

Strictly Private and Confidential

Subject: Letter of Appointment

This is with reference to your application and subsequent discussions you had with us, seeking appointment as an agent of the Company for the purpose of soliciting or procuring insurance business for the Company.

We are pleased to appoint you as **an individual agent** of HDFC ERGO General Insurance Company Limited (herein after referred to as the Company/ HDFC ERGO) on the following terms and conditions:

1. Remuneration

You will be entitled for Commission on new or renewed insurance business where business is accepted by the Company in accordance with the regulations and notifications issued by Insurance Regulatory and Development Authority of India (IRDAI) from time to time; provided that the premiums shall have been actually received by the Company. The Commission payable shall in no case exceed the limits specified under the Insurance Act, 1938 or the limits that may be specified by the IRDAI, by way of a regulations or circular issued from time to time.

In the event of cancellation of the policy due to any reason whatsoever, the commission shall not be payable in respect to the cancelled policy; where the commission on the cancelled policy is already paid, the same shall be recovered by way of adjustment from the subsequent commission payout. You will not be entitled to commission on any business written after expiry of your license unless the license is renewed as per the applicable law.

2. Exclusivity

You shall not represent or associate directly or indirectly any other general insurance company or canvass or procure insurance business for and on behalf of other general insurance companies during the tenure of your appointment with the Company. You shall commit to offer any new business or policy renewal exclusively to the Company.

3. Collection of Premium

You shall not collect premium in cash of whatsoever amount from the prospect/policyholder. In respect of any unauthorized collection, you will be solely

answerable to the party concerned for consequence of such unauthorized collection and you would also be subject to action deemed fit by the Company which may result in termination of your appointment.

You shall forward the premium collected to HDFC ERGO, and/ or deposited with HDFC ERGO within twenty four (24) hours of such collection excluding bank and postal holidays, in accordance with the instructions provided by HDFC ERGO in writing. This condition of appointment shall constitute a material obligation on you.

4. Laws, Regulations, Circulars etc

You shall abide with all applicable laws, rules, regulations and circulars issued by IRDAI from time to time.

5. Minimum Business Guarantee (MBG)

To remain as a Agent of HDFC ERGO, you agree and undertake to fulfill the Minimum Business Guarantee as communicated by the Company from time to time. HDFC ERGO confirms that currently, the Minimum Business Guarantee shall be:

- (A) Rural Area Rs. 50,000/- Per Annum
- (B) Urban Area Rs. 100,000/- Per Annum

The Company expects you to comply with MBG norms prescribed above. In case you fail to meet at least 75% of the MBG norms, your agency is liable to be terminated

HDFC ERGO shall monitor your performance in this regard. HDFC ERGO reserves its rights to amend or modify the minimum Business Guarantee as may be communicated to you i from time to time.

Notwithstanding anything contained in this Appointment letter, in the event you fail to meet the minimum Business Guarantee, HDFC ERGO shall have the right to take appropriate action which in the sole opinion of the Company is deemed to be fit and proper.

6. Training

The Company shall impart the requisite trainings at regular intervals and it is mandatory for you to attend the trainings proposed by the Company.

7. Nature of relation with the Company

You understand and acknowledge that nothing herein shall be construed to create the relation of employer and employee whether expressly or impliedly between you and the Company.

8. Code of Conduct

You shall ensure strict compliance with the Code of Conduct enclosed herewith as **Annexure A**.

9. Other Terms and Conditions

- a. You shall at all times adhere to the Code of Conduct as stipulated in Clause VIII of Guidelines on Appointment of Insurance Agents, 2015, Code of Conduct of the Company and the guidelines and notifications issued by IRDAI from time to time;
- b. You shall strictly abide by the provisions of Section 41 of the Insurance Act, 1938 and accordingly, not offer as an inducement to any person to insure, any rebate of premium or any inducement whatsoever not specified in the Policy; nor shall you make any misrepresentation or inaccurate comparison for the purpose of inducing a prospect to purchase a Policy;
- c. You shall abide by the obligations imposed under the IRDA (Insurance Advertisement and Disclosure) Regulations, 2000, as amended from time to time and use only Company's approved solicitation material;
- d. Your appointment is valid, subject to all information, facts, records and figures provided by you to the Company being accurate. In case any information and record/s provided by you in the Application form and during the discussion with Company's representatives are found incorrect or false, the Company reserves its rights to suspend / cancel your appointment with immediate effect and appropriate action would be taken as per the procedure more fully defined by IRDAI in this regard. The Company's decision in this respect shall be final and binding;
- e. You are required to ensure that at all times you will maintain highest ethical and professional standards in your dealings with prospects, policy holders and other people you deal during the course of your appointment;
- f. You shall be liable to make good and pay for any loss caused to the Company by your negligence, default or any breach of rules or operational/administrative instructions as may be issued by the Company from time to time and/ or breach of the terms and conditions of your appointment;
- g. During the period of appointment with the Company or thereafter, you shall not divulge to any third party or use against the interest of the Company, any information, data or documents that may come to your possession or knowledge;
- h. In the event of cancellation / suspension of your appointment for any reason whatsoever you will be obliged to account for and return all property of the Company in your possession, custody or charge. This includes but are not limited to brochures, insurance solicitation material, proposal forms, identity card;

- i. You will devote your time and attention to the discharge of your responsibilities and obligations and shall not, without the express written consent of the Company reveal to any person(s) any information concerning or relating to the Company and/or its associate Companies, their business, finances and/or affairs which may come to your knowledge during your appointment with the Company;
- j. You shall not sign any contract/s or enter into any binding agreement/s on behalf of the Company;
- k. You shall not mention or make use of the name, logo, service marks, trademarks and other intellectual property of the Company;
- l. You shall keep strictly confidential and shall not disclose or make available directly or indirectly to any third party any information and material etc. (hereinafter referred as 'Confidential Material') of whatever nature and in whatever medium it is communicated, or becomes available to or accessible to you in the course of providing services to the Company. The Confidential Material for the purpose of this clause shall include but not be limited to and information concerning customers, policyholders, employees, agents, prices, rates, discounts, business strategies including internal strategies for sales promotion & motivation like contests and conventions, internal strategies for marketing, tenders and any price sensitive information concerning the Company.

10. LIABILITY AND INDEMNITY

You shall indemnify the Company (and its directors, officers and representatives) for any costs, liability, losses or claims which the Company or its directors, officers and representatives may incur as a result of or in connection with any of the following:

- (a) Breach of any agreement, covenant, obligations, duties or conditions contained in the appointment letter or in applicable law,
- (b) The submission of inaccurate information to the Company or to any Prospect or policyholder,
- (c) Non compliance with any instruction as may be issued by the Company or arising due to any negligence in performing or omission to perform any of his obligations.

This clause shall survive the suspension or cancellation or termination of Appointment for any reasons what so ever.

11. MANNER OF HOLDING ENQUIRY

The Company shall conduct the enquiry on suspension or cancellation of your Appointment on account of misconduct or breach of the terms and conditions of your appointment in accordance with the process for suspension/ cancellation as laid down under the said Guidelines.

12. TERMINATION OF THE APPOINTMENT

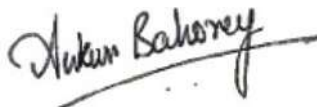
Your appointment may be suspended or cancelled or terminated on the happening of any of the below mentioned events-

- (a) If you violate the provisions of the Insurance Act, 1938, IRDA Act, 1999 or rules, regulations and guidelines made thereunder as amended from time to time',
- (b) If you attract any of the disqualification mentioned in clause VII of the Guidelines on appointment of Insurance Agents, 2015,
- (c) If you fail to comply with the Code of Conduct referred to herein above and the directions issued by IRDAI and the Company from time to time,
- (d) If you violate the terms of appointment,
- (e) If you fail to furnish any information relation to your activities as an agent as required by the Company or IRDAI,
- (f) if you furnish wrong or false information or conceal or fail to disclose material facts in the application submitted for appointment of Agent or during the period of appointment,
- (g) If you do not submit periodical returns as required by the Company or IRDAI,
- (h) If you do not cooperate with any inspection or enquiry conducted by IRDAI,
- (i) Fails to resolve the complaints of the policy holders or fails to give a satisfactory reply to the IRDAI in this behalf,
- (j) If you suffer from any of the disqualifications mentioned in the Circulars, Guidelines and Regulations issued by the Authority from time to time.

On acceptance of resignation of your appointment, Form 1(C) shall be issued to you within 15 days subject to immediate return the appointment letter and the identity card issued to you by the Company to authorized representative of the Company

This appointment is given to you on the basis of the declarations given by you and the information provided in the Application Form. In the event of any misstatement therein, whether deliberate or innocent, your appointment is liable to be suspended/cancelled with immediate effect.

For HDFC ERGO General Insurance Company Limited



Designated Official

Ankur Bahorey

Member of Executive Management and Group Head - Retail Business Group

ANNEXURE A

Code of Conduct

- (i) You shall abide by the Code of Conduct prescribed by the Guidelines on Appointment of Insurance Agents, 2015 and the Code of Conduct issued by the IRDAI and the Company from time to time. The Present Code of Conduct is as stated below:-
- (a) You shall identify yourself and the Company while meeting policy holders and / or prospects,
 - (b) You shall show the agency identity card issued to you by the Company to the prospect, and also disclose your agency appointment letter to the prospect on demand,
 - (c) You shall disseminate the requisite information in respect of insurance products offered for sale by the Company and take into account the needs of the prospect while recommending a specific insurance plan,
 - (d) You shall understand the insurance needs of the prospects and suitable advise them,
 - (e) You shall disclose the scales of commission in respect of the insurance product offered for sale, if asked by the prospect and / or policy holder,
 - (f) You shall indicate the premium to be charged by the Company for the insurance product offered for sale,
 - (g) You shall explain to the prospect the nature of information required in the proposal form by the Company, and also the importance of disclosure of material information in the purchase of an insurance contract,
 - (h) You shall bring to the notice of the Company any adverse habits or income inconsistency of the prospect, in the form of a report called "Insurance Agent's Confidential Report" along with every proposal submitted to the Company, and any material fact that may adversely affect the underwriting decision of the Company as regards acceptance of the proposal, by making all reasonable enquiries about the prospect,
 - (i) You shall obtain the requisite documents from the prospects at the time of filling the proposal form and other documents asked for by the Company for completion of the proposal,
 - (j) You shall advise every prospect to effect nomination under the policy
 - (k) You shall inform promptly the prospect about the acceptance or rejection of the proposal by the Company,
 - (l) You shall render necessary assistance and advice to every policyholder on all policy servicing matters including assignment of policy, change of address or exercise of options under the policy or any other policy service, wherever necessary,

- (m) You shall render necessary assistance to the policyholders or claimants or beneficiaries in complying with the requirements for settlement of claims by the Company;
- (n) Adherence to the Anti-Money Laundering (AML) guidelines is a very important responsibility for the Company and its agents. These aid in ensuring financial institution like ours are not used as vehicle for money laundering or terrorist financing. In this context, it is important that you understand the requirement of AML guidelines and ensure strict adherence of the guidelines. Your duties and obligations under the AML guidelines are enclosed at **Annexure B**.

(ii) Under no circumstances you shall-

- (a) solicit or procure insurance business without being appointed to act as such by the Company,
- (b) induce the prospect to omit any material information in the proposal form,
- (c) induce the prospect to submit wrong information in the proposal form or documents submitted to the insurer for acceptance of the proposal,
- (d) resort to multilevel marketing for soliciting and procuring insurance policies and/or induct any prospect/policyholder to join a multilevel level marketing scheme,
- (e) behave in a discourteous manner with the prospect,
- (f) interfere with any proposal introduced by any other insurance agent,
- (g) offer different rates, advantages, terms and conditions other than those offered by the Company,
- (h) demand or receive a share of proceeds from the beneficiary under an insurance contract,
- (i) force a policyholder to terminate the existing policy and to effect a new policy from him within three years from the date of such termination of the earlier policy,
- (j) apply for fresh agency appointment to act as an insurance agent, if his agency appointment was earlier cancelled by the designated official, and a period of five years has not elapsed from the date of such cancellation,
- (k) become or remain a director of any insurance company,

(iii) You shall, with a view to conserve the insurance business procured by you, make every attempt to ensure remittance of the premiums by the policyholders within the stipulated time, by giving notice to the policyholder orally and in writing,

(iv) In the event of contravention of any provision of the Guidelines on Appointment of Insurance Agents, 2015, you shall be liable to penal action for each instance of such contravention. Penalty shall be imposed as per the requirement of the guidelines.

ANNEXURE B

Duties/ Obligations of Agents under AML Guidelines:

1. Please ensure that duly filled and signed Proposal Form is obtained from the Customer.
2. In case premium amount equals or exceeds ` 1,00,000 – collect self attested copy of PAN Card / Pan Allotment letter.
3. Carry out Know Your Customer (KYC) check of the Customer where claim payout/ premium refund crosses ` 1,00,000 per claim/ premium refund. As part of KYC documentation, collect any one proof of identity and proof of address, self attested by the Customer. Check the copy with the originals and make a noting in the copies stating 'seen and verified' along with your signature and agent code.
4. Attend training/ programmes / seminars on Anti-Money Laundering conducted by the Company, from time to time, upon receiving intimation to that effect.
5. In case of unusual termination of policies, inquire and find out the reasons and inform the same to HDFC ERGO.
6. To ensure that proposals are not accepted with no apparent economic or visible lawful purpose and transactions.
7. Agents & corporate agents shall maintain the records of types of transactions mentioned under Rule 3 of PMLA Rules 2005 and the copies of the Suspicious Transactions reports (STR) and Cash Transaction Report (CTR) as submitted to FIU as well as those relating to the verification of identity of clients for a period of 5 years

Don'ts

1. Based on available information, do not deal with persons with known criminal background or those reported to have links with terrorists or terrorist organizations.
2. Do not accept insurance proposals with no apparent economic or visible lawful purpose.
3. Do not accept / collect cash towards premium.
4. Avoid accepting multiple cheques / demand drafts (DDs) for a single policy. Total premium amount shall be paid by single cheque/ DD for each individual policy.

5. Do not accept proposals where customer insists on payment of excess premium and such excess amount may be refunded afterwards.
6. Avoid third party cheque for premium payment, unless insurable interest can be proved.
7. Avoid Mis-selling.
8. No rebate should be offered, either directly or indirectly, at time of buying new policy or renew or continue an insurance contract for all HDFC ERGO policies.

Declaration:

I hereby confirm that none of my family members are employed with the Company. In the event any member of my family is employed in the Company, I shall forthwith intimate the Company my relationship with such employee.