

Electronic And Computer Crime Insurance Policy

WHEREAS the Insured named in the Schedule has made to the Insurer a written Proposal, bearing the date specified in the Schedule, which is hereby agreed to be the basis of the contract and to be considered as incorporated herein, and has paid to the Insurer the premium specified in the Schedule.

THE INSURER hereby agrees, in consideration of the payment by or on behalf of the Insured of the premium specified in the Schedule, and subject always to the terms, conditions and exclusions of this policy, to indemnify the Insured in excess of the amounts of the Deductible applicable against such direct financial loss as is provided for herein sustained by the Insured subsequent to the Retroactive Date and first discovered by the Insured during the Policy Period stated and notified in accordance with the terms and Conditions in the Schedule, up to an amount not exceeding the Aggregate Limit of Indemnity stated in the Schedule.

The Insured is requested to read this Policy and, if it is incorrect, return it immediately for correction.

The attention of the Insured is particularly drawn to each of the Insuring Agreements, Definitions, Exclusions and General Conditions of this Insurance.

In all communications the Policy Number appearing in Item 1 of the Schedule should be quoted.

INSURING CLAUSES

THE INSURER WILL, AS PART OF AND SUBJECT TO THE RELEVANT POLICY LIMIT SPECIFIED IN ITEM 7 OF THE SCHEDULE, THE APPLICABLE DEDUCTIBLE AND OTHER TERMS AND CONDITIONS OF THIS POLICY, WILL PROVIDE AN INDEMNITY FOR CLAIMS MADE IN RESPECT OF THE FOLLOWING LOSSES:

INSURING CLAUSE 1

COMPUTER SYSTEMS

By reason of the Insured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of

(a) the fraudulent input of Electronic Data directly into:

- (i) the Insured's Computer System, or
- (ii) a Service Bureau's Computer System, or

- (iii) any Electronic Funds Transfer System, or
- (iv) a Customer Communication System; or
- (b) the fraudulent modification or the fraudulent destruction of Electronic Data stored within or being run within any of the above systems or during Electronic Transmission to the Insured's Computer System or a Service Bureau's Computer System; or
- (c) the fraudulent input of Electronic Data through a Telephone Banking System directly into the Insured's Computer System

which fraudulent acts were instructed by or committed by a person who intended to cause the Insured to sustain a loss or to obtain financial gain for himself or any other person

INSURING CLAUSE 2

ELECTRONIC COMPUTER PROGRAMS

By reason of the Insured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of the fraudulent preparation or the fraudulent modification of Electronic Computer Programs which fraudulent acts were instructed by or committed by a person who intended to cause the Insured to sustain a loss or to obtain financial gain for himself or any other person Insured.

INSURING CLAUSE 3

ELECTRONIC DATA AND MEDIA

By reason of

- (a) malicious alteration or destruction or attempt thereof of Electronic Data by any person while the Electronic Data are stored within the Insured's Computer System or a Service Bureau's Computer System or while recorded upon Electronic Data Processing Media within the offices or premises of the Insured or in the custody of a person designated by the Insured to act as its messenger (or a person acting as messenger or custodian during an emergency arising from the incapacity of such designated messenger) while the Electronic Data Processing Media upon which such Electronic Data are recorded is in transit anywhere, such transit to begin immediately upon receipt of such Electronic Data Processing Media by said messenger and to end immediately upon delivery to the designated recipient or its agent, provided that the Insured is the owner of such Electronic Data or Electronic Data Processing Media or is legally liable for such loss or damage;
- (b) Electronic Data Processing Media being lost, damaged or destroyed as the direct result of robbery, burglary, larceny, theft, misplacement, mysterious unexplainable disappearance or malicious act while the Electronic Data Processing Media is lodged or deposited within offices or premises located anywhere, or in the custody of a person designated by the Insured to act as its messenger (or a person acting as a messenger or custodian during an emergency arising from the incapacity of such designated messenger) while the Electronic Data Processing Media is in transit anywhere, such transit to begin immediately upon receipt of such Electronic Data Processing Media by said messenger and to end immediately upon delivery to the designated recipient or its agent, provided that the Insured is the owner of such Electronic Data Processing Media or is legally liable for such loss or damage; and
- (c) malicious alteration or destruction of Electronic Computer Programs while stored within the Insured's Computer System, provided that the Insured is the owner of such Electronic Computer Programs or is legally liable for such loss or damage.

INSURING CLAUSE 4

COMPUTER VIRUS

By reason of

- (a) the Insured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of the destruction or attempt thereof of the Insured's Electronic Data due to a Computer Virus caused by any person while such Electronic Data are stored within the Insured's Computer System or a Service Bureau's Computer System; and
- (b) the destruction or attempt thereof of the Insured's Electronic Data as the result of a Computer Virus caused by any person while such Electronic Data are stored within the Insured's Computer System or a Service Bureau's Computer System.

INSURING CLAUSE 5

ELECTRONIC AND TELEFACSIMILE COMMUNICATIONS

By reason of the Insured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value on the faith of any electronic communications directed to the Insured authorising or acknowledging the transfer, payment, delivery or receipt of funds or property which communications were transmitted or reasonably appear to have been transmitted

- (a) through an Electronic Communication System, or
- (b) by Telefacsimile, telex, TWX or similar means of communication

directly into the Insured's Computer System or to the Insured's Communications Terminal and fraudulently purport to have been sent by a customer, Automated Clearing House, and/or office of the Insured, or another financial institution but which communications were either not sent by the said customer, Automated Clearing House, an office of the Insured, or another financial institution or were fraudulently modified during physical transit of Electronic Data Processing Media to the Insured or during Electronic Transmission to the Insured's Computer System or to the Insured's Communications Terminal.

SPECIAL CONDITION

All Telefacsimile, telex, TWX or similar means of communication referred to in paragraph (2) above must be Tested or subject to a call-back to an authorised person other than the individual initiating the transfer request and any such Telefacsimile must also bear a Forged Signature or Fraudulent Alteration.

INSURING CLAUSE 6

ELECTRONIC TRANSMISSIONS

By reason of a customer of the Insured, an Automated Clearing House or another financial institution having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value

- (a) on the faith of any electronic communications purporting to have been directed by the Insured to its customer, an Automated Clearing House or a financial institution authorising or acknowledging the transfer, payment, delivery or receipt of funds or property which communications were transmitted or appear to have been transmitted through an Electronic Communication System, or by Tested Telefacsimile, Tested telex, Tested

TWX or similar means of Tested communications directly into a Computer System or a Communications Terminal of said customer, Automated Clearing House or financial institution fraudulently purporting to have been sent by the Insured or were the direct result of the fraudulent modification of Electronic Data during physical transit of Electronic Data Processing Media from the Insured or during Electronic Transmission from the Insured's Computer System or the Insured's Communications Terminal; or

- (b) as the direct result of the fraudulent input, the fraudulent modification or the fraudulent destruction of Electronic Data stored within or being run within the Insured's Computer System or during Electronic Transmission from the Insured's Computer System into the customer's Computer System while the Insured is acting as a Service Bureau for the said customer; and

for which loss the Insured is legally liable to the customer, the Automated Clearing House or the financial institution.

INSURING CLAUSE 7

ELECTRONIC SECURITIES

By reason of a Central Depository having transferred, paid or delivered any funds or property or debited any account of the Insured on the faith of any electronic communications purporting to have been directed by the Insured to the Central Depository authorising the transfer, payment or delivery of said funds or property or the debiting of the Insured's account in connection with the purchase, sale, transfer or pledge of an Electronic Security which communications were transmitted or reasonably appear to have been transmitted

- (a) through an Electronic Communication System, or
- (b) by Tested Telefacsimile, Tested Telex, Tested TWX or similar means of Tested communication

directly into a Computer System or a Communications Terminal of said Central Depository and fraudulently purport to have been sent by the Insured to the Central Depository but which communications were either not sent by the Insured to the Central Depository or were fraudulently modified during physical transit of Electronic Data Processing Media from the Insured or during Electronic Transmission from the Insured's Computer System or the Insured's Communications Terminal to the Central Depository and for which loss the Insured is legally liable to the Central Depository.

INSURING CLAUSE 8

VOICE INITIATED INSTRUCTIONS

By reason of

- (a) the Insured having transferred any funds or delivered any property on the faith of any voice initiated instructions directed to the Insured authorising the transfer of funds or delivery of any property in a Customer's account to other banks or financial institutions for the credit to persons allegedly designated by the Customer and which instructions were made over the telephone to those employees of the Insured specifically authorised to receive said instructions at the Insured's offices and fraudulently purport to have been made by a person authorised and appointed by a Customer to request by telephone the transfer of such funds or delivery of such property but which instructions were not made by said Customer or by any officer, director, partner or employee of said Customer or were fraudulently made by an officer, director, partner or employee of said Customer whose duty, responsibility or authority did not permit him to make, initiate, authorise, validate or authenticate Customer voice initiated instructions, which fraudulent acts were committed by said person who intended to cause the Insured or the Customer to sustain a loss or to obtain financial gain for himself or any other person;

- (b) the Insured having transferred any funds or delivered any property on the faith of any voice initiated instructions purportedly communicated between the Insured's offices authorising the transfer of funds or delivery of any property in a customer's account between the Insured's offices for the credit to persons allegedly designated by the Customer and which instructions were purportedly made over the telephone between the Insured's offices to those employees of the Insured specifically authorised to receive said interoffice instructions by telephone, and fraudulently purport to have been made by an employee of the Insured authorised to request by telephone such transfer of funds or delivery of property but which fraudulent acts were committed by a person, other than an employee of the Insured, who intended to cause the Insured or the Customer to sustain a loss or to obtain financial gain for himself or any other person.

SPECIAL DEFINITION

"Customer" as used in this Insuring Agreement means any corporate, partnership or trust customer or similar business entity which has a written agreement with the Insured for customer voice initiated funds transfers, which agreement shall be in the form of a corporate resolution containing a list of individuals authorised to initiate and authenticate voice initiated funds transfers, which list must specify the telephone numbers as well as monetary limits for all initiators/authenticators. Such written agreement shall also outline the terms and conditions under which the service is provided including a limitation of liability accepted by the Insured.

SPECIAL CONDITION

All voice initiated instructions purportedly received from a customer for the transfer of funds or property must be Tested or subject to a call-back to an authorised person other than the individual initiating the transfer request.

II. DEFINITIONS

Where the context so permits, references in this policy to the singular shall also include references to the plural and references to the male gender shall also include references to the female gender, and vice versa in both cases. In this policy words with an initial capital have special meaning and are defined.

1. "Insured" means the Insured first named in the Schedule and any wholly owned companies/ subsidiaries named in the proposal form and the schedule
2. "Insured's Computer System" means those Computer Systems operated by the Insured and which are either owned by or leased to the Insured or are declared in the Proposal Form.
3. "Automated Clearing House" means any corporation or association which operates an electronic clearing and transfer mechanism for the transfer of preauthorised recurring debits and credits between financial institutions on behalf of the financial institutions' customers.
4. "Central Depository" means any clearing corporation, including the Reserve Bank of India, any Federal Reserve Bank of the United States, where as the direct result of an electronic clearing and transfer mechanism entries are made on the books reducing the account of the transferor, pledgor or pledgee and increasing the

account of the transferee, pledgee or pledgor by the amount of the obligation or the number of shares or rights transferred, pledged or released, which clearing corporation is declared in the Proposal Form.

5. "Communications Terminal" means any teletype, teleprinter, video display terminal, or telefacsimile machine or similar device capable of sending and/or receiving information electronically, whether or not equipped with a keyboard or mouse.
6. "Computer System" means a computer suitable for multi-use applications that is capable of directing hardware, software and data resources according to Electronic Computer Programs formulated and introduced to the computer's operating system by the user. All input, output, processing, storage and communication facilities including related communication or open systems networks which are physically connected to such a device, as well as the device's off-line media libraries, are deemed to be part of said computer system. It does not include those computers suitable solely for single use applications.
7. "Computer Virus" means a set of unauthorised instructions, programmatic or otherwise, that propagate themselves through the Insured's Computer System and/or networks which instructions were maliciously introduced by a person other than by an identifiable employee.
8. "Customer Communication System" means those communications systems as declared in the Proposal Form which provide customers of the Insured with direct access to the Insured's Computer System.
9. "Electronic Communication System" means electronic communication operations by Fedwire, Clearing House Interbank Payment System (CHIPS), Society for Worldwide Interbank Financial Telecommunication (SWIFT), Clearing House Automated Payment System (CHAPS), the funds transfer system for the transfer of preauthorised recurring debits and credits of an Automated Clearing House Association which is a member of the National Automated Clearing House Association and similar automated communication systems as declared in the Proposal Form.
10. "Electronic Computer Programs" means computer programs, i.e., facts or statements converted to a form usable in a Computer System to act upon Electronic Data.
11. "Electronic Data" means facts or information converted to a form usable in a Computer System and which is stored on Electronic Data Processing Media for use by computer programs.
12. "Electronic Data Processing Media" means tapes or discs or other bulk media, whether magnetic or optical, on which Electronic Data are recorded.
13. "Electronic Funds Transfer Systems" means those systems which operate automated teller machines or point of sale terminals and include any shared networks or facilities for said system in which the Insured participates.
14. "Electronic Security" means a share, participation or other interest in property of or an enterprise of the issuer or an obligation of the issuer which
 - (a) is a type commonly dealt in upon securities exchanges or markets; and
 - (b) is either one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations; and
 - (c) (i) is not represented by an instrument, or
 - (ii) is part of a master or global certificate; or

- (iii) represents a paper certificate that has been surrendered by a financial institution and which paper certificate has been combined into a master depository note and the paper certificates are immobilised

and such security is shown as an electronic entry on the account of the transferor, pledgor or pledgee on the books of a Central Depository.

15. "Electronic Transmission" means the transmission of Electronic Data through data communication lines including by satellite links, radio frequency, infrared links or similar means used for the transmission of Electronic Data.
16. "Evidences of Debts" means instruments executed by a customer of the Insured and held by the Insured which in the regular course of business are treated as evidencing the customer's debt to the Insured including records of charges and accounts receivable.
17. "Forged Signature" means the handwritten /digitally signing of the name of another genuine person or a copy of said person's signature without authority and with intent to deceive; it does not include the signing in whole or in part of one's own name, with or without authority, in any capacity, for any purpose.
18. "Fraudulent Alteration" means the material alteration of a Telefacsimile for a fraudulent purpose by a person other than the person who signed and prepared the instrument.
19. "Service Bureau" means a natural person, partnership or corporation authorised by written agreement to perform data processing services using Computer Systems.
20. "Service Bureau's Computer System" means those Computer Systems operated by a Service Bureau and which are either owned by or leased to a Service Bureau.
21. "Telefacsimile" means a system for transmitting written documents by means of electronic signals over telephone lines to equipment maintained by the Insured within a specially secured area for the purpose of reproducing a copy of said document.
22. "Telephone Banking System" means a telephone banking communications system as declared in the proposal form which provides customers of the Insured with direct access to the Insured's Computer System via an automated touch tone telephone service and which requires the use of a Tested code in order to effect any banking transactions but does not mean a private branch exchange, voice mail processor, automated call attendant or a computer system with a similar capacity used for the direction or routing of telephone calls in a voice communications network.
23. "Tested" means a methods of authenticating the contents of a communication by affixing thereto a valid test key which has been exchanged between the Insured and a customer, Automated Clearing House, Central Depository, another financial institution or between the offices of the Insured for the purpose of protecting the integrity of the communication in the ordinary course of business.

WHENEVER ANY OF THE ABOVE TERMS, 1 TO 23 INCLUSIVE, APPEAR IN THIS POLICY, THE WORDS AS DEFINED SHALL BE DEEMED TO BE INCORPORATED IN THE TEXT IMMEDIATELY FOLLOWING EACH OF THE SAID TERMS.

III. EXCLUSIONS

This Policy does not cover any Loss arising out of or resulting from or caused by, in whole or in part or directly or indirectly, arising out of, or resulting from, in whole or in part:

1. from any of the perils covered by the Insured's Financial Institution Bond.
2. by an identifiable director or employee of the Insured or by a person or persons in collusion with said director or employee of the Insured.

Prior knowledge by any employee that a fraudulent act by a person or persons, not in the employ of the Insured, has been or will be perpetrated, shall for the intent and purpose of this Policy be deemed to be collusion should said employee willfully or deliberately withhold this knowledge from the Insured. The withholding of knowledge from the Insured by an employee because of a threat to do bodily harm to any person or to do damage to the premises or property of the Insured shall not be deemed to be or to constitute collusion.

3. Loss of income or potential income, including but not limited to interest and dividends.
4. Indirect or consequential loss of any nature.
5. Liability assumed by the Insured by agreement under any contract unless such liability would have attached to the Insured even in the absence of such agreement.
6. Any and All fees, costs and expenses incurred by the Insured
 1. in establishing the existence of or amount of loss covered under this Policy; or
 2. as a party to any legal proceedings whether before a Court or tribunal except as provided by General Condition 6.
7. Any loss or damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, rebellion, revolution, strike, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power, martial law, riot or the act of any lawful constituted Authority. IN ANY CLAIM, and in any action, suit or other proceeding to enforce a claim under this Policy for loss or damage, the BURDEN OF PROVING that such loss or damage does not fall within this General Exclusion shall be upon the Insured.
8. Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
 - (a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or
 - (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
9. Loss as a result of a threat
 - (a) to do bodily harm to any person, except loss of Electronic Data Processing Media or Electronic Data in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Insured of any such threat, or
 - (b) to do damage to the premises or property of the Insured.
10. Loss of Electronic Data Processing Media or Electronic Data while in the mail or with a carrier for hire other than an armoured motor vehicle company.

11. Loss of Electronic Data, Electronic Data Processing Media or Electronic Computer Programs except as valued under General Condition 11.
12. Loss resulting directly or indirectly from
 - (a) written instructions or advices, or
 - (b) telegraphic or cable instructions or advices, or
 - (c) instructions or advices by voice over telephone, unless such instructions are covered under Insuring Agreement 8, or
 - (d) Telefacsimile instructions or advices unless said Telefacsimile instructions or advices are covered under Insuring Agreements 5,6 or 7.
13. Loss resulting directly or indirectly from forged, altered or fraudulent negotiable instruments, securities, documents or written instruments used as source documentation in the preparation of Electronic Data or manually keyed in a data terminal.
14. Loss of negotiable instruments, securities, documents or written instruments except as converted to Electronic Data and then only in that converted form.
15. Loss resulting directly or indirectly from the accessing of any confidential information including but not limited to trade secret information, computer programs or customer information.
16. Loss resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, Electronic Data Processing Media failure or breakdown or any malfunction or error in programming or errors or omissions in processing.
17. Loss resulting directly or indirectly from the fraudulent preparation, fraudulent modification, alteration or destruction of Electronic Computer Programs unless covered under Insuring Agreements 2,3 or 4.
18. Loss by reason of the input of Electronic Data at an authorised electronic terminal of an Electronic Funds Transfer System or a Customer Communication system by a customer or other person who had authorised access to the customer's authentication mechanism.
19. Loss resulting from fraudulent features contained in Electronic Computer Programs developed for sale to or that are sold to multiple customers at the time of their acquisition from a vendor or consultant.
20. Loss resulting directly or indirectly from any Computer Virus unless covered under Insuring Agreement 4.
21. Any loss
 - (a) sustained prior to the Retroactive Date or any loss involving any act, transaction, or event which occurred or commenced prior to the Retroactive Date, or
 - (b) which was or ought reasonably to have been discovered or known to the Insured prior to the inception date of the Policy Period stated in the Schedule, or (c) discovered subsequent to the termination of the Policy, or
 - (d) notified to a prior insurer.
22. Loss resulting directly or indirectly from a Telephone Banking System or from or arising out of the authorised or unauthorised use of a private branch exchange, voice mail processor, automated call attendant

or a computer system with a similar capacity used for the direction or routing of telephone calls in a voice communications network or a cellular phone system, unless covered under Insuring Agreement 1(c).

23. any violation or disregard by the Insured of the provisions of the Information Technology Act 2000 or any rules or regulations issued by any competent authority under such legislation or any similar legislation.

IV. GENERAL CONDITIONS

1. COMPANION POLICY

This policy is designed to be a companion policy to the Insured's Financial Institution Bond and is intended to provide coverage for computer related crime as defined in the Insuring Agreements which is not covered under the Insured's Financial Institution Bond. It is agreed that this Policy will not be deemed to be excess or co-insuring coverage.

2. NOMINEES

Loss sustained by any nominee organised by the Insured for the purpose of handling certain of its business transactions and composed exclusively of its officers, clerks or other employees shall, for all the purposes of this Policy, be deemed to be loss sustained by the Insured.

3. ADDITIONAL OFFICES, CONSOLIDATION, MERGER OR PURCHASE BY THE INSURED OF ANOTHER BUSINESS

If the Insured shall, during the Policy Period, establish any new branch offices, or add to the Insured's computer system, other than by merger or consolidation with, or purchase or other acquisition of the assets of another business, such branch offices or addition to the Insured's computer system shall be automatically covered hereunder from the dates of their establishment, without the requirement of notice to the Insurer or the payment of additional premium for the remainder of the Policy Period.

In the event that the Insured shall during the Policy Period merge or consolidate with, or purchase, or otherwise acquire, the assets of another business, this Policy shall not afford any coverage of any kind for loss which either:

(a) has occurred or may subsequently occur in any offices or premises; or (b)

has arisen or may arise out of the assets or liabilities or other exposures

acquired by the Insured, as the result of such merger, consolidation, purchase or acquisition unless the Insured shall:

- (i) give written notice to the Insurer, prior to the effective date, of such merger, consolidation, purchase or acquisition, and
- (ii) promptly provide the Insurer with all such further information as the Insurer may require, and
- (iii) obtain the written consent of the Insurer to extend the coverage provided by this Policy in respect of such merger, consolidation, purchase or acquisition, and
- (iv) give written notice to the Insurer of its agreement to the terms and conditions of coverage which are required by the Insurer consequent upon such merger, consolidation, purchase or acquisition, and

- (v) pay to the Insurer any additional premium.

Failure to give notice to the Insurer in accordance with paragraph (i) above or failure of the Insured to notify the Insurer of its agreement in accordance with paragraph (iv) above shall be an election by the Insured not to continue coverage.

Notification to the Insurer, as herein required, shall not have been accomplished unless provided by the Insured in writing and acknowledged in writing by the Insurer.

4. CHANGE OF CONTROL OF THE INSURED

- (a) Liquidation, Etc.

In the event of the liquidation of the Insured, either voluntary or compulsory, or the appointment of a Receiver or Manager, or the entering into of any Scheme of Arrangement or composition with creditors, or the control of the Insured being taken over by any Government or by officials appointed by and Government or Governmental Authority or Agency, then this Policy shall immediately cease to afford any coverage of any kind for loss subsequently discovered and notified to the Insurer.

Upon the happening of an event as aforesaid of any subsidiary of the Insured named in the Proposal Form and the Schedule, then this Policy shall immediately cease to afford any coverage of any kind for loss subsequently discovered and notified to the Insurer which arose in any manner from such subsidiary.

- (b) Change of Assets or Share Ownership

The Insured shall immediately advise the Insurer of any consolidation or merger with another business entity or any purchase, assignment, transfer, pledge or sale of assets or shares occasioning any change in ownership or control. As used in this General Condition, control means the power to determine the management or policy of a controlling holding company of the Insured by virtue of voting share ownership. A change in ownership of voting shares which results in direct or indirect ownership by a shareholder or an affiliated group of shareholders of ten percent (10%) or more of such shares shall be presumed to result in a change of control for the purposes of the required notice.

As a condition precedent to the liability of underwriters under this policy the Insured shall:

- (i) give written notice to the Insurer within thirty (30) days of the event, and
- (ii) promptly provide the Insurer with all such further information as the Insurers may require, and
- (iii) obtain the written consent of the Insurer to continue some or all of the coverage provided by this policy, and
- (iv) give written notice within ten (10) days to the Insurers of its agreement to the terms and conditions which are required by the Insurers consequent upon such change, and
- (v) pay to the Insurer any additional premium.

Failure to give notice to the Insurer in accordance with paragraph (b)(i) above or failure of the Insured to notify the Insurer of its agreement in accordance with paragraph (b)(iv) above shall be an election by the Insured not to continue coverage.

Notification to the Insurer, as herein required, shall not have been accomplished unless provided by the Insured in writing and acknowledged in writing by the Insurer.

5. JOINT INSURED

- (a) If two or more Insureds are covered under this Policy, the first named Insured shall be deemed to act for all Insureds. Payment by the Insurer to the first named Insured of loss sustained by any Insured shall fully release the Insurer on account of such loss. If the first named Insured ceases to be covered under this Policy, the Insured next named shall thereafter be considered as the first named Insured.
- (b) Knowledge possessed or discovery made by any Insured shall constitute knowledge or discovery by all Insureds for all purposes of this Policy.
- (c) The liability of the Insurer for a loss or losses sustained by all Insureds shall not exceed the amount for which the Insurer would have been liable had all such loss or losses been sustained by one Insured.
- (d) The Insurer shall not be liable for loss sustained by one Insured to the advantage of any other Insured.
- (e) It is agreed that the Insurance granted herein shall be for the exclusive benefit only of the first named Insured herein, and that in no event shall anyone other than said Insured have any right of action under this Policy.

6. LEGAL FEES AND LEGAL EXPENSES

The Insurer shall indemnify the Insured against reasonable legal fees and legal expenses incurred and paid by the Insured after obtaining the prior approval of the Insurer in the defence or settlement of any suit or legal or arbitration proceedings brought against the Insured, provided that the act or acts which have been committed, or the events which have occurred, would entitle the Insured to recover under this Policy. Legal fees and legal expenses paid by the Insurer in defending any suit or legal processing shall be applied subject to General Condition No. 8 to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

The Insured shall promptly give notice to the Insurer of the institution of any suit or legal proceeding referred to above and at the request of the Insurer shall furnish them with copies of all pleadings and other papers therein.

If multiple causes of action are alleged in any such suit or legal proceeding some of which causes of action, if established against the Insured, would not constitute a collectible loss under this Policy, including without limitation claims for punitive, consequential or other non-compensatory damages then the Insured shall bear for its own expense the legal fees and legal expenses incurred in the defence of such alleged causes of action.

If the amount of the Insured's loss is greater than the amount recoverable under this Policy, or if a Deductible is applicable, or both, the liability of the Insurer under the first paragraph of this General Condition is limited to the proportion of the legal fees and legal expenses incurred under this Policy bears to the total of such amount plus the amount which is not so recoverable. Such prorated amount shall be applied in reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

The Insurer shall not be liable to indemnify the Insured for legal fees and legal expenses until after final judgement or settlement of any suit or legal proceeding.

The Insurers are not obligated to conduct the defence of such suit or legal proceeding referred to in the first paragraph of this General Condition. At the Insurer's election the Insured shall permit the Insurer to conduct the defence of such suit or legal proceeding, in the Insured's name, through legal representatives of the Insurer's selection. The Insured shall give all reasonable information and assistance that the Insurer shall deem necessary to the defence of such suit or legal proceeding.

Legal fees and legal expenses paid by the Insurer in defending any suit or legal proceeding shall be applied to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

If having elected to defend the Insurer pays legal fees and legal expenses in excess of its proportionate share of such fees and expenses the Insured shall promptly reimburse the Insurer for such excess.

The Insured shall not unreasonably withhold consent to a settlement by the Insurer of any suit or legal proceeding.

7. NOTIFICATION AND DISCOVERY OF LOSS

As a condition precedent to its right to be indemnified under this Policy, the Insured shall, as soon as possible and in any event within twenty one (21) days after discovery by the Insured of any loss hereunder, give written notice thereof to the Insurer.

For the purposes of this Policy, discovery is deemed to occur at the time when the Insured first becomes aware of facts which would cause a reasonable person to believe that a loss of the kind covered by this Policy has been or will be incurred, regardless of when the acts, transactions or events causing or contributing to such loss occurred, and regardless of whether the Insured's knowledge is sufficient at such time to prove that such loss meets the terms and conditions of this Policy, and even though the amount of details of loss may not then be known.

Discovery is also deemed to occur when the Insured receives notice of an actual or potential claim in which it is alleged that the Insured is liable to a third party under circumstances which, if true, might constitute a loss of a type covered by this Policy, even though the amount of details of loss may not then be known.

All loss or losses discovered by the Insured which are attributable to the acts of omissions of one person, whether or not an Employee, or in which such person is concerned or implicated, shall be deemed to be one loss.

8. LIMIT OF INDEMNITY

- (a) The total liability of the Insurer for all loss or losses discovered during the Policy Period set forth in Item 3 of the Schedule of this Policy and including legal fees and legal expenses is limited to the Aggregate Limit of Indemnity stated in Item 7 of the Schedule of this Policy irrespective of the total amount of such loss or losses. The Sub-Limit of any applicable Insuring Clause is part of and not in addition to the Aggregate Limit of Indemnity and the total liability of the Insurers for all losses, including legal fees and legal expenses, concerning any such Insuring Clause with a Sub-Limit is limited to the amount of the Sub-Limit, irrespective of the total amount of such loss or losses.

The Aggregate Limit of Indemnity shall be reduced by the amount of any payment made under this Policy. Upon exhaustion of the Aggregate Limit of Indemnity by such payments the Insurer shall have no further liability.

- (i) to indemnify the Insured under any Insuring Clause(s) of this Policy for any loss or losses, and/or
- (ii) to indemnify the Insured for any legal fees and legal expenses, and/or
- (iii) to continue the defence of the Insured in the event that the Insurer elected to conduct the defence of any suit or legal proceedings. Upon notice by the Insurer to the Insured that the Aggregate Limit of Indemnity has been exhausted, the Insured shall assume all responsibility for its defence at its own cost.

- (b) In addition to the Aggregate Limit of Indemnity being reduced, the Sub-Limit of any applicable Insuring Clause(s) stated in Item 7 of the Schedule shall be reduced by the amount of any payment made in connection with said Insuring Clause(s). Upon exhaustion of the Sub-Limit applicable to said Insuring Clause(s) by such payments the Insurer shall have no further liability:
- (i) to indemnify the Insured under said Insuring Clause(s) of this Policy for any loss or losses, and/or
 - (ii) to indemnify the Insured for any legal fees and legal expenses incurred in connection with said loss or losses or in connection with said Insuring Clause(s), and/or
 - (iii) to continue the defence of the Insured in the event of the Insurer's election to conduct the defence of any suit or legal proceeding in connection with said loss or losses. Upon such notice by the Insurer to the Insured that the Sub-Limit has been exhausted, the Insured shall assume all responsibility for its defence at its own cost.

If by reason of payments made under this Policy the Aggregate Limit of Indemnity is reduced to an amount less than the amount stated for any Sub-Limit in Item 7 of the Schedule of this Policy, then the amount of any such Sub-Limit shall be reduced accordingly so that the total amount available under any Sub-Limit for any loss or losses, including legal fees and legal expenses, does not exceed the reduced amount remaining available under the Aggregate Limit of Indemnity.

The Aggregate Limit of Indemnity and any Sub-Limit shall not be reinstated in whole or in part by any recovery effected subsequent to any payment made under this Policy.

If a loss is covered under more than one Insuring Clause the maximum amount payable with respect to such loss shall not exceed the largest amount remaining available under any one applicable Insuring Clause.

- (c) Lost Securities: In the event that a loss of a security is settled through the use of a lost securities bond or indemnity agreement pursuant to General Condition 11(d), such loss, to the extent that during the Policy Period the Insurer is not called upon to pay under said lost securities bond or indemnity agreement, shall not reduce the Aggregate Limit of Indemnity or any Sub-Limit remaining for the payment of any loss or losses. However, any payment by the Insurer of such loss or under such lost securities bond or indemnity agreement shall be deemed to be a payment under this Policy.

The exhaustion or reduction of the Aggregate Limit of Indemnity or any Sub-Limit shall not affect the Insurer's obligations in connection with any lost securities bond or indemnity agreement issued prior to the exhaustion or reduction of the Aggregate Limit of Indemnity or any applicable Sub-Limit.

9. PROOF OF LOSS

Within six months of discovery of loss, the Insured shall furnish affirmative proof of loss to the Insurer, in writing, duly sworn to by the chief financial officer of the Insured together with full particulars. The onus of proof is upon the Insured in preparing its proof of loss with respect to a loss for which claim is made under any Insuring Clause to establish that such loss directly resulted from the insured peril and not from economic conditions or other contributing causes.

10. ARBITRATION

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy. Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

11. BASIS OF VALUATION

(a) Computation

In determining the amount collectible under this Policy for any loss, all money or the monetary value of any other benefit received or to be received from any source whatsoever by the Insured in connection with or howsoever related to the loss, including but not limited to payments and receipts of principal, interest, dividends, commissions and the like, whenever received, shall be deducted from the amount actually paid out, advanced, taken or otherwise lost. The value of all property received as aforesaid from any source whatsoever in connection with any matter from which a claimed loss has arisen, whenever received, shall likewise be deducted from the Insured's claimed loss. In the event that the money or the monetary value of any other benefit received or to be received from any source whatsoever by the Insured in connection with or howsoever related to the loss exceeds the value of the Insured's loss hereunder, and payment(s) have been made to the Insured hereunder in respect of that loss, then the Insured undertakes to immediately reimburse to Insurers the payment(s) they may have made hereunder.

(b) Funds

The value of any foreign funds or currencies for the loss of which a claim shall be made, shall be determined by their closing market value on the last business day prior to the date of discovery of the loss. If there is no market price or value for the same on such day, then the value shall be as agreed between the Insured and then Insurers or in default thereof by arbitration in accordance with Condition

(c) Deductible

If this Policy is subject to a Deductible, or the aggregate Policy Limit in Item 7 of the Schedule remaining for the payment of any loss or losses is not sufficient in amount to indemnify the Insured in full for the loss of securities for which claim is made hereunder, the liability of the Insurer under this Policy is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount collectible under the applicable Insuring Clause of this Policy.

(d) Lost Securities

In the event of a claim in respect of a loss of securities covered under this Policy, the Insured shall, subject to the conditions stated below, first make all reasonable attempts to replace the lost securities by the use of such letter of indemnity. In the event that the Insured is unable to replace the lost securities by the letter of indemnity, the Insured shall, subject to the Insurer's prior written consent, secure a lost securities bond for the purpose of obtaining the issuance of duplicate securities.

(e) Electronic Data Processing Media

In case of loss of, or damage to, Electronic Data Processing Media used by the Insured in its business, the Insurer shall be liable under this Policy only if such items are actually reproduced by other Electronic Data Processing Media of the same kind or quality and then for not more than the cost of the blank media plus the reasonable cost of labour for the actual transcription or copying of data which shall have been furnished by the Insured in order to reproduce such Electronic Data Processing Media, subject, of course, to the applicable Limit of Indemnity.

f) Other Property

In case of loss of, or damage to, any property other than foreign funds, securities or Electronic Data Processing Media, the Insurer shall not be liable for more than the actual cash value of such property. The Insurer may, at its election, pay the actual cash value of, replace or repair such property. Any disagreement or difference between the Insurer and the Insured as to the cash value or as to the adequacy of repair or replacement shall be resolved by arbitration as provided for in Condition

(g) Electronic Data/Electronic Computer Programs

In case of loss of Electronic Data or Electronic Computer Programs, the Insurer shall be liable under this Policy only if such Electronic Data or Electronic Computer Programs are actually reproduced by other Electronic Data or Electronic Computer Programs of the same kind or quality and then for not more than the cost of labour for the actual transcription or copying of data or programs which shall have been furnished by the Insured in order to reproduce such Electronic Data or Electronic Computer Programs subject, of course, to the applicable Limit of Indemnity.

However, if such Electronic Data cannot be reproduced and said Electronic Data represents securities, or financial instruments having a value, including Evidences of Debt, then the loss will be valued as indicated in the Securities and Other Property paragraphs of this section.

12. CO-OPERATION

As a condition precedent to its right to be indemnified under this Policy, the Insured shall co-operate fully with the Insurer and its appointed representatives in all pertaining to any loss notified hereunder. The Insured shall, upon request and at times and places designated by the Insurer, provide for examination all pertinent records including audit records of its accountants and provide for interview any of its Employees

or other persons, to the best of its ability and power. The Insured agrees to execute all papers and render all assistance to secure all rights, title, interest and causes of action as it may have against any person or entity in connection with any loss notified hereunder, and to do nothing to prejudice such rights or causes of action.

13. SUBROGATION, SALVAGE AND RECOVERY

It is agreed that the Insurers upon payment of any loss hereunder shall become subrogated to all rights, title, interest and causes of action of the Insured in respect of such loss.

In the case of recovery after payment of any loss hereunder, the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the Insured's own labour or establishment costs, shall be applied in the following order:

- (a) to reimburse the Insured in full for the part, if any, of such loss which exceeds the amount of loss paid under this Policy (disregarding the amount of any Deductible applicable).
- (b) the balance, if any, or the entire net recovery if no part of such loss exceeds the amount of loss paid under this Policy, to the reimbursement of the Insurer.
- (c) finally, to that part of such loss sustained by the Insured by reason of the Deductible specified in the Schedule and/or to that part of such loss covered by any policy(ies) of Insurance of which this Policy is excess.

14. OTHER INSURANCE OR INDEMNITY

It is agreed that in the event of loss, this Policy, insofar as it covers loss also covered by other insurance or indemnity, shall only pay claims (not exceeding the Aggregate Limit of Indemnity or any applicable SubLimit) for the excess of the amount of such other insurance or indemnity. As excess insurance this Policy shall not apply or contribute to the payment of any loss until the amount of such other insurance or indemnity shall have been exhausted.

15. OWNERSHIP

This Policy shall apply to loss of property and loss of Electronic Data Processing Media and Electronic Data owned by the Insured or held by the Insured in any capacity or for which the Insured is legally liable. This Policy shall be for the sole use and benefit of the Insured named in the Schedule.

16. DEDUCTIBLE AMOUNT/NOTICE OF LOSS WITHIN DEDUCTIBLE

The Insurers shall be liable only in excess of the Deductible stated in Item 8 of the Schedule. The Deductible shall apply to each and every loss, irrespective of the number of such losses during the Policy Period.

The Insured shall, in the time and in the manner prescribed in this Policy, give the Insurer notice of any loss of the kind covered by the terms of this Policy, whether or not the Insurer is liable therefore, and upon the request of the Insurer shall file with it a statement giving reasonably detailed particulars concerning such loss.

17. TERMINATION PROVISIONS

This Policy shall terminate

- (a) immediately upon

- (i) the happening of any of the events relating to a change in control of the Insured as set forth in General Condition No. 4(a),
 - (ii) the failure by the Insured to notify a change of assets or share ownership or otherwise comply with the terms as set forth in General Condition No. 4(b).
 - (iii) refusal by the Insurer to continue coverage following a change in ownership or control as set forth in General Condition No. 4(b).
- (b) immediately as to any subsidiary of the Insured upon the happening of any event with regard to such subsidiary relating to a change in control or ownership of such subsidiary relating to a change in control or ownership of such subsidiary as set forth in General Condition No. 4.
- (c) thirty (30) days after receipt by the Insured of written notice from the Insurers of their decision to terminate this Policy. If sent by prepaid registered post and addressed to the Principal Address of the Insured, as stated in the Proposal Form, such notice shall be deemed to have been received when sent.
- (d) immediately upon receipt by the Insurers of a written notice from the Insured of its decision to terminate this Policy.
- (e) on the expiration date stated in Item 3 of the Schedule.

The Insurer shall refund any unearned premium computed at short-rate of the Annual Premium if terminated pursuant to paragraph (a) or (e) of this General Condition but pro-rata of the Annual Premium if terminated by the Insurer as provided in paragraph (d) of this General Condition.

This Policy shall terminate immediately upon exhaustion of the Aggregate Limit of Indemnity by one or more payments of loss hereunder, in which event the premium is fully earned.

This Policy shall be terminated as to any Service Bureau

- (a) as soon as any Insured, or director or officer not in collusion with such person, shall learn of any dishonest or fraudulent act committed by any partner, director, officer or employee of any such Service Bureau at any time against the Insured or any other person or entity, without prejudice to the loss of any property then in transit in the custody of such person, or
- (b) fifteen (15) days after the receipt by the Insured of a written notice from the Insurer of their desire to terminate or cancel this Policy as to such person.

Termination of this Policy as to any Insured terminates liability for any loss sustained by such Insured which is discovered after the effective date of such termination.

18. ACTION AGAINST SERVICE BUREAU OR CUSTOMER

This Policy does not afford coverage in favour of any Service Bureau or customer as aforesaid, and upon payment to the Insured by the Insurer on account of any loss through fraudulent or dishonest acts committed by any of the partners, directors, officers or employees of such Service Bureau or customer whether acting alone or in collusion with others, an assignment of such of the Insured's rights and causes of action as they may have against such Service Bureau or customer by reason of such acts so committed shall, to the extent of such payment, be given by the Insured to the Insurer, and the Insured shall execute all papers necessary to secure to the Insurer, the rights herein provided for.

19. FRAUD

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims thereunder shall be forfeited.

20. INTERPRETATION

The construction, interpretation and meaning of the terms, exclusions, limitations and conditions of this Policy shall be determined in accordance with Indian law.

GRIEVANCES

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, You can address Your grievance as follows:

1. OUR GRIEVANCE REDRESSAL OFFICER

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

In case of any grievance the insured person may contact the company through

Website : www.cholainsurance.com
Toll free : 1800 208 9100
E-Mail : customercare@cholams.murugappa.com
Fax : 044 -4044 5550
Courier : Cholamandalam MS General Insurance Company Limited,
Customer services, Head
Office Dare House 2nd floor, No 2 N.S.C. Bose Road, Chennai 600 001

Insured person may also approach the grievance cell at any of the company's branches with the details of grievance. If insured person is not satisfied with the redressal of grievance through one of the above methods, insured person may contact the grievance officer at GRO@cholams.murugappa.com

For details of grievance officer, kindly refer the link www.cholainsurance.com

If any Grievances / issues on Health insurance related claims pertaining to Senior Citizens, Insured can register the complaint / grievance in 'Senior Citizen Channel' which shall be processed on Fast Track Basis by dedicated personnel.

If Insured Person is not satisfied with the redressal of grievance through above methods, the insured person may also approach the office of Insurance Ombudsman of the respective area/region for redressal of grievance as per Insurance Ombudsman Rules 2017.

Grievance may also be lodged at IRDAI Integrated Grievance Management system <https://igms.irda.gov.in/>

2. CONSUMER AFFAIRS DEPARTMENT OF IRDAI

a. In case it is not resolved within 15 days or if You are unhappy with the resolution You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number 155255 (or) 1800 4254 732 or sending an email to complaints@irdai.gov.in. You can also make use of IRDAI's online portal - Integrated Grievance Management System (IGMS) by registering Your complaint at igms.irda.gov.in.

b. You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by clicking [here](#). You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India (IRDAI), Consumer Affairs Department- Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032.

c. You can visit the portal <http://www.policyholder.gov.in> for more details.

3. INSURANCE OMBUDSMAN

You can also approach the Insurance Ombudsman, depending on the nature of grievance and the financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at www.irdai.gov.in, or of the General Insurance Council at www.generalinsurancecouncil.org.in, the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices.

Please find below the latest/updated link of the Ombudsman offices

<https://www.cioins.co.in/Ombudsman>

INFORMATION ABOUT US

Cholamandalam MS General Insurance company Limited

HO: Dare House 2nd Floor, No. 2 NSC Bose Road, Chennai – 600 001.

Toll Free : 1800 208 9100

SMS: “CHOLA” TO 56677 *(Premium SMS charges apply)

Email –customercare@cholams.murugappa.com

Web site: www.cholainsurance.com