

# **TERMS OF BUSINESS AGREEMENT**

## **MARSH INDIA**

This document sets out the terms under which Marsh India (“Marsh” or “we”) provide our services to you and supersedes and replaces any other term containing the same or similar subject matter. These terms may only be varied by mutual consent. Marsh is licensed and regulated by the Insurance Regulatory and Development Authority of India (“IRDAI”). Our broking license number is License Code No. CB-023/02 – certificate no. 120.

**1. OUR SERVICES** - Marsh will act as your re/insurance broker and/or risk management consultant.

Marsh may inter-alia perform the following Services for you:

- discuss your insurance requirements with you, including the scope of cover, limits sought and cost of cover
- gather information from you to enable us to obtain insurance quotes from the insurance market;
- use reasonable endeavours to implement your insurance program, as instructed by you. We do not guarantee or make any representation or warranty that we can always obtain coverage acceptable to you. Insurance shall be placed only after seeking your consent to the terms offered by (re)insurer;
- provide the quotes obtained from the insurance market to you;
- upon receipt of instructions from you, place the cover as instructed;
- use reasonable endeavours to ensure that your policy documentation is forwarded to you in a timely manner. You are responsible for reviewing your insurance documentation to confirm that they accurately reflect the cover, conditions, limits and other terms that you require;
- in case of reinsurance, receive and remit premium received from you to reinsurers after retaining our remuneration;
- assist where requested in the negotiation of the claims;
- perform any other services that Marsh has specifically agreed in writing to perform whether in discharge of our function as (re)insurance brokers, risk or claim consultant, as the case may be.
- carry out such ancillary and additional function as we are required to do in

performance of our duties as insurance / reinsurance brokers as laid out in IRDAI (Insurance Brokers) Regulations, 2018

All decisions regarding the amount, type or terms of (re)insurance covers shall be your sole responsibility. While Marsh may provide advice and recommendations, you must decide on the specific coverage that is appropriate for your particular circumstances and financial position. We are not responsible for the adequacy or effectiveness of any insurance coverages placed by other brokers, or any acts or omissions occurring prior to our engagement. The above Services relate only to the policies of insurance and periods that Marsh has agreed to act on your behalf in writing and no others.

**2. MARKET SECURITY** - We will offer to place your policy with insurers which are authorised to act as such by IRDAI or such foreign regulator as those insurers are subject to in their respective jurisdictions (in case of reinsurance). We are not, however, responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or meet other financial obligations. The decision regarding suitability of any (re)insurer or market rests with you.

**3. DISCLOSURE OF INFORMATION** - You must disclose to us and/or your insurers all information which is material to your requirements for cover or which might influence insurers in deciding to accept your business, finalising the terms to apply and/or the cost of cover. We will not be responsible for any consequences which may arise from any delay or failure by you to do so. Failure to make such disclosure could result in the policy being rendered void, so that claims may not be paid. This duty of disclosure applies before the start of cover, when all material information must be disclosed to

insurers to enable terms to be negotiated and cover arranged. This is not limited to answering specific questions that may be asked. Any material changes which may occur or come to light after your policy has been incepted must also be notified to us and your insurers.

The same duty is owed to the insurer before renewal, extension, variation or reinstatement of a contract of insurance. In addition changes which substantially increase the risk, or relate to compliance with a warranty or condition in a policy, must be notified at once. You are responsible for the accuracy of all information given to Marsh. While Marsh may assist you with the completion of proposals, claim forms or other documents relating to the Services, Marsh does not accept responsibility for the accuracy of any answers, statements or information, nor can we sign any document on your behalf. We are not responsible for any deficiencies in any of the Services, including in the placement of your insurance, that are based on inaccurate or incomplete information provided by you. You must advise us as soon as reasonably practicable of any changes in your circumstances that may affect the services to be provided by us or the cover provided under your insurance policy.

**4. CLAIMS -** You are responsible for notifying all claims or potential circumstances that may give rise to a claim. To ensure full protection under your policy, you should familiarize yourself with the provisions of your cover and procedural requirements in relation to claims and to the notification of those claims or circumstance. Failure to adhere to the notification requirements, particularly in relation to timing, as set out in the policy or other coverage document, may entitle insurers to refuse your claim. In presenting a claim, it is your responsibility to disclose all facts, which are material to the claim. False or exaggerated claims information can result in severe consequences including denial of a claim and avoidance of the policy.

**5. PROVISION OF INFORMATION –** The services we provide to you are for your exclusive use and all data, recommendations, proposals, reports and other information

provided by us in connection with our services are for your sole use, unless otherwise agreed in writing.

**6. PAYMENT OF PREMIUM -** You will make the payment (inclusive of taxes, if any) to insurers in accordance with the payment date(s) specified in our invoice or other relevant payment documentation specified by the insurers. You should note that under Section 64VB of the Indian Insurance Act 1938, wherever applicable and as amended from time to time, premium is required to be paid prior to the inception of the policy unless otherwise agreed by the insurer.

In case of a reinsurance transaction, where reinsurers have specified a premium payment warranty or condition in your reinsurance contract, your reinsurers must receive the premium due from you with sufficient margin for us to pay the reinsurers by the due date. You acknowledge that failure to pay by the Payment Date and/or comply with a premium payment warranty or condition may lead to (re)insurers cancelling your policy.

**7. HANDLING OF CLIENT MONEY-** We are forbidden from collecting insurance premium, which must be paid by you directly to the insurer. In case of reinsurance, whereby we are permitted to collect and remit premium, we are required by IRDAI to keep client money separate from our own money. We will normally do this by holding money in the Insurance bank account.

**8. REMUNERATION -** Our remuneration is based on brokerage which is payable out of premium paid by you and allowed by the insurers with whom your cover is arranged. On occasions, we may be remunerated by both brokerage and a fee. Brokerage and fees are fully earned at the time of placement of the policy and we are entitled to retain all fees and brokerage. There will be no refund of brokerage or fees in the event of policy cancellation, termination or amendment or termination of our engagement by you. Additionally, insurers may pay us 'rewards' in accordance with the IRDAI (Payment of Commission or Remuneration or Reward to Insurance Agents And Insurance

Intermediaries) Regulations, 2016 (as amended from time to time). In certain cases, the rewards are contingent on us meeting set goals (such as volume, profitability, retention and/or growth thresholds) for the portfolio of insurance policies we place with the insurer during a given time period

In the event of a mid-term adjustment, we may be entitled to further brokerage from any additional premium.

**9. TERMINATION** - Our engagement may be terminated by either party giving ninety (90) days written notice or by mutual agreement between the parties. Upon such termination, Marsh shall continue to service your policy till its expiry, as ordinarily required in the course of performance of our duties, unless expressly forbidden by you.

**10. LIMITATION OF LIABILITY** – The maximum aggregate liability under all circumstances of us and that of any other member of the Marsh Group arising out of or relating to the provision of Services or while acting as your (Re) insurance risk consultant / broker/ advisor in terms of this Agreement, shall be limited to the insurance cover under our Professional Indemnity Insurance policy (currently INR 1000 million). The Marsh Group means Marsh & McLennan Companies, Inc., its subsidiaries and associated companies.

**11. CONFIDENTIALITY** - We will treat any information in our possession, which relates to your business as confidential. It will be necessary for us to disclose information that you consider confidential to insurers or other parties, when acting on your behalf, where reasonably necessary to provide our Services and for internal review and audit purposes.

Likewise, we may disclose to third parties certain industry wide statistics or other information which may include information relating to you.

Any sensitive information will be handled appropriately and information specific to you will not be identified without your consent.

We may include, on a de-identified basis, information relating to your insurance

Program in benchmarking, modeling, analytic and insurance offerings.

We may reference your company's name and logo on any marketing materials that we give to you or third parties. If you do not wish us to reference your company's name and logo, then please advise your usual Marsh contact.

**12. DOCUMENT RETENTION** - Marsh may retain documents for business effected on your behalf in electronic form or paper in accordance with its document retention policy in effect from time to time. Thereafter we may destroy documents without further reference to you.

In relation to certain classes of insurance, it is possible for claims to be made long after the policy has expired. It is therefore important that you keep your policy documentation safely for such time as you may be able to make a claim under the policy.

**13. DATA PROTECTION AND DATA SECURITY** - The parties both warrant that they will observe the provisions of any data protection or privacy legislation as applicable from time to time to the extent applicable to this Agreement. This includes, without limitation: (i) an obligation, if any, of the provider to obtain any required consent(s) in respect of the transfer of information to the recipient by the provider or any third party relating to an identified or identifiable individual that is subject to applicable data protection, privacy or other similar laws and (ii) any obligation with respect to the use, disclosure and transfer by the recipient of personal information as necessary to carry out its obligations under this Agreement.

Marsh believes that all personal data it requests is necessary to provide its Services and for client relationship management. Personal data will only be used by Marsh for general Servicing purposes including placement, renewal, research, benchmarking and statistical analysis, credit assessment and crime prevention. Arranging insurance or providing claims services may involve certain disclosures of personal data to insurers, agents and service providers, including but not limited to consultants, market research, and quality assurance companies; Marsh

Affiliates; industry regulators and Marsh's auditors. Where we consider it necessary and appropriate, we may transfer personal data and confidential information to a service provider, under conditions of confidentiality, for the purpose of data storage or processing or providing any service on our behalf to you.

Marsh may include, on a de-identified basis, information relating to your insurance program in benchmarking, modelling and other analytics offerings. Marsh offers an array of analytics capabilities to clients, insurers and others. For clients, these offerings include benchmarking databases, analytics and modelling tools, surveys and other compilations of information, which are designed to help clients more effectively assess their risks, make more informed decisions and construct insurance programmes and other risk mitigation strategies. Marsh (or other members of the Marsh Group) may in some instances receive compensation for its analytics offerings from clients, insurers and others.

Depending on the circumstances, the disclosure of personal data to any of the above may involve a transfer outside of India.

#### **14. USE FOR MARKETING PURPOSES**

- We may use, analyse and assess information held about you to give you information about products and services from members of the Marsh Group, and those selected third parties which we think may interest you by phone, post or other means. We may pass this information to other members of the Marsh Group (located inside or outside India) so that they may do the same. If you do not wish to receive information concerning other Marsh Group or third party products and services, then please advise your usual Marsh contact.

**15. COMPLIANCE WITH LAWS-** Marsh is required to act in accordance with the laws, regulations and requests of regulatory authorities. Marsh may take actions at the request of regulatory authorities and other

companies within the Marsh Group of companies, these actions include delaying or rejecting your requests. To prevent or detect theft and fraud and to assist in verifying identity, we and the (re)insurers may exchange information with members of the Marsh Group of companies (located inside or outside India) and make searches of records held at fraud prevention agencies who will supply this information. We and the (re)insurers may also pass information to financial and other organizations involved in fraud prevention.

Marsh is unable to provide broking, claims consulting, risk management or other services or provide any benefit to the extent that the provision of such services or benefit would violate applicable laws or expose Marsh or the Marsh Group to any sanction, prohibition, or restriction under United Nations Security Council Resolutions or under other trade or economic sanctions, laws or regulations.

#### **16. GOVERNING LAW & DISPUTE RESOLUTION**

- This Agreement, which sets out the terms of our relationship with you, will be governed by and construed in accordance with Laws of India and any dispute arising under it shall be subject to the exclusive jurisdiction of the Courts of India.