

## **DIGIT CO-OPERATIVE SOCIETY MANAGEMENT COMMITTEE LIABILITY POLICY**

### **PROSPECTUS**

#### **Go Digit General Insurance Ltd.**

Go Digit General Insurance Ltd. ('Digit') is a new-age general insurance company that is backed by the Fairfax Group – one of the world's largest financial holding companies which is engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

Digit's singular mission is to make insurance simple for all. With that mission in mind, we are reimagining products and redesigning processes. Our products are designed keeping the consumer in mind, our processes are simple, fast and transparent & our documents are easy to understand. With the help of cutting-edge technology and people who bring in years of experience in both the insurance and technology domain, we want to be the new-age insurance company that's revolutionising the insurance industry. And by doing so, we want to be part of our consumers' lives by enabling them to live life, without worrying about an uncertain future.

#### **Product Introduction**

Digit Co-operative Society Management Committee Liability Policy provides protection for claims brought against Insured in Cooperative Housing Society (CHS) for any wrongful Act.

In the event of certain types of lawsuits, even if insured believes that insured is not at fault, insured is likely to spend hefty money in trying to prove it in the court. For such suits, Digit's Co-operative Society Management Committee Liability insurance pays for legal defence and any settlement award, up to the limits specified in the policy.

#### **Who Can buy this Product?**

This Product will be sold to Prospects who need to have protection against any legal liability arising out their Wrongful Act or Employment Wrongful Act for CHS only.

#### **What are the coverages under the Digit Co-operative Society Management Committee Liability Policy?**

##### **A. Insuring Clause**

##### **1. Management Committee Member's Reimbursement**

We will indemnify You upto the Limit of Indemnity shown in the Policy Schedule, indemnify the Loss resulting from a Claim first made against the Insured and notified during the Policy Period or Extended Reporting Period if applicable, for a Wrongful Act except to the extent that payment has already been made by or on behalf of the CHS for such Loss.

##### **2. CHS**

The Insurer shall pay the Loss resulting from a Claim first made against the Insured during the Policy Period or Extended Reporting Period if applicable, for a Wrongful Act committed by the Insured, but only if and to the extent that the CHS has indemnified the Insured for such Loss.

##### **3. Defence Costs**

Subject to the Limit of Indemnity, We will pay the costs, fees and expenses that are incurred, with its written consent in respect of the investigation, defence or settlement of any Claim.

Subject always to the Limit of Indemnity mentioned in the Policy Schedule against this cover, terms, conditions, exclusions, warranty and deductible of this Policy.

#### **What are the General Exclusions under this Policy?**

We will not be liable under this Policy in respect of:

1. Any fact, matter or circumstance of which the CHS or the Insured was aware, or ought reasonably to have been aware, might give rise to a Claim prior to the inception of this Policy or arising out of litigation prior to the inception of this Policy.
2. Any Claim for which notice was, or ought to have been, given under any other policy of insurance whether expired

or subsisting.

3. Any actual or alleged intentional, dishonest, malicious, willful, reckless or fraudulent Wrongful Act, provided that the Wrongful Act of an Insured shall not be imputed to any other Insured for the purpose of determining whether cover is available for any Claim made against such other Insured so long as such other Insured is able to establish to the Insurer's satisfaction that he was unaware of and in no way implicated in such actual or alleged intentional, dishonest, malicious, willful, reckless or fraudulent Wrongful Act.
4. The gaining of any profit, remuneration or advantage to which the CHS or the Insured is not legally entitled.
5. The CHS's overheads, regular or overtime wages, salaries, fees, or expenses incurred in relation to any Claim or Loss.
6. Any Claim between an Insured and the CHS except:
  - a. an action by or on behalf of the CHS brought by a liquidator, official receiver, or administrative receiver,
  - b. an Employment Complaint,
  - c. an action by a former Insured who has not served in that capacity for a period of 12 months preceding the Claim.
7. Any actual or alleged breach of any professional services by an Insured and/or the CHS or Subsidiary, or any actual or alleged bodily injury, disease, sickness, mental anguish or emotional distress (except mental anguish or emotional distress forming part of an Employment Complaint), or death of any person; or damage to or the destruction of or loss of use of any tangible property; or any consequential losses; or any actual or alleged liability under any express contract or agreement.
8. Any Wrongful Act in relation to an employee of the CHS except an Employment Complaint.
9. Any actual or alleged breach of any intellectual property rights.
10. Any actual or alleged breach of the Employees Provident Fund & Miscellaneous Provisions Act 1952, Public Provident Fund Act 1968, Payment of Bonus Act 1965, Payment of Gratuity Act 1972, the Factories Act 1961 and any re-enactment or amendment thereto or of any similar statutory, civil or common law provision giving rise to liability under Indian law or the law of any other country on the part of any Management Committee member, officer, trustee, fiduciary or administrator of any pension or superannuation scheme, health and welfare plan, share option scheme or plan, or other employee benefit programme, social benefits system or trust programme established or maintained for the benefit of employees of the CHS.
11. The Insured's capacity as a Management Committee member or officer of any entity other than the CHS.

**12. Pollution:**

This policy does not cover liability arising directly or indirectly out of the discharge, dispersal, release, escape, removal, nullification, cleaning up or any measures taken to prevent escape of any Pollutant; or  
However, this exclusion does not apply where the discharge, dispersal, release or escape results from a sudden identifiable event:

- i. that you neither expected nor intended; and
- ii. that took place in its entirety at a specific time and place.

'Pollutant' means any solid, liquid, gaseous, biological or thermal irritant or contaminant, including but not limited to dust, smoke, vapour, soot, fumes, chemicals, organisms or waste. 'Waste' includes but is not limited to any material destined to be recycled, reconditioned or reclaimed.

**13. Radioactive Contamination:**

This policy does not cover liability directly or indirectly caused by, or contributed to, or arising from:

- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion or fission of nuclear fuel; or
- b. radio-active toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.

**14. War :**

This policy does not cover liability for any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, or military or usurped power.

15. Any act or omission of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes.
16. The CHS's proposed or actual sale or offer of securities, An accounting of profits made from the purchase or sale by an Insured of securities of the CHS where the Insured has or is alleged to have improperly benefited as a result of information that is not available to other sellers or purchasers of such securities.

**What are the various General Conditions under this Policy?****1. Due Observance**

The observance and fulfillment of the terms, provisions, warranties and conditions of this Policy by the Insured and the CHS are conditions precedent to the Insurer's liability.

**2. Due Diligence**

The Insured shall take or cause to be taken all precautions to prevent a claim or Claim from arising under this Policy and do or cause to be done everything necessary to minimize the quantum of any Claim made.

**3. Notification**

a. It is a condition precedent to the Insurer's liability that:

i. Upon the happening of any event or the discovery of circumstances that may reasonably be expected to give rise to a Claim that the Insured and/or the CHS shall immediately and in no case later than the days mentioned in Policy Schedule give the Insurer written notice of the same and provide the Insurer, with any and all information, documentation and other assistance concerning the Claim or the Insurer's liability for it that the Insurer may require or need.

ii. Neither the Insured nor the CHS will admit liability for, settle, compromise, make or promise any payment in respect of any Claim, or incur any costs or expenses in respect of any such Claim unless the Insurer has previously approved the same in writing.

iii. The Insurer may, in its sole and absolute discretion, take over and conduct in the name of the Insured the investigation, defence and settlement of any Claim, and if the Insurer exercises its right to assume control then the Insured and the CHS shall, at its own cost and expense, provide the Insurer, with all assistance, documentation and information that the Insurer may request. Nothing in this clause shall:

I. Oblige the Insurer to assume the control of any Claim.

II. Prevent the Insurer from relinquishing the control of any Claim, or reassuming control of any Claim once relinquished.

III. Modify or expand the Insurer's liability or obligations beyond that which would have existed had the Insurer not exercised its right to assume or relinquish conduct.

b. Where notification is made of the discovery of circumstances that may reasonably be expected to give rise to a Claim, then any subsequent legal, administrative or regulatory proceedings brought against the Insured for the Wrongful Act pursuant to the notification given shall be deemed a Claim first made during the Policy Period.

c. If the Insured and/or the CHS refuses to accept a settlement recommended by the Insurer, then the Insurer's liability will (subject to the Limit of Indemnity) be capped at the amount for which the Claim could have been settled and the defence costs incurred with its consent as at the date of the Insurer's recommendation to settle.

d. If a Claim combines elements excluded from cover, then the Insurer shall (subject to the Limit of Indemnity) only indemnify the Insured or the CHS for the portion of the Loss or Defence Costs properly attributable to the covered elements.

e. Any amount due to the Insured or the CHS shall be reduced by the Deductible.

f. Amounts spent in the payment of any Claim or on defence costs will reduce the Limit of Indemnity.

g. All Claims or Losses resulting from the same Wrongful Act, or a series of Wrongful Acts arising out of or attributable to the same originating cause, source or event shall be deemed to be one Claim or Loss under this Policy and as having been made when the earliest of such was first made.

h. The obligation of the insurer to make payment shall be to make payment in Indian Rupees only.

**4. Alteration of the CHS's status**

The insurance provided hereunder shall cease in relation to any subsequent Wrongful Acts immediately upon the happening of any of the following:

a. the acquisition of the CHS or all or substantially all of its assets or its business by another entity,

b. the merger or consolidation of the CHS into or, with another entity such that the CHS is not the surviving entity,

c. the appointment of a receiver, conservator, administrator, liquidator or similar official, for or, with respect to the CHS or its business,

d. the passing of beneficial ownership or control of 50% or more of the CHS's outstanding securities representing the right to vote for the election of the Management Committee members of the CHS.

**5. Duty Of Disclosure**

This Policy shall be void and all premiums paid hereon shall be forfeited to Us in the event of misrepresentation, misdescription or non-disclosure of any material fact in the Proposal form, personal statement, declaration and connected documents, or any material information having been withheld.

**6. Transfer of Rights of Recovery against Others (Subrogation)**

You shall take all steps necessary or such steps as are required by Us before or after any payment by Us under this Policy to preserve the rights and remedies which You may have to recover the Loss. If any payment is to be made under this Policy in respect of a Claim, We shall be subrogated to all Your rights of recovery whether or not payment has in fact been made and whether or not You have been fully compensated for its actual Loss. We shall be entitled to pursue and enforce such rights in the name of an Insured, who, both before and after payment under this Policy, shall provide Us with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. You shall do nothing to prejudice Our rights under this subrogation clause.

We agree not to exercise any such rights of recovery against any Employee unless the Claim is brought about or contributed to by the dishonest, fraudulent, intentional criminal or malicious act or omission of the Employee. In its sole discretion, the Insurer may, in writing, waive any of its rights set forth in this Subrogation Clause.

Any amounts recovered in accordance with this clause shall be applied in the following order:

- a. to compensate Us and You for the costs incurred in making the recovery (such payment to be allocated between Us and You in the same proportions as they have borne the costs thereof); and
- b. to Us up to the amount of the Loss paid by Us; and
- c. to You in respect of any uninsured element of the Claim (including the Deductible under this Policy).

**7. Transfer of Rights and Duties (Assignment)**

Your rights and duties under this Policy may not be transferred without Our written consent except in the case of the death of Insured.

**8. Extended Reporting Period**

If this Policy is neither renewed nor replaced with an insurance Policy for the same interest Insured shall be entitled to an Extended Reporting Period as below from the date of expiry of the Policy provided no insurance is in force during this Extended Reporting Period for the same interest:

- i. Number of days as opted by Insured and mentioned in Policy Schedule, granted automatically; or
- ii. Number of months as opted by Insured and mentioned in Policy Schedule, upon payment of an additional premium, as specified in the Policy Schedule as a percentage of the annual premium in effect immediately prior to the expiry of the Policy period.

If the Insured elects to purchase an Extended Reporting Period, per item (ii) above, then the Insured must make any request for an Extended Reporting Period in writing, and pay any applicable additional premium, within 30 days after the expiry of the Policy period. Extended Reporting Period is not cancellable by the Insured and any premium paid for an Extended Reporting Period is non-refundable. No Extended Reporting Period is available if this Policy is cancelled or avoided, or there has been a Transaction prior to the expiry of the Policy period.

**9. Fraudulent Claims**

If any Insured shall give any notice or Claim cover for any Loss under this Policy knowing such notice or Claim to be false or fraudulent as regards amounts or otherwise, such Loss shall be excluded from cover under the Policy, and the Insurer shall have the right, in its sole and absolute discretion, to avoid its obligations under or void this Policy in its entirety, and in such case, all cover for Loss under the Policy shall be forfeited, all premium shall be deemed fully earned and non-refundable and the insured shall reimburse the Insurer for any payments made under this Policy.

**10. Contribution**

If at the time of any loss or damage, there is some other insurance policy, apart from this one, insuring the same liability, we shall not be liable for more than the ratable proportion of such loss or damage.

**11. Territorial Limits**

The insurance provided by this Policy applies to Wrongful Acts committed or occurring, within India and to Claims brought and determined in India according to Indian law.

**12. Governing Law & Jurisdiction**

Where legally permissible and subject to all terms and conditions of this Policy, this Policy shall apply to any Claim made against You within Jurisdiction stated in the Policy Schedule. Any interpretation of this Policy relating to its construction, validity or operation shall be made exclusively in accordance with the Indian laws.

**13. Cancellation**

**a. Cancellation by Insured**

Policy may be cancelled at the option of the Insured with Fifteen (15) days' notice of cancellation and We will be entitled to retain premium on below period scale of rates for the period for which the cover has been in existence prior to the cancellation of the Policy. The balance premium, if any, will be refundable to the insured.

In case of cancellation of Policy by the insured, premium would be refunded as per below table subject to there being no Claim under the Policy:

Period on Risk	% of Premium to be Refunded
Not Exceeding 1 Week	90% of the Annual Premium
Not Exceeding 1 Month	75% of the Annual Premium
Not Exceeding 2 Months	65% of the Annual Premium
Not Exceeding 3 Months	50% of the Annual Premium
Not Exceeding 4 Months	40% of the Annual Premium
Not Exceeding 6 Months	25% of the Annual Premium
Not Exceeding 8 Months	15% of the Annual Premium
Exceeding 8 Months	0% of the Annual Premium

**b. Cancellation by Insurer:**

This insurance may also at any time be terminated at the option of the Insurer, on Fifteen (15) days' notice to that effect being given to the Insured on ground of mis-representation, fraud, non-disclosure of material facts and non-co-operation by the insured and there would be no refund of premium in case of mis-representation, fraud or non-disclosure of material facts.

Your policy will automatically be cancelled from the time your business becomes insolvent or is wound up or is permanently discontinued or a liquidator, administrator, receiver, manager and / or trustee in bankruptcy is appointed to you or any of your assets.

No refund of premium shall be due if the Insured has made a Claim under this Policy during the policy period.

**14. Renewal**

The Company is not bound to accept any renewal premium or give notice that renewal is due. Under normal circumstances, renewal will not be refused except on the grounds of moral hazard, misrepresentation or fraud of the Insured.

The renewal premium shall be as per the rates approved by the Insurance Regulatory and Development Authority of India ("IRDAI") on the date of renewal for this product.

**What is the maximum period of cover available under this Policy?**

The coverage under this Policy can be opted for maximum 1 Year.

**How do I get the premium amount for this Insurance Cover?**

Based on filled proposal form and information furnished, we will provide you with the premium amount.

**What Discounts are available under this Policy?**

Below Discounts are available under this Policy:

**Discounts:**

- a. Deductible:** Underwriter will have an option to specify "Deductible" considering the limit of liability opted. This will attract a discount on the Total Risk Adjusted Cost excluding Taxes. Deductibles will range between 0% to 5% and will be applied on "Any One Occurrence" Limit, in multiples of 0.05%. The discount applicable on the Total Risk Adjusted Cost excluding Taxes will be 2 times of the given deductible.

**What do I claim under this Policy?**

In case of a claim, we request you to register a claim by contacting our Customer Service No. 1800 258 5956: You can, alternatively, also register a claim by email on: [hello@godigit.com](mailto:hello@godigit.com)

Please keep below details handy at the time of registering claims as this information will help us serve you faster: Policy Number, Location of Accident, Date and Time of Accident & Contact Number of the Insured/Caller.

**IMPORTANT NOTE:** Above is a summary of Coverage and Exclusions, please refer to detailed Policy Terms & Conditions and Policy Schedule for full description which shall prevail in the event of any claim/complaint/dispute.