



Utkarsh Small Finance Bank

INSURANCE POLICY

Version: 2.0 (April 28, 2023)

Table of Contents

1. BACKGROUND	3
2. OBJECTIVE -	3
3. TYPE OF INSURANCE	3
4. SELECTION OF INSURER	4
5. PROCESS OF EVALUATION OF PROPOSALS	4
6. POLICY ADMINISTRATION.....	5
7. OUT OF SCOPE	5

1. BACKGROUND

Utkarsh Small Finance Bank Limited is a wholly owned subsidiary promoted by Utkarsh Core Invest Limited formerly known as Utkarsh Micro Finance Limited. It aims to provide affordable & accessible banking services which are process centric, technology enabled and people oriented resulting in reliable, scalable and sustainable institution facilitating socioeconomic change. The purpose is to provide banking products to the unserved and underserved sections of the country, which includes small and marginal farmers, micro and small industries, and other organized sector entities, at an affordable cost. The Bank's vision is to be the most trusted, digitized bank that is financially and socially inclusive, and creates value across social strata through insightful and viable solutions.

This policy is framed on instruction of RBI vide Circular No. DOR.LEG.REC/40/09.07.005/2021-22 RBI/2021-22/86 on 'safe deposit locker/safe custody article facility provided by banks' dated August 18, 2021 this advice the banks to have a Board approved branch insurance policy to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of lockers. In addition to it this policy provides the Insurance framework of the Bank to have insurance for its all assets. The Bank also arrange Liability insurance policy that offers protection to the Bank from risk that may be held legally or sued for negligence, malpractice or injury.

2. OBJECTIVE -

The objective of this policy is to ensure comprehensive insurance covers for the Bank to minimize all type of the loss to the property of the Bank including IT assets and equipment's, money in transit and in custody of the Bank, contents of lockers in custody of the Bank, arising due to incidents like burglary, theft, robbery, fire and natural calamities, loss during shifting / merger of branch, fidelity of the employee cyber risk. The third party liabilities and other liabilities which may arise during operation of the Bank's Branches in course of the Banking Business will be covered by seeking the appropriate coverage. In addition to the Branch Insurance this policy also covers the comprehensive insurance of Bank's other properties and premises i.e. head offices, central processing centers, zonal offices and ATMs of the Bank also ensuring proper and adequate insurance coverage for various third party liabilities which may arise in Banking business. The Banks shall under no circumstances offer, directly or indirectly, any insurance product to its locker hirers for insurance of locker contents.

3. TYPE OF INSURANCE

The Bank will have in place minimum following Insurance Policies from General Insurance Companies (hereinafter referred to as "Insurer") licensed & registered with IRDAI and these insurance policies shall be renewed at yearly intervals or before expiry of the insurance policy ongoing basis.

1. Property/asset Insurance (all assets including fixed assets fixture fitting and IT assets) for all branches head offices, central processing centers, zonal offices and ATMs of the Bank.

- Standard Fire & Special Perils Policy (Building & Asset) with wide coverage
 - Money Insurance (transits, custody)
 - Electronic Equipment Policy
 - Burglary and Theft Insurance Policy
2. Cyber Security policy
 3. Third party Liability cover
 4. Fidelity Insurance Policy
 5. Professional Indemnity Insurance policy
 6. Insurance for Safe Deposit Locker and Safe Custody (to minimize the loss due to incidents like robbery, fire, natural calamities, loss during shifting/merger of branch, etc., affecting contents of Safe Deposit Lockers and Safe Custody) minimum cover should be at least one hundred time of lockers fee charged to the customer

4. SELECTION OF INSURER

The Bank will ensure that-

- 4.1. The Insurer selected has a valid insurance license to provide requisite insurance and claims settlement services in India with the requisite documentation from the regulator in that regard in their possession. The license should be valid for the policy servicing period.
- 4.2. The Insurer is a registered/ incorporated company in India under the Companies Act 1956 /2013 and having business in India during last 5 years.
- 4.3. The Insurer has market share of 1% in the general insurance industry during the last three fiscal years preceding the period for which Insurance is being solicited.
- 4.4. The Insurer has minimum 5 year's experiences in servicing the general insurance policies

5. PROCESS OF EVALUATION OF PROPOSALS

- 5.1. The Bank will invite proposals from at least three eligible Insurers as per eligibility criteria mentioned herein above at the time of first purchase of Policy or renewal of existing Policy.
- 5.2. The proposal submitted by eligible Insurers will specifically mention inter alia Property to be covered, Locations to be covered, Scope of Cover, Clauses to be attached, Sum Insured etc.
- 5.3. The Bank will scrutinize the offers/bids to determine whether they are complete, whether any errors have been made in the offer/bid, whether required documentation has been furnished, whether the documents have been properly signed, and whether items are quoted as per the schedule.
- 5.4. The Bank may, at its sole discretion, waive any minor non-conformity or any minor irregularity in an offer/bid. This shall be final, conclusive, and binding on all bidders and Bank reserves the right for such waivers.
- 5.5. Bidders should specifically quote the Net amount + All other eligible Taxes (Mentioning amount of each Tax separately) in their financial bids.

- 5.6. Each Insurance type would be having a separate Lowest 1 (LI) proposal based on the prices quoted by bidders subject to qualifying on other criteria. The tender will be awarded to the LI bidders in each of the Insurance Types respectively,
- 5.7. The comprehensive and wider perils coverage criteria while analyzed while finalizing the bids. This will be also factored while ranking the premium cost of the different proposals.
- 5.8. Bank may take services of any Insurance Broker licensed by IRDAI for getting the suitable quote and finalizing the appropriate insurance cover.
- 5.9. Post evaluation of the Insurance proposals received from the respective insurance companies the decision to engage with the suitable insurance company will be taken as per the Bank's delegation of the financial power (DFP)

6. POLICY ADMINISTRATION

During the term of the Policy, the Bank and the Insurer shall ensure that all Government/IRDA stipulated authorities' guidelines are followed. This will include but not be limited to the following conditions-

- 6.1. Insurance Cover Policy is issued strictly as per the Proposal
- 6.2. Insurer shall submit a Service Level Agreement with Turnaround Time for every activity including claim settlement.
- 6.3. Insurer shall ensure that Insurance Cover Policy copy to be issued within 15 days of premium remittance
- 6.4. Insurer shall ensure that Certificate of Insurance is provided immediately on remittance of premium
- 6.5. Insurer shall ensure that checklist of documents required for claim submission to be provided along with the Insurance Cover Policy copy.
- 6.6. Insurer shall ensure that Claim Intimation form to be provided at policy inception to indicate minimum details to be notified when notifying a claim

7. OUT OF SCOPE

This board approved Insurance Policy will not cover the insurance arranged for the employees of the Bank i.e., Employee Group Health Insurance / Group Personal accident Insurance and Group Term Insurance. This policy will also not cover the aspects of the distribution of insurance products by the Bank in Capacity of the Corporate agent to its customers. This policy will also not cover the insurance arrangement for collaterals with bank and lives of the borrowers/ account holders.

The information in this policy is strictly confidential to the company and should not be disclosed to any other person. It may not be reproduced in whole, or in part, nor may any of the information contained therein be disclosed without the prior consent of the Compliance Department.

Any form of reproduction, dissemination, copying, disclosure, modifications, distribution and or publication of this material is strictly prohibited.
