

CREDIT INSURANCE POLICY

1. OPERATIVE CLAUSE

This Policy is issued by SBI General Insurance Company Limited (hereinafter referred to as 'the Company') to the Proposer (hereinafter referred to as 'the Insured') named in the Schedule attached herewith.

Whereas the Insured has made a written proposal and declaration ('the Proposal') on the date specified in the Schedule attached herewith, and has paid the premium stated in the Schedule towards 'Provisional Premium'.

Now, therefore, in consideration of the said provisional premium paid by the Insured and any further premium that may become payable under the policy, the Company hereby agrees to indemnify the insured in accordance with the terms and subject to the warranties, conditions, obligations, exclusions, definitions and limits thereof, up to the Maximum Liability for Insured Percentage of the Insured Loss which may be sustained by the insured, due to the non-payment of the Insured Debt by any Approved Buyer in respect of Domestic/Export Sales made during the Policy Period due to the following causes (hereinafter referred to as 'Insured Risks').

2. INSURED RISKS

2.1 **Insolvency of the Approved Buyer** – the buyer shall be deemed to be insolvent for the purpose of this policy when:

- the buyer is declared bankrupt by the competent court of jurisdiction
- OR the buyer has made a valid assignment, composition or other arrangement for the benefit of his creditors
- OR a Receiver / Administrator / Liquidator has been appointed by the Court to manage his estate
- OR an order by the competent Authority has been made for compulsory winding up

- OR an effective resolution has been passed for voluntary winding up provided that this resolution is not merely for the purpose of reconstruction or amalgamation

- OR an arrangement binding on all creditors has been sanctioned by the appropriate Court

- OR such conditions exist as are, by any other system of law, substantially equivalent in effect to any of the foregoing conditions.

2.2 Presumed Insolvency OR Protracted Default by the Approved Buyer

i) Domestic Risks

The failure of the approved buyer to pay to the insured at the end of the due date (including extensions), the whole or part of the insured debt relating to the goods / services delivered to and accepted by the approved buyer.

ii) Export Risks – Political Risk Cover

The failure of the approved buyer to pay to the insured at the end of the due date (including extensions), the whole or part of the insured debt relating to the goods / services delivered to and accepted by the approved buyer.

OR

The failure of the approved buyer to pay to the insured following an event outside the control of the buyer or the seller and any insured debt which remains unpaid due in any part by reason of expropriation, confiscation, conspiracy, commandeering, piracy, requisition, embargo, exchange controls, nationalisation or destruction of the whole or any part of the assets of the approved buyer by acts of government or any laws or regulations in force in the country that have an effect on the goods / services subject of the insured debt, or any other action by order of the government, whether lawful or de facto, or any public authority.

3. DEFINITIONS

3.1 Approved Buyer

A legal entity on whom a credit limit is approved by the Company or a discretionary limit is approved by the Insured.

An approved buyer will not include the following :

- any sovereign, state, government, government body or department unless agreed to in writing by the Company
- any subsidiary, associate or entity in which the directors, members or employees of the insured have financial or management control
- banks, financial institutions / lenders or the buyer of any receivable arising from a financial service unless agreed to in writing by the Company
- any buyer on whom the Company has refused a credit limit.
- Agents, consignees, private individuals

3.2 Annual Aggregate Deductible (AAD)

The overall limit of claim liability for the insured, beyond which the Company will indemnify the insured for the remaining claims subject to the policy limits.

3.3 Contract of Sale

The sale agreement between the insured and the approved buyer wherein the approved buyer agrees to pay in contract currency, the gross invoice value as evidenced by a negotiable debt instrument (eg promissory note, demand draft, bill of exchange) or open account documents (purchase order, invoice, shipping documents).

3.4 Due Date

The date when the approved buyer must pay his debt according to the sales contract.

3.5 Disputed Debt

A disagreement regarding the amount of a debt or the validity of the rights or debts of the insured, including any disagreement about setting off sums the insured may owe the approved buyer.

3.6 Discretionary Credit Limit

The credit limit set out in the Schedule that permits the insured to make internal credit decisions at its discretion, up to the amount of the discretionary credit limit but not overriding the credit limits advised by the Company, and subject to the conditions detailed in the policy.

3.7 Domestic Sales

Sales made to buyers incorporated locally in India.

3.8 Export Sales

Sales made to buyers not incorporated locally in India.

3.9 Excess

The first portion of each and every loss that shall be borne by the insured.

3.10 Gross Invoice Value

The invoice value in contract currency of the eligible shipment including insurance, freight or other charges as set out in the invoice but excluding interest, penalties, fines etc.

3.11 **Granted Credit Limit**

Is the maximum amount insured by the Company on an approved buyer and is set at the maximum amount that can be owed by the buyer to the insured at any time during the policy period.

3.12 **Insurable Turnover**

The total invoice value of sales made to approved buyers during the policy period.

3.13 **Insured Debt**

The amount owed under an invoice and relating to sales made under the insured's name and for his own account in the usual course of business and within the geographic area as defined in the Schedule, and the invoice has been raised not later than 10 days from delivery or shipment date, or when the services have been performed.

An insured debt will only arise if the debt is not disputed and the approved buyer has taken delivery of the goods or accepted the provisions of services and includes:

- insurance, packaging, excise duty, sales tax and other similar charges only if included in the same invoice as the insured goods / services
- expense that the insured may incur with a written agreement from the Company in recovering goods after the insured has made a claim under the policy
- expenses incurred by the insured with a written agreement from the Company in trying to resell goods recovered from an approved buyer on which a claim has been made under the policy.

A debt will not constitute an insured debt if it arises when there is already due from the approved buyer a debt which has not been paid on the due date or the extended due of the first unpaid invoice.

3.14 **Insured Loss**

That portion of the insured debt which is not in dispute and shall be confirmed by the relevant authority as being owed by the approved buyer to the insured at the date of insolvency or shall be that portion of the insured debt less any interim payments and recoveries in the event of protracted default. In both cases, the amount of insured loss will be calculated after taking into account the excess and the Company's proportion of salvage.

3.15 Insured Percentage

The percentage of cover set out in the Schedule which represents the maximum percentage of the insured loss payable by the Company and shall not exceed 85% for approved buyers and 70% for approved buyers under the discretionary credit limit.

3.16 Maximum Credit Period

The original due date from the date of invoice plus maximum extension period and shall not exceed 180 days in case of domestic sales and 365 days in case of export sales.

3.17 Maximum Extension Period

The maximum additional period of credit that the insured may grant to any approved buyer, at or prior to the due date of payment, with the prior written approval of the Company.

3.18 Maximum Liability

The maximum amount of indemnification payable by the Company during a policy period and is a multiple of the premium paid under the policy.

3.19 Net Debt

The balance of a loss account including the amount of the invoices covered under the policy issued for the goods sold or services performed, including

- The GST / VAT if this tax is covered under the policy
- Any interest payable up to the due date of the invoice
- The packing, transport, insurance costs and any taxes owed by the buyer, with the exclusion of any interests for late payment and any penalties or damages

LESS

- The amount of any recoveries received by the insured or the Company up to the date of drawing up of the loss account.

3.20 Non Qualifying Loss (NQL).

The amount mentioned in Schedule, below which losses do not qualify for indemnification and are to be kept by the insured for their own account.

If a loss does not exceed the NQL amount, then such amount shall be borne by the insured for its own account and shall not be applied to the deductible.

3.21 Policy Period

The period set out in the Schedule, for which cover is given for a maximum of 12 months.

3.22 Provisional Premium

The portion of the premium applicable to the estimated turnover of the insured for a quarter / half year / year, that shall be payable in advance on or before the commencement of the policy.

3.23 Sales / Services

The goods in question have physically passed irretrievably from the control of the insured into the control of the approved buyer or their agents or when title of the goods has passed to the approved buyer and the approved buyer / its agent has accepted them. The services have been performed and rendered to completion as specified according to the terms specified in the contract) The buyer has also have deemed to have accepted delivery of goods if they are sold or disposed of in any manner by the approved buyer while in transit (in accordance to the terms specified in the sales contract).

3.24 Salvage

- the monies including dividends paid or payable out of the insolvent estate
- realisation value of all securities, goods recovered, indemnities and guarantees
- all sums recoverable by means of rights of action, counter claims or set off and/ or other advantages held by the insured or otherwise available for the purpose of reducing the amount of any insured debt which remains unpaid on the date of insolvency or protracted default and/or received by the insured or on their behalf in respect of delivery of goods made to an approved buyer after the date of insolvency or protracted default.

3.25 Sanctions & Embargoes Clause

Any risk where the insurance of such risk does not comply or becomes incompatible with the provisions of the laws applicable to the Company or its reinsurers, in particular trade restrictions and /or prohibitions on trade on the basis of sanctions including financial sanctions, or any claim payable or benefit provided would expose the Company or its reinsurer to any prohibition, penalty or restriction under those laws, shall be excluded from coverage, with effect from the date on which such insurance becomes unlawful.

If the provisions of this clause are invoked by the Company after the inception of this policy, and such risks subsequently becomes compatible with the laws applicable to the Company or its reinsurer, coverage shall be reinstated from inception without interruption to the extent such reinstatement is permitted by such laws.

3.26 **Whole Turnover**

The turnover pertaining to the entire sales of the insured during the policy period.

3.27 **Claims Waiting Period**

The period mentioned in the Schedule and measured from the due date or the extended due date of the first unpaid invoice after which a claim becomes payable under the policy.

4. **Exclusions.**

This policy does not cover any loss :

- 4.1 which is in excess of the granted credit limit or the discretionary credit limit.
- 4.2 which is a disputed debt
- 4.3 where the insured has not complied with any terms which may be attached to the credit limit
- 4.4 relating to deliveries, shipments or performance of services made after the Company has refused or cancelled a credit limit
- 4.5 any insured debt which remains unpaid due in any part by reason of expropriation, confiscation, conspiracy, commandeering, piracy, requisition, embargo, exchange controls, nationalisation or destruction of the whole or any part of the assets of the approved buyer by acts of government or any laws or regulations in force in the country that have an effect on the goods / services of the insured debt, or any other action by order of the Government, whether lawful or de facto, or any public authority except as is specifically covered in the Political Risks endorsement if attached to the policy.

- 4.6 any loss due to a delay in the transfer of funds to India through the banking system or losses resulting from changes in exchange rates/bank charges.
- 4.7 any payment for goods / services in advance or in cash when or before they are delivered or shipped.
- 4.8 relating to deliveries, shipments or performance of services made with :
 - a buyer on whom a notification of adverse information or overdue account has or should have been given, if the debt remains unpaid
 - if a buyer has been declared insolvent
- 4.9 arising from a failure by the insured or anyone acting on the insured's behalf, to fulfil the obligations under any clause or condition of the sales contract
- 4.10 in the case of cash against document sales, arising from the loss of control over the goods as a result of the insured failure to comply with any applicable rule or custom
- 4.11 in respect of an insured debt as to which the insured has accepted a composition or arrangement with an approved buyer without the prior approval of the Company in writing
- 4.12 If any rights under the policy including recovery rights have been assigned by the insured without prior approval of the Company in writing
- 4.13 relating to deliveries, shipments or performance of services made without the necessary licence or, more generally, in violation of any applicable law or regulation,
- 4.14 caused by frauds and acts of dishonesty on the part of the employees of the insured
- 4.15 arising out of sales under special contracts of sale, unless specifically covered by the policy
- 4.16 arising out of the deliberate, conscious or intentional disregard of the insured's credit management procedures and / or the credit procedures set out in the policy and failure to take all reasonable steps to prevent / recover any loss.
- 4.17 arising due to non-acceptance of goods or contract cancellation by the approved buyer.

4.18 arising directly or indirectly from :

- a nuclear explosion or contamination, whatever its origin
- a war, invasion, act of foreign enemies, civil war, rebellion, revolution, acts of terrorism insurrection, mutiny, civil commotion, military or usurped power, martial law etc.
- sustained on interest for late payment or any penalties or damages.

5. Credit Limits.

- 5.1 Application for credit limits in respect of each buyer has to be made to the Company and the Company will inform the insured in writing about its decision to accept or refuse the credit limit and the amount of credit limit approved for each buyer and the period of cover.
- 5.2 The credit limit decision will take effect from the date of commencement of policy if the credit limit application is received within one month of the commencement of the policy. For all other applications, the credit limit will be effective from the date mentioned in the credit limit decision.
- 5.3 The Company may reduce, cancel or suspend credit limits for any debtor at any time and such decisions will be conveyed to the insured in writing. All insured debt existing at the time of such reduction, cancellation or suspension shall stand covered.
- 5.4 The credit limit shall stand automatically cancelled :
- i) when a provisional claim is filed / should have been filed under the policy
 - ii) when the approved buyer becomes insolvent
- 5.5 The credit limit is a revolving limit and will cease to operate:
- i) where there is already due from the approved buyer a debt which has not been paid on the due date or the extended due of the first unpaid invoice.
 - ii) when the credit limit on the approved buyer has been cancelled as per clause 5.4 of the policy
 - iii) when the insured becomes aware of any adverse information on the approved buyer
 - iv) when legal proceedings have been instituted against the buyer for insolvency / default in payments

5.6 The insured must exercise due care in granting credit to buyers, with regard to both amount and the period of credit, and must manage all business which is covered under this policy with the same diligence and prudence as would reasonably be expected to exercise were it not insured. The insured must use all reasonable endeavours to preserve its rights against the buyers and any third parties.

6. Discretionary Credit Limit.

6.1 The insured may set a credit limit up to the amount of the discretionary credit limit without reference to the Company which shall be justified by either :

- i) an information report from an independent credit agency dated not more than 12 months from the date of decision of the discretionary credit limit, which supports the amount of credit given. If the report supports a lesser amount, the Company shall be liable to pay only the insured percentage of that amount.
- ii) a written report from the buyer`s bankers dated not more than 12 months from the date of decision of the discretionary credit limit, which supports a figure of at least twice the amount of credit given. If the report supports a lesser amount, the Company shall be liable to pay only the insured percentage of half of that amount.
- i) the insured`s trading experience with the buyer and established over a 12 month period preceding the discretionary credit limit decision. The credit limit given should not exceed 125% of the maximum outstanding debt recorded with the insured and satisfactorily paid. The trading experience pertains to the buyer paying not later than 30 days after the due date for payment, subject to the payment of a minimum of 3 invoices within the due date of payment.

6.2 The insured must apply for a credit limit as mentioned under clause 5.1 of the policy, if the credit to the buyer exceeds the amount of discretionary credit limit

6.3 a granted credit limit and / or a nil credit limit issued by the Company shall override any discretionary credit limit set by the insured.

6.4 The maximum liability of the Company for a buyer under the discretionary credit limit shall be the amount mentioned in the Schedule or the amount of eligible limit as per 6.1 i), ii), or iii) of the policy, whichever is lower.

7. Indemnification.

7.1 Claims.

- i) the insured shall give prompt notice to the Company in writing upon the occurrence of a default / delay in payment (whether such amount relates to an insured debt or not) or the discovery of any event or circumstance likely to give rise to a claim under the policy.
- ii) the insured shall submit to the Company a provisional claim along with supporting documents duly certified by a competent Chartered Accountant, no later than 30 days from the due date (or the extended due date) of the first unpaid invoice of the approved buyer.
- iii) the Company will pay the insured percentage of the net debt or of the credit limit if the net debt exceeds the credit limit. For the purposes of establishing which debts constitute the Insured Debt, debts owed by a **buyer** will be taken in the order of the invoice dates up to the amount of the credit limit. If payment is by cheque or bill of exchange, payment is deemed to have been made when the insured has received the funds.
- iv) the Company shall make the claim payment only if the insured has duly complied with all the terms of the policy and has sent the Company all written evidence of the debt and the security possibly obtained and, if applicable, of the insolvency of the buyer.
- v) the company shall have full rights of subrogation to all the rights and actions in relation to the principal and the interests of the insured debt and to the security attached to it. The insured shall provide to the Company any documents or titles that may be required to exercise this subrogation effectively and shall make any assignments or transfers required in the Company`s favour.

The subrogation will not relieve the insured of any obligation to take any such measures as may be deemed necessary to recover the debt and to comply with the Company`s instructions

The company will contribute in proportion of insured percentage towards legal costs & expenses as may be incurred by the insured, subject to prior approval by the company.

The Company shall have the right but in no case the obligation, to take over and conduct any recovery procedure in the name of the insured, and will have the full discretion in the conduct of any proceedings and in the settlement of any claim and having taken over such proceedings, may relinquish the same.

- vi) in the event of a dispute arising in connection with the debt, cover is suspended in respect of a claim until the dispute is resolved in the insured's favour by arbitration or by a final court decision, binding on both parties and enforceable by law.
- vii) the insured must return a claim payment to the Company if it subsequently appears that the claim has been paid on a disputed debt and if, in the case of insolvency of the buyer, the debt is not subsequently admitted to rank.
- viii) the total amount paid by the Company in respect of the claims relating to debts arising from buyer risks in a single insurance period will not exceed the maximum liability.

7.2 Recoveries.

- i) recoveries consist of (but are not limited to) any sums received by or on behalf of the insured from the buyer or from any other source whatsoever towards the payment of the insured debt including salvage as defined herein.
- ii) all recoveries received by and on behalf of the insured in respect of any debt of the buyer to the insured shall be treated as recoveries hereunder regardless of any designations as to the application of funds or source from which such payments are received and shall be applied chronologically against the outstanding insured debt in order of the due date or extended due date where applicable.
- iii) if the debt is fully covered, any amount recovered before indemnification, shall be paid to the insured in full, without deduction of any costs.
- iv) if the debt is fully covered, the amount recovered after indemnification shall be to the account of the Company to the extent of the claim paid by the Company.
- v) the collection costs relating to the uncovered part of the debt will after the payment of indemnity be applied in proportion that the indemnity bears to the uncovered part of the debt.

8. OBSERVANCE OF THE TERMS OF THIS POLICY.

- 8.1 The insured shall pay the premium and other charges set out in the Schedule as well as all stamp duty or similar government charges or taxes, bank collection or transfer charges and debt recovery charges if applicable.
- 8.2 The insured shall bear all deductibles mentioned in the Schedule and amounts in excess of the insured percentage of the loss payable under the policy for its own account and uninsured.
- 8.3 The insured shall secure and take all steps necessary to maintain a legally enforceable sale contract with the approved buyer.
- 8.4 The insured cannot grant longer payment terms to an approved buyer unless agreed by the Company in writing and the Company reserves the right to revise the premium rate applicable to the relevant turnover.
- 8.5 The insured shall give immediate notice of any fact/event/circumstance which can materially change the nature of the risk during the duration of the policy and the Company reserves the right to amend the terms of the policy in such circumstances.
- 8.6 The insured shall declare all insurable turnover on a quarterly basis to the Company, within 15 days of the end of the quarter.
- 8.7 If the provisional premium gets exhausted through turnover declarations at any time during the policy period, then fresh premium covering future estimated turnover shall be paid in advance. Cover shall be suspended as and when the premium paid is exhausted through turnover declarations. If at the expiry of the policy, the insurable turnover falls short of the estimated premium, refund of premium may be allowed for the difference subject to the Company retaining the minimum retention premium mentioned in the policy schedule.
- 8.8 The insured shall not offset any amount owed to the insured by the Company or any amount owed by the insured to the Company unless otherwise agreed by the Company in writing.
- 8.9 The insured acknowledges the right of the Company to verify the insured's compliance with the obligations mentioned in the policy and undertakes to facilitate the exercise of this right, in particular by providing all relevant documents / records in the insured's possession or control and permitting extracts and copies thereof to be made. The insured shall also permit and assist the examination of their books of accounts by the Company or its representatives at all times during the validity of the policy.

- 8.10 The insured shall obtain all authorisations and /or licenses to perform the insured contract and to receive payment thereunder in accordance with the regulations in force and all reasonable measures shall be taken to ensure their validity for the duration of the policy period.
- 8.11 The insured shall do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Company for the purpose of enforcing any rights and remedies or of obtaining relief and indemnity from other parties to which the Company shall be or would become entitled or subrogated upon their paying any loss under the policy whether such acts and things shall be or become necessary or required before or after payment is made hereunder by the Company.
- 8.12 The insured shall not disclose the existence of the policy, at any time to any third party other than to the insured`s own professional, financial and legal advisors, without the prior written consent of the Company.
- 8.13 The insured shall observe and comply with all laws and regulations of which it should reasonably have been aware, unless prohibited from so complying by a law, order, decree or regulations in force.

9. GENERAL CONDITIONS.

9.1 Arbitration.

If any dispute or difference shall arise as to the quantum to be paid under the policy (liability being otherwise admitted), such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by parties to the dispute or, if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute and the third arbitrator to be appointed by such two arbitrators, and the arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

9.2 Disclaimer

If the Company shall disclaim liability to the insured for any claim hereunder, and if the insured shall not within 12 calendar months from the date of receipt of the notice of such disclaimer notify the Company in

writing that he does not accept such disclaimer and initiate legal proceedings to recover the claim, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

9.3 **Onus of Proof**

In any claim and/or action, suit or proceeding to enforce a claim for loss, the insured shall bear the burden of proving that the loss is recoverable under the policy, no condition or warranty has been breached, and that no exclusion applies.

9.4 **Renewal**

The policy may be renewed by mutual consent every year, and in such event the renewal premium shall be paid to the Company on or before the date of expiry of the policy or the subsequent renewal thereof. The Company shall allow at its discretion discount in the premium at the time of renewal, for no-claim or low-claim experience, and suitably load the premium for adverse claims experience.

9.5 **Cancellation**

- i) The Company or the insured may at any time cancel this policy, by sending the other 30 days notice by registered letter at their last known address. The Company shall remain liable for any loss / claim in respect of sales transactions made to approved buyers prior to the date of cancellation.
- ii) If the policy is cancelled by the insured, and the insurable turnover falls short of the annual estimated turnover, refund of premium shall be made for the difference, subject to the minimum retention as mentioned in the Schedule, of the provisional premium.
- iii) If the policy is cancelled by the Company, and the insurable turnover falls short of the annual estimated turnover, refund of premium shall be made for the difference on pro-rata basis, without the minimum retention clause.
- iv) the policy shall stand cancelled automatically on the insolvency of the insured, and the Company shall be entitled to retain all premiums paid, and receive and retain all premiums due and payable up to and including the effective date of such insolvency.

9.6 **Interest.**

No sum payable under the policy shall carry any interest.

9.7 Notice of Lien.

The Company shall not be bound to take notice or be affected by any notice of any trust, charge, lien, assignment or other dealings with or relating to this policy but the receipt of the of the insured or his legal representative shall in all cases be an effective discharge to the Company.

9.8 Jurisdiction

No claim shall be payable under the policy unless the cause of action arises in India. It is further agreed and understood that only Indian law shall be applicable to any such action.

Any dispute concerning the interpretation of the terms, conditions, limitations and /or exclusions contained herein is understood and agreed to by both the insured and the Company to be subject to Indian Law. Each party hereby agrees to submit to the jurisdiction of the Courts at Mumbai, and to comply with all the requirements necessary to give such Court the jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of the Courts at Mumbai.

9.9 The proposal form, policy and schedule shall be read together as the insurance policy and any word or expression to which a specific meaning has been attached in any part of the policy or schedule, shall bear such specific meaning where ever it may appear.

9.10 Currency.

All payments under the policy shall be made in Indian Rupees only. If the insured enters into a transaction in any other currency, then in order to make a declaration of insurable turnover, whole turnover and overdue payments and for all payments to the insured, including submission of claims and recoveries, the transaction shall be calculated and recorded in Indian Rupees at the Reserve Bank of India exchange rate in force on the date of declaration / payment.

9.11 Severability.

- i) If any provision of this agreement is invalid, unenforceable or prohibited by law, this agreement shall be considered divisible as to such provision and such provision shall be in operative and the remainder of this agreement shall be valid, binding and of the like effect as though such provision was not included therein.
- ii) The parties shall make all reasonable endeavours to agree as far as possible that invalid or illegal terms shall be amended or replaced by valid or legal terms as the case may be, with a similar effect in order to maintain the purpose and continuity of this agreement.

9.12 Failure to comply with conditions.

The due observance and performance of each term, warranty, obligation and conditions contained herein or in the proposal and declaration shall be a condition precedent to liability of the Company and to the enforcement thereof by the insured. Any failure to comply with the conditions shall render the policy voidable at the option of the Company.

9.13 Section 38- Assignment and Transfer of Insurance Policies

Assignment or transfer of a policy will be in accordance with Section 38 of the Insurance Act, 1938 as amended by Insurance Laws (Amendment) Ordinance dated 26.12.2014. The extant provisions in this regard are as follows:

1. This policy may be transferred/assigned, wholly or in part, with or without consideration.
2. An Assignment may be effected in a policy by an endorsement upon the policy itself or by a separate instrument under notice to the Company
3. The instrument of assignment should indicate the fact of transfer or assignment and the reasons for the assignment or transfer, antecedents of the assignee and terms on which assignment is made.
4. The assignment must be signed by the transferor or assignor or duly authorized agent and attested by at least one witness.
5. The transfer of assignment shall not be operative as against the company until a notice in writing of the transfer or assignment and either the said endorsement or instrument itself or copy thereof certified to be correct by both transferor and transferee or their duly authorised agents have been delivered to the Company
6. Fee to be paid for assignment or transfer can be specified by the Authority through Regulations.
7. On receipt of notice with fee, we will grant a written acknowledgement of receipt of notice. Such notice shall be conclusive evidence against the Company of duly receiving the notice.
8. The policyholder may send such notice to our office address as mentioned in the policy document where the policy is being serviced.
9. We may accept or decline to act upon any transfer or assignment or endorsement, if it has sufficient reasons to believe that it is
 - a) not bonafide or
 - b) not in the interest of the policyholder or
 - c) not in public interest or
 - d) is for the purpose of trading of the insurance policy.
10. Before refusing to act upon endorsement, we will record the reasons in writing and communicate the same in writing to policyholder within 30 days from the date of policyholder giving a notice of transfer or assignment.
11. In case of refusal to act upon the endorsement by the Company, any person aggrieved by the refusal may prefer a claim to IRDAI within 30 days of receipt of the refusal letter from the Company

12. The priority of claims of persons interested in an insurance policy would depend on the date on which the notices of assignment or transfer is delivered to the Company; where there are more than one instruments of transfer or assignment, the priority will depend on dates of delivery of such notices. Any dispute in this regard as to priority shall be referred to Authority.
13. Every assignment or transfer shall be deemed to be absolute assignment or transfer and the assignee or transferee shall be deemed to be absolute assignee or transferee except where assignment or transfer is subject to terms and conditions of transfer or assignment. Such conditional assignee will not be entitled to obtain a loan on policy or surrender the policy. This provision will prevail notwithstanding any law or custom having force of law which is contrary to the above position.
14. In other cases, we will, subject to terms and conditions of assignment, recognize the transferee or assignee named in the notice as the absolute transferee or assignee and such person
 - a) shall be subject to all liabilities and equities to which the transferor or assignor was subject to at the date of transfer or assignment and
 - b) may institute any proceedings in relation to the policy
 - c) obtain loan under the policy or surrender the policy without obtaining the consent of the transferor or assignor or making him a party to the proceedings
15. Any rights and remedies of an assignee or transferee of a life insurance policy under an assignment or transfer effected before commencement of the Insurance Laws (Amendment) Ordinance, 2014 shall not be affected by this section.

Please note: This is not a comprehensive list of amendments of Insurance Laws (Amendment) Ordinance, 2014 and only a simplified version prepared for general information. Policy Holders are advised to refer to Original Ordinance Gazette Notification dated December 26, 2014 for complete and accurate details.

ENDORSEMENT .

This endorsement, effective (date) _____, forms a part of Policy Number _____ issued by SBI General Insurance Company Limited.

LOSS PAYEE ENDORSEMENT

In consideration of the *Premium* paid, and pursuant to Section 38 of Insurance Act 2015, it is hereby understood and agreed that *Loss(es)*, if any, shall be adjusted with the *Insured* and any amounts payable under this policy shall be paid to the *Insured* and/or to the following parties as their interests may appear:

It is understood that the Loss Payee shall have no rights to pursue a claim directly against the Company, but this endorsement shall be non-revocable without the consent of the Loss Payee.

Nothing herein contained shall be held to vary, alter, waive or change any of the terms, limits or conditions of this policy except as hereinabove set forth.

CLAIM SETTLEMENT

The Company will settle the claim under this Policy within 30 days from the date of receipt of necessary documents required for assessing the claim. In the event that the Company decides to reject a claim made under this Policy, the Company shall do so within a period of thirty days after receipt of the Survey Report or the additional Survey Report, as the case may be, in accordance with the provisions of Protection of Policyholders' Interest Regulations 2002.

GRIEVANCE REDRESSAL PROCEDURE

The Grievance Redressal Cell of the Company looks into complaints from policyholders. If the Insured has a grievance that the Insured wishes the Company to redress, the Insured may approach the person nominated as 'Grievance Redressal Officer' with the details of his grievance.

Name, address, e-mail ID and contact number of the Grievance Redressal Officer appears in the Policy document as well as on Company's website. An acknowledgement will be sent

from the Grievance Redressal Cell within 24 hours of receipt of any complaint. Every complaint will be registered, numbered, internally assigned, investigated and the Company's response notified within 15 days of receipt of complaint.

Further, the Insured may approach the nearest Insurance Ombudsman for redressal of the grievance. List of Ombudsman offices with contact details are attached for ready reference. For updated status, Please refer to website www.irdai.gov.in.

CONTACT DETAILS	JURISDICTION
AHMEDABAD - Shri. / Smt. Office of the Insurance Ombudsman, 2nd floor, Ambica House, Near C.U. Shah College, 5, Navyug Colony, Ashram Road, Ahmedabad – 380 014. Tel.: 079 - 27546150 / 27546139 Fax: 079 - 27546142 Email: ins.omb@rediffmail.com	State of Gujarat and Union Territories of Dadra & Nagar Haveli and Daman and Diu.
BENGALURU - Shri. M. Parshad Office of the Insurance Ombudsman, Jeevan Mangal Bldg., 2nd Floor, Behind Canara Mutual Bldgs., No.4, Residency Road, Bengaluru – 560 025. Tel.: 080 - 22222049 Fax: 080 - Email: insombudbng@gmail.com	New Centre.
BHOPAL - Shri. Raj Kumar Srivastava Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202 Fax: 0755 - 2769203	States of Madhya Pradesh and Chattisgarh.

Email: bimalokpalbhupal@gmail.com	
BHUBANESHWAR - Shri. B. N. Mishra Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 /2596455 Fax: 0674 - 2596429 Email: ioobbsr@dataone.in	State of Orissa.
CHANDIGARH - Shri. Manik B. Sonawane Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468 Fax: 0172 - 2708274 Email: ombchd@yahoo.co.in	States of Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir and Union territory of Chandigarh.
CHENNAI - Shri Virander Kumar Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453 (old 312), Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284 Fax: 044 - 24333664 Email: chennaiinsuranceombudsman@gmail.com	State of Tamil Nadu and Union Territories - Pondicherry Town and Karaikal (which are part of Union Territory of Pondicherry).
DELHI - Smt. Sandhya Baliga Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23239633 / 23237539 Fax: 011 - 23230858 Email: iobdelraj@rediffmail.com	States of Delhi and Rajasthan.
GUWAHATI - Sh. / Smt. Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM).	States of Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.

<p>Tel.: 0361 - 2132204 / 2132205 Fax: 0361 - 2732937 Email: ombudsmanghy@rediffmail.com</p>	
<p>HYDERABAD - Shri. G. Rajeswara Rao Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 65504123 / 23312122 Fax: 040 - 23376599 Email: insombudhyd@gmail.com</p>	<p>States of Andhra Pradesh, Karnataka and Union Territory of Yanam - a part of the Union Territory of Pondicherry.</p>
<p>Jaipur - Shri. Ashok K. Jain Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - Fax: 0141 - Email:</p>	<p>New Centre.</p>
<p>KOCHI - Shri. P. K. Vijay Kumar Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338 Fax: 0484 - 2359336 Email: iokochi@asianetindia.com</p>	<p>State of Kerala and Union Territory of (a) Lakshadweep (b) Mahe-a part of Union Territory of Pondicherry.</p>
<p>KOLKATA - Shri. K. B. Saha Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: insombudsmankolkata@gmail.com</p>	<p>States of West Bengal, Bihar, Sikkim, Jharkhand and Union Territories of Andaman and Nicobar Islands.</p>
<p>LUCKNOW - Shri. N. P. Bhagat Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj,</p>	<p>States of Uttar Pradesh and Uttaranchal.</p>

Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331 Fax: 0522 - 2231310 Email: insombudsman@rediffmail.com	
MUMBAI - Shri. A. K. Dasgupta Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960 Fax: 022 - 26106052 Email: ombudsmanmumbai@gmail.com	States of Maharashtra and Goa.
Pune - Shri. A. K. Sahoo Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 2nd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020 - Fax: 020 - Email:	New Centre.

Address and contact number of Governing Body of Insurance Council

Secretary General

Governing Body of Insurance Council

Jeevan Seva Annexe, 3rd Floor (Above MTNT)

S. V. Road, Santacruz (W)

Mumbai – 400 054

Tel: 022-6106889

Fax: 022-6106980, 6106052

Email: inscoun@vsnl.net