

## MAXIMA DIRECTORS AND OFFICER LIABILITY INSURANCE

### PROSPECTUS

#### (RETAIL)

#### Introduction

In today's time, Company directors and officers operate in difficult and complex environments, making their life challenging. Over the past two decades the market has seen many scenarios because of which companies and their directors and officers face more scrutiny by regulatory bodies regarding corporate conduct and wrongdoing. Apart from regulatory bodies they are also answerable to their stakeholders, promoters, shareholders and employees of the company while managing the entire operations. In such events errors can happen by them which can lead to litigation affecting their personal assets and reputation. In order to protect the Directors and officers from such instances D&O policy was introduced.

Directors and officers (D&O) liability insurance protects Directors, Officers and Employees from any loss from wrongful act while carrying their duties.

#### Wrongful Act Means

- any actual or alleged misrepresentation, misstatement, misleading statement, error, omission, defamation, negligence, breach of warranty of authority or breach of duty by an Insured Person, acting solely in their capacity as such, or any matter claimed solely because of such status,
- with respect to Securities Claim any actual or alleged misrepresentation, misstatement, misleading statement, error, omission, defamation, negligence, breach of warranty of authority or breach of duty by the Insured Person;
- Wrongful Act also includes actual or alleged Employment Practices Wrongful Act committed or alleged to be committed by an Insured Person

#### What the Policy does not cover?

This policy does not cover liability in connection with below:

- Biological Agents/ Communicable Disease Exclusion
- Bodily Injury and Property Damage Exclusion except for EPLI claims
- Conduct Exclusion
- ERISA
- Insured vs Insured – USA Only
- Major Shareholder Exclusion
- Offering of Securities
- Pollution
- Professional Services
- SEC
- War, Terrorism and Radioactivity

For complete list of exclusions, please refer the policy wordings

### **What is the Sum Insured?**

In Directors and Officers Liability insurance policy, the sum insured is referred to as Limit of Indemnity. This limit is fixed as any one Occurrence and in the Aggregate. Any one Occurrence means the maximum we will pay for a single incident and the Aggregate limit is the maximum which we will pay for all claims under the policy during the period of Insurance. The limit of Indemnity is to be decided by the Insured based upon their own and industry experience.

### **What should be the deductible?**

The first amount which the insured needs to bear on each and every loss which he claims, is known as policy deductible.

### **What are the Extensions available under the policy?**

#### **Automatic Extensions**

- Advancement of Defence Costs
- Excess Limits for Non-Executive Directors
- Lifetime Discovery Period for Retired Directors and Officers
- Bilateral Discovery Period
- Supplemental Discovery Period
- Civil Fines and Penalties
- Blanket Subsidiary Coverage
- Outside Directorship Liability
- Continuity of Cover

#### **Optional Extensions**

- Assets and Liberty Costs
- Occupational Health and Safety Costs
- Extradition Costs
- Emergency Costs
- Public Relations Costs
- Automatic Acquisition of New Subsidiaries
- Retroactive Date Protection

#### **Other Extensions**

- Abduction Response Endorsement
- Advancement of Defence Costs in XX Days
- Amended Definition of Subsidiary
- Amended Definition of Loss to Include Punitive, Exemplary and Aggravated Damages
- Automatic Run-off Extension – 30 days
- Counselling Costs
- Crisis Management Cover
- Cyber Liability Endorsement
- Employed Lawyer's Endorsement
- Company Employment Practices Violation Insurance Extension
- EPLI Carve-back for Pollution Claims

- US Foreign Corrupt Practices Act and UK Bribery Act
- Amended Definition of Insured Person – POSH
- Interpretive Counselling Costs
- Lifetime Discovery Period for Resigned and Retired Directors and Officers
- Management Buy-out Extension
- Mitigation Costs Endorsement
- Non-cancellation Endorsement
- Pension Trustee Cover
- Pre-investigation Expenses Endorsement
- Primary and Non-contributory Cover
- Regulatory Crisis Response Endorsement
- Self-reporting Expenses
- Specific Matter Endorsement
- Tax Liability Endorsement
- Waiver of Retention Endorsement
- Wallersteiner Endorsement
- Witness Costs

## TERRITORIAL LIMITS

The territory limits and the Jurisdiction will follow the policy schedule, policy form as extended.

## What to Do in Event of a Claim?

- Call Zurich Kotak GIC Call Centre on Toll Free No: 1800-266-4545 OR
- Send Letter via Post / Courier along with details of the loss - as far as practicable OR
- Email us at [care@zurichkotak.com](mailto:care@zurichkotak.com)
- Zurich Kotak GIC will depute an IRDAI licensed surveyor to attend to the loss
- Please provide necessary assistance to surveyor or company officials for finalization of loss.
- Please furnish required documents and any clarifications that may be sought.

## Turn Around Time (TAT) for claims settlement

Appointment of surveyor	Within 24 hours of reporting of claim
Submission of final survey report	Within 15 days of allocation
Settlement of claims	Within 7 days of receipt of the survey report or after expiry of 15 days from allocation of the claim to the surveyor whichever is earlier*

*\*This timeline will apply where surveyors are appointed*

## What are the terms of Cancellation?

The insured can cancel the policy at any time during the term, without assigning any reason, by giving notice in writing to the Insurer.

The Insurer shall-

- Refund proportion premium for unexpired policy period, if the term of the policy is upto one year and there is no claim(s) made during the policy period.
- Refund premium for the unexpired policy period, in respect of policy with the term more than one year and the risk coverage for such policy years has not commenced.

The Insurer can cancel the policy only on the grounds of established fraud, by giving minimum notice of 7 days to the insured.

### **Grievance**

For resolution of any query or grievance, **Insured** may contact the respective branch office of the **Insurer** or may call toll free number 1800 266 4545 or may write an e- mail at [care@zurichkotak.com](mailto:care@zurichkotak.com).

In case the **Insured** is not satisfied with the response, **Insured** may contact the Grievance Officer of the **Insurer** at [grievanceofficer@zurichkotak.com](mailto:grievanceofficer@zurichkotak.com). In case if the **Insured** is not satisfied with the solution the Grievance Officer has provided, **Insured** can write to [seniorgrievanceofficer@zurichkotak.com](mailto:seniorgrievanceofficer@zurichkotak.com)/  
[chiefgrievanceofficer@zurichkotak.com](mailto:chiefgrievanceofficer@zurichkotak.com).

However, if the resolution provided by the **Insurer** is not satisfactory the **Insured** may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal: <https://bimabharosa.irdai.gov.in>.

The **Insured** may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. The details of the Insurance Ombudsman is available at Annexure I of Policy wordings.

The details of the Insurance Ombudsman/ complete Grievance Redressal Process is also available at **Insurer's** website: [www.zurichkotak.com](http://www.zurichkotak.com)

The updated details of Insurance Ombudsman offices are also available on the website of Council for Insurance Ombudsmen [www.cioins.co.in/Ombudsman](http://www.cioins.co.in/Ombudsman).

### **Duty of Disclosure:**

We rely on information that you provide while accepting your proposal for insurance cover. If that information is not accurate, we can reduce or deny any claim you may make or cancel your policy. We never want to have to do that, so you must answer honestly, correctly and completely the questions asked.

### **Obligations of the Policyholder:**

- Insured should disclose all material information correctly at time of filling the proposal form
- In case of any change / modification / addition to the already declared information, Insured should immediately bring it to Company's notice
- Disclosure of other material information during the policy period.
- Non-disclosure of material information may affect the claim settlement.

The Policy schedule and policy wording is provided on the basis of the duly filled signed, dated and stamped proposal form provided by the Insured. Any deviation may affect the claim settlement.

**Note:**

For detailed Coverage, Exclusions, Conditions etc., it is recommended to go through the Specimen copy of the Policy Wording which can be collected from any of our branch or downloaded from company web site.

**STATUTORY WARNING - PROHIBITION OF REBATES  
(Under Section 41 of Insurance Act 1938)**

1. No person shall allow or offer to allow, either directly or indirectly as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property, in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the Policy, nor shall any person taking out or renewing or continuing a Policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the Insurer.
2. Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees