

**PROFESSIONAL LIABILITY PROPOSAL**

PROFESSIONAL LIABILITY INSURANCE IS A “CLAIMS” -MADE AND REPORTED POLICY WHICH APPLIES ONLY TO “CLAIMS” FIRST MADE AND REPORTED DURING THE “POLICY PERIOD”. THE LIMIT OF LIABILITY TO PAY DAMAGES OR SETTLEMENTS WILL BE REDUCED AND MAY BE EXHAUSTED BY “DEFENCE COSTS”, AND “DEFENCE COSTS” WILL BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT. PLEASE READ THE ENTIRE POLICY CAREFULLY.

Please answer all of the following enquiries. If HDFC ERGO General Insurance Company Limited (hereinafter referred to as the “Company”) agrees to issue a policy, all of the information which the Applicant provides will become a part of and shall form the basis of any policy issued to the Applicant by the Company and shall be incorporated therein. Any misrepresentation, omission, concealment or incorrect statement of a material fact in this Proposal will be grounds for rescission.

Please note: The term "Applicant" as used in this Proposal refers to the organisation for which coverage is required, its subsidiaries and its directors, officers and employees.

APPLICANT INFORMATION

1. Name of Applicant: _____
2. Address of Applicant’s principal or registered office:

3. Web site address of Applicant (if applicable): _____
4. Is the Applicant a:
Sole Proprietor
Partnership
Private Company
Publicly traded Corporation
Other (Explain): _____
4. Year Established: _____ If less than three (3) years please attach resumes or biographies of all principals.



5. Professional Services:

Please describe in detail the professional services that the Applicant provides for which coverage is required, including services offered by subsidiaries :

Note: Only those services which are listed on the policy as **Professional Services** shall be made a part of the coverage offered.

6. Annual Gross Revenue derived from the professional services described in response to question 5:

- a) 2 Years Ago

- b) Last Year

- c) Projected this Year

7. Does the Applicant wholly or partially own, operate, manage or control any other business and for which coverage is requested ? ☐ **Yes** ☐ **No**

If yes, provide details below:

<u>NAME</u>	<u>LOCATION</u>	<u>OWNERSHIP</u>	<u>BUSINESS</u>
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<hr/>			
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8. Does any regulatory authority license the Applicant? ☐ Yes ☐ No
If yes, please list the regulatory authority(ies):

9. Has the Applicant been involved in any mergers, acquisitions or consolidations in the past five (5) years? ☐ Yes ☐ No
If yes, please provide full details.

10. Is the Applicant presently involved in or considering any merger, acquisition or change in control? ☐ Yes ☐ No
If yes, please provide full details.

11. Has the Applicant changed its name in the past five (5) years? ☐ Yes ☐ No
If yes, please provide full details.

12. In the next eighteen (18) months, does the Applicant anticipate any changes in the nature of the professional services described in response to question 5?

☐ Yes ☐ No

If yes, please provide full details.

PROFESSIONAL SERVICES

13. For each of the following, please check **YES** or **NO**. Please attach descriptive documents or brochures.

YES NO

SERVICE AGREEMENTS:

- | | | |
|-----------------------------------------------------------------------------------------------------------|--------------------------|--------------------------|
| a. Are contract fees negotiated and agreed to in advance? | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Are written service agreements required for all clients?
(If Yes, attach a sample). | <input type="checkbox"/> | <input type="checkbox"/> |
| c. Have the written service agreements been reviewed by a law firm experienced in the Applicant's field ? | <input type="checkbox"/> | <input type="checkbox"/> |
| d. Are all changes to service agreements confirmed in writing ? | <input type="checkbox"/> | <input type="checkbox"/> |
| e. Does the Applicant provide warranties or guarantees ? | <input type="checkbox"/> | <input type="checkbox"/> |
| f. Does the Applicant describe services in a brochure ?
(If Yes, attach a sample). | <input type="checkbox"/> | <input type="checkbox"/> |

QUALITY CONTROL:

- | | | |
|-----------------------------------------------------------------------------|--------------------------|--------------------------|
| g. Is there a formal procedure for handling client complaints? | <input type="checkbox"/> | <input type="checkbox"/> |
| h. Is ADR or mediation to resolve complaints part of the service agreement? | <input type="checkbox"/> | <input type="checkbox"/> |



- i. Are audits or reviews of service performed by employees conducted ? ☐ ☐
- j. How often ? *Annually* ___ *Semi-Annually* ___ *Quarterly* ___ *Other* ___
- k. Does the Applicant ever assume liability for others by contract ? ☐ ☐
- (If yes, please attach a sample contract)
- YES NO**

PROFESSIONAL CREDENTIALS:

- l. Do employees hold professional licenses or certification ? ☐ ☐
- If Yes**, please identify. _____
- m. Does the Applicant pay for continuing education to maintain such professional licenses or certification ? ☐ ☐

CLIENT MANAGEMENT

- n. Are there formal criteria for accepting new clients ? ☐ ☐
- o. Is there a formal policy for conflict of interest ? ☐ ☐
- p. Is there a formal policy for client confidentiality ? ☐ ☐
- q. Does the Applicant engage in any other professional activities not listed in question 5 above ? (If Yes, attach description or explanation.) ☐ ☐

14. Where applicable, please attach the following documentation:

- a. Latest audited annual report & accounts
- b. Latest interim report & accounts
- c. Brochures describing services or products offered
- d. Sample service agreements

PRIOR KNOWLEDGE/WARRANTY

15. a) Has the Applicant, any partner, officer, director, or employee for whom coverage is being requested, ever been censored, fined, or had a professional license suspended or revoked ? (If yes, provide details.) ☐ **Yes** ☐ **No**



b) Does the Applicant, any partner, officer, director, or employee for whom coverage is being requested, know of any circumstances, acts, errors or omissions that could result in a professional liability claim against the Applicant, or any past or present partner, officer, director, or employee ? (If yes, provide details.) ☐ Yes ☐ No

c) Has any professional liability claim ever been made against the Applicant or any past or present partner, officer, director, or employee ? (If yes, provide details.) ☐ Yes ☐ No

d) Has the Applicant or any of its predecessor organizations in business or any partner, officer, director, or employee for whom coverage is being requested ever had any insurer cancel, refuse to renew or accept only on special terms any professional liability insurance ? (If yes, provide details.) ☐ Yes ☐ No

NO COVERAGE SHALL APPLY TO ANY CLAIMS BASED UPON, ARISING FROM OR RELATED TO THE FACTS OR CIRCUMSTANCES DESCRIBED IN THE ANSWERS GIVEN TO QUESTION 15 (a), (b) or (c).



PRIOR INSURANCE

16. List the professional liability insurance purchased by the Applicant for each of the past 3 years.

INSURER	LIMIT LIABILITY	OF DEDUCTIBLE	PREMIUM	POLICY PERIOD
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BANK DETAILS

17.

Name of Bank Account Holder			
Bank Account No.			
Name of Bank:	Branch:		
MCR Code:	IFSC Code:		
Account Type:	Saving	Current	
<p>I wish:</p> <p>Any refund due on the premium payment / any payment / claims will be directly credited to my aforesaid Bank Account.*</p> <p>*As per the IRDA, it's mandatory that all payments made to the insured only through electronic mode.</p> <p>Note:</p> <p>1. Please provide a cancelled copy of cheque of your bank account.</p> <p>2. The Company will not be responsible in case of non credit or delay in processing of payout due to incomplete/incorrect information provided by the customer. Please ensure that you provide accurate details to the Company.</p>			

SIGNATURE AND AGREEMENTS

NOTICE TO APPLICANT - PLEASE READ CAREFULLY

FRAUD WARNING

The proposer understands that if a proposal has been completed for this insurance, then the statements and all particulars provided in such proposal, and any attachments thereto, are material to the insurance company's decision to provide this insurance. The proposer



further understands that the insurance company will, in its sole discretion, issue this Policy in reliance upon the truth of such statements and particulars.

ANY PERSON WHO, KNOWINGLY AND WITH INTENT TO DEFRAUD THE INSURANCE COMPANY OR OTHER PERSONS, FILES, A PROPOSAL FOR INSURANCE CONTAINING ANY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT WHICH WILL RENDER THE POLICY VOIDABLE AT THE COMPANY'S SOLE DISCRETION AND RESULT IN A DENIAL OF INSURANCE BENEFITS.

IF A CLAIM IS IN ANY RESPECT FRAUDULENT, OR IF ANY FRAUDULENT OR FALSE PLAN, SPECIFICATION, ESTIMATE, DEED, BOOK, ACCOUNT ENTRY, VOUCHER, INVOICE OR OTHER DOCUMENT, PROOF OR EXPLANATION IS PRODUCED, OR ANY FRAUDULENT MEANS OR DEVICES ARE USED BY THE INSURED PERSON, INSURED ORGANISATION, POLICYHOLDER, BENEFICIARY, CLAIMANT OR BY ANYONE ACTING ON THEIR BEHALF TO OBTAIN ANY BENEFIT UNDER THIS POLICY, OR IF ANY FALSE STATUTORY DECLARATION IS MADE OR USED IN SUPPORT THEREOF, OR IF LOSS IS OCCASIONED BY OR THROUGH THE

PROCUREMENT OR WITH THE KNOWLEDGE OR CONNIVANCE OF THE INSURED PERSON, INSURED ORGANISATION, POLICYHOLDER, BENEFICIARY, CLAIMANT OR OTHER PERSON, THEN ALL BENEFITS UNDER THIS POLICY ARE FORFEITED.

Notice:

Anti-Rebating

In accordance with Section 41 of the Insurance Act 1938, as amended, the practice of rebating is prohibited, as follows:

NO PERSON SHALL ALLOW OR OFFER TO ALLOW, EITHER DIRECTLY OR INDIRECTLY, AS AN INDUCEMENT TO ANY PERSON TO TAKE OUT, RENEW OR CONTINUE AN INSURANCE POLICY, 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 OR CONTINUING A POLICY ACCEPT ANY REBATE, EXCEPT SUCH REBATE AS MAY BE ALLOWED IN ACCORDANCE WITH THE PUBLISHED PROSPECTUS OF THE INSURER.



VIOLATIONS OF SECTION 41 OF THE INSURANCE ACT 1938, AS AMENDED SHALL BE PUNISHABLE WITH A FINE WHICH MAY EXTEND TO FIVE HUNDRED (500) RUPEES.

DECLARATION

The undersigned persons declare that to the best of their knowledge the statements set forth herein are true and correct and that reasonable efforts has been made to obtain sufficient information from each and every director, officer and employee proposed for this insurance to facilitate the proper and accurate completion of this Proposal. The undersigned further agree that, between the date of this Proposal and the effective date of the Policy, if insurance is provided, (1) any material change in the condition of the Applicant is discovered, or (2) there is any material change in the answers to the questions contained herein, either of which would render this Proposal inaccurate or incomplete, notice of such change will be reported in writing to the Company immediately and, if necessary, any outstanding quotation may be modified or withdrawn.

The signing of this Proposal does not bind the undersigned to purchase the insurance, but it is agreed by the Applicant and all persons proposed for this insurance that the particulars and statements contained in this Proposal and attachments and materials submitted with this Proposal (which shall be retained on file by the Company and shall be deemed attached to the Policy, if insurance is provided, as if physically attached thereto) are true and correct and will be the basis of the Policy and will be considered as incorporated in and constituting part of the Policy. It is further agreed by the Applicant and all persons proposed for this insurance that such particulars and statements are material to the decision to provide this insurance and that any Policy will be issued in reliance upon the truth of such particulars and statements. All such particulars and statements shall be deemed to be made by each and every one of the persons proposed for this insurance, provided that, except for any misstatements or omissions of which the signers of this Proposal are aware, any misstatements or omissions in this Proposal, or the attachments and materials submitted with it, concerning any matter which any person proposed for this insurance has reason to suppose might offer grounds for a future claim against him or her shall not be imputed, for purposes of rescission of the Policy, to any other persons proposed for this insurance who are not aware of the omission or the falsity of the statement.

PLEASE NOTE: ONLY DULY APPOINTED AGENTS OF THE COMPANY ARE AUTHORISED TO SOLICIT PROPOSALS FOR INSURANCE. AGENTS AND BROKERS ARE NOT



AUTHORISED TO BIND INSURANCE. NO COVERAGE SHALL BE PROVIDED UNLESS THE COMPANY ACCEPTS THE PROPOSAL AND BINDS THE INSURANCE.

A policy cannot be issued unless the proposal is duly completed, signed, dated and stamped.

Date

Authorised Signature of a President,
Chairman , Director or Partner

Title

Supplementary Questionnaire

(This supplementary questionnaire is subject to same terms and conditions as stated above in the Professional Liability Proposal form)

1. Recent announcement in last six months – ie client acquisitions, litigation against management of the company, change in management, etc.
2. Details of Top 5 clients:
 Name :
 Domicile country of the client :
 Industry in which they operate :
 % of total revenue from each client

Show actual revenue and number of clients for the past 3 years

Year	U.S. / Canada Revenue (Rs.)	No. of Clients	India Revenue (Rs.)	No. of Clients	Foreign Revenue (Rs.)	No. of clients

3. Subcontracted work - % of work subcontracted and Type of work sub-contracted:
4. Does the applicant have any Quality control accreditations from external agencies?
Have any specific quality improvement processes undertaken by the applicant?
5. Has the Company undertaken any process review audits? If yes, by whom? And any major findings?
6. Does the applicant contracts with its customer entail hold harmless/indemnity inuring to the Applicant's benefits?
7. Does the applicant has Risk management or legal department in place?
8. Details of employees:
 Location
 No of employees
9. Territory of cover-pls choose:
 India - ☐
 Worldwide excluding USA/Canada - ☐



Worldwide including USA/Canada - ☐

10. Does the applicant have any offices outside India. Pls list them with activity undertaken at each of the locations
11. Do you have any clients in US. If yes, please list all of them with their % contribution to total turnover.
12. Limit requested:
Limit of Insurance -
Deductible –