policy**

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**HDFC ERGO Side A D&O Policy**

**INTRODUCTION**

The roles of directors and officers have become more challenging in view of the increasingly demanding responsibilities, litigation pressure and regulatory requirements. Directors and officers/ carry personal responsibility and liability for their acts and omissions. Directors and Officers can be sued 'personally' by any stakeholder for a decision taken by them on behalf of the Company in their capacity as Director or Officer of the Company. Directors and officers today are facing heavier responsibilities and more stringent regulatory requirements. They need assurance of cover to protect them against the financial burden of litigation, damage to their reputation and loss of personal assets. Cover for legal costs and expenses is important as litigation involving company directors and officers is often complex and expensive. It is imperative that they have access to specialized and quality legal representation to safeguard their interests in the most effective way.

Side A policy offers protection to the Directors and officers who hold a position of trust and are responsible towards the company, their shareholders, the employees, and the public at large. They are responsible for the liability for their wrongful act and omissions, and the decisions they make for the company. The policy provides the solutions that will help the directors and officers to deal with the challenges of business and it will protect the company and their directors and officers from the risk of litigation which can be triggered from investors or regulators who can hold them liable for the financial losses and breaches of law.

**SUMMARY OF INSURANCE COVERS:**

Salient features of HDFC ERGO Side A D&O Policy is designed adapting a modular approach wherein different variants are available and Insured has the flexibility of choosing any variant depending on their insurance requirements. Each variant has its own complimenting coverage, clauses and conditions to the underlying D&O Policy along with the flexibility of choosing from variety of extensions. Currently we have developed 3 variants and their basic coverages are as appended below:

**A. SCOPE OF COVER:**

S No	Variant	Base cover	Extensions
1	Variant 1	<p>Non-Indemnifiable Financial Loss including defence cost of Insured due to a Claim made against Insured which is over and above the primary(if any) :</p> <ul style="list-style-type: none"> <li>Directors and Officers liability or management liability policy or indemnity;or</li> <li>any other insurance which has a duty to defend such Claim, then Insurer shall only be liable for any amount above that collectable under such other policy. This Policy shall be specifically excess over such other insurance.</li> </ul>	<ul style="list-style-type: none"> <li>Estates, Spouses/ Domestic Partners, Heirs &amp; Representatives</li> <li>Extradition Costs</li> <li>Outside Entity Executive</li> <li>Prosecution Costs</li> <li>Civil or Bail Bond Expenses</li> <li>Emergency Defence Costs</li> <li>Runoff Cover for Outside Entity Executives</li> <li>Runoff Cover for Past Subsidiaries</li> <li>Employment Claims</li> </ul>

S No	Variant	Base cover	Extensions
2	Variant 2	<p>The base cover under this Policy is solely with respect to Claims first made against an Insured Person during the Policy Period, or the Discovery Period, if applicable, and Events first received, commenced or occurring, during the Policy Period, or the Discovery Period, if applicable, and reported to the Insurer:</p> <ul style="list-style-type: none"> <li>Directors and Officers Coverage</li> <li>Non-Executive Director Additional Excess Limit of Liability Coverage</li> <li>Insured Person Additional Protection Coverage</li> <li>Personal Crisis Event Coverage</li> </ul>	<ul style="list-style-type: none"> <li>Emergency Defense Costs and Expenses</li> <li>Cyber Event Affirmative Cover</li> <li>E-Discovery Consultant Services</li> <li>Class Certification Event Study Expenses</li> <li>Environmental Mismanagement Event</li> <li>Employed Lawyer Extension</li> <li>Environmental Mismanagement Event</li> <li>Employed Lawyer Extension</li> <li>Discovery Period</li> <li>Change of Control</li> <li>Insured Person Discovery Period Election</li> <li>Automatic Discovery Period for Retired Executives</li> <li>New and Past Subsidiary Coverage</li> </ul>
3	Variant 3	<p>The Insurer will pay, to or on behalf of the Insured Persons, for loss arising from a Claim first made during the Policy Period or the Discovery Period (if applicable).</p>	<ul style="list-style-type: none"> <li>Discovery Period</li> <li>Investigation costs</li> <li>Reputation costs</li> <li>Estates, Heirs and Legal Representatives</li> <li>Spouse or Domestic Partner</li> </ul>

**WHO CAN PURCHASE THIS POLICY?**

- Directors and Officers employed by the organization
- Directors and Officers of subsidiary companies
- Non-executive or independent directors
- Employee of the company who is acting in a managerial or supervisory capacity for the company
- Employee of the company other than a director or officer, acting as a lawyer on behalf of the company for:
  - Any employment or security claim
  - All other claims only if such claim is continuously made against a director
- Company Secretaries
- Spouse, Legal Heirs & Representatives of directors and officers

**HOW LONG DOES THIS COVER PROTECT?**

The cover protects you during the period of the policy. You can buy this policy for one year.

**EXCLUSIONS, THAT IS, WHAT WE DO NOT PAY**

We will not be liable to make any payment under this Policy under any circumstances, for any claim directly or indirectly attributable to any of the following unless expressly stated to the contrary in this Policy:

- Unlawful Conduct
- Pending and Prior Claim; Prior Notice

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- Bodily Injury, Personal Injury and Property Damage
- USA Company vs. Insured
- Pension Trustee
- Capacity
- Wrongful Acts for Subsidiaries
- Professional Services
- Wrongful Acts for the Company

**BENEFITS OF BEING INSURED UNDER THIS POLICY**

Looking at various levels of risks involved, it makes sense for all type of Organizations to purchase this Insurance as the Policy protects Directors and Officers against liability for their wrongful act or omission committed in their capacity as company directors or officers, including but not limited to:

- Negligence
- Breach of trust
- Wrongful misrepresentation
- Breach of fiduciary duty or breach of warranty of authority
- Unlawful default including
- compensatory damages awarded against the company directors and officers
- out-of-court settlements
- defense costs and expenses, and
- costs of appointing legal expertise.

**JURISDICTION AND CANCELLATION**

**WORLDWIDE COVERAGE**

Coverage under this Policy shall apply to Non-Indemnified Loss incurred, resulting from Claims made and Wrongful Acts occurring anywhere in the world, where such coverage is legally permissible.

**CANCELLATION**

This policy shall be cancelled at the earliest of the following times:

- upon expiration of the Policy Period as set forth in the Schedule of this policy; or
- at such other time as may be agreed upon in writing by the Company and the Principal Organisation.
- thirty (30) days after receipt by the Principal Organisation of written notice or, if a later time is specified in such notice, at such later time, due to non-payment of premium;

In the event of cancellation after written notice, the Company shall retain premium for the period that this policy has been in force calculated in accordance with the scale provided in the table below:

The earned premium will be computed on a pro rata basis.

Any unearned premium will be returned as soon as practicable. We shall have no obligation to give notice that the policy is due for renewal or renew this policy upon expiration or cancellation.

**Short Period Rate Table**

Period of Risk (Not exceeding)	Premium to be retained (% of the Annual Rate)
1 week	10%
1 month	25%
2 months	35%
3 months	50%
4 months	60%
6 months	75%
8 months	85%
Exceeding 8 months	Total Annual Premium

The Company shall not cancel the policy except in case of non-payment of premium, in which case the policy will be cancelled ab-initio

**MAKING A CLAIM/ CLAIM DISCOVERY**

It shall be a condition precedent to any liability of the Insurer to make any payment under this policy that on the First Discovery, and again upon receipt by the Insured in writing of any notice of any claim or legal proceeding, the Named Insured shall:

- Notify the Insurer and follow the “Claims Notification Procedures”, together with the requirements set out in the General Condition “Duties in the event payment of Loss”.
- Make no admission of liability or offer promise of payment without the Insurer’s written consent.
- Notify the Insurer in writing immediately of any impending prosecution inquest or fatal inquiry or civil proceedings and send to the Insurer every relevant document unanswered.
- Retain unaltered and unrepaired anything in any way connected with the claims for as long as the Insurer may reasonably require Produce documents or such other proofs as may reasonably be required by the Insurer for investigating or verifying the claim.

**CLAIMS NOTIFICATION & CO-OPERATION PROCEDURE**

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

Our contact details are as follows:

- Relationship officer / channel partner
- Call Centre - 022-6234 6234
- E-mail at [care@hdfcergo.com](mailto: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**  
**Call Centre - 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:
- The Claimant is required pursuant to the policy conditions to furnish to insurers its affirmative proof of loss with full particulars within the time limit specified in the policy from the date of discovery.
- Detailed description of the acts in chronological order which has resulted in the loss (details of the quantum of loss to be mentioned and the basis at which it is arrived) giving rise to a claim.
- First Information Report /charge sheet filed by the police wherever required.
- 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 would be construed as material information to the case.
- Insured should not admit liability; enter into any compromise without insurers’ prior written consent.
- Copy of other Insurance covering the same risk.

**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.

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- 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 Insurer.
- Apart from surveyor, an investigator and/or forensic investigator can be appointed and Legal counsel opinions can be sought, if required.

The documents required for processing of claims are:

- Copy of letter of claim and/or letter of demand (e.g., letter from claimant making the allegations and/or claim), if any;
- Copy of all court documents to date (if any), including:- Writ of Summons, Statement of Claim, Counter-claim Defences Replies, Affidavits (including all attachments thereto);
- Copy of all relevant contract(s) and/or agreement(s) between the parties, if any.
- Copy of all relevant correspondence between the parties, if any (e.g., emails, internal memo(s), letter(s), minute(s) or record(s) of meeting(s));
- Copy of any internal or external, survey, investigation or test reports and all other relevant reports; And copies of all relevant internal communications, including a log on all internal verbal communications whether prior or subsequent to the occurrence of the wrongful act giving rise to the claim.
- Discharge voucher of the Insured accepting full and final settlement
- KYC documents are compulsory.
- Apart from above Standard documents some other documents may be called for based on the nature of claim.

### **THIS PROSPECTUS**

This prospectus gives information only. This is not an insurance contract. Each insurance cover is subject to terms and conditions, which You can read in the **HDFC ERGO Side A D&O Policy** document. You must read the policy document to know the insurance cover fully. You can get a copy of the **HDFC ERGO Side A D&O Policy** from Our branch or from Our website: [www.hdfcergo.com](http://www.hdfcergo.com) For any legal interpretation, policy document will hold.

### **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:

- Call Centre - 120 6234 6234 / 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, 3<sup>rd</sup> 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: 1st Floor, HDFC House, 165-166 Backbay Reclamation, H. T. Parekh Marg, Churchgate, Mumbai – 400 020.

Website – [www.hdfcergo.com](http://www.hdfcergo.com)

Contact number – 022 - 62346234

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.**