

DIGIT PARAMETRIC INSURANCE POLICY

Prospectus

Go Digit General Insurance Ltd.

Go Digit General Insurance Ltd. ("Digit") is a new general insurance company being set up in India and is backed by Fairfax Financial Holdings Ltd. Fairfax is a large Canada based diversified financial services group engaged in General Insurance, Reinsurance and Investment management across more than 30 countries.

At Digit, our mission is to make Insurance products that are simple and transparent. For us, making Insurance simple translates into – Easy interface for customers to interact with us, Simple products, Simple and effective claims' process. Our goal is to offer products and services that customer really wants and back it by service, that we can be proud of. We have a team that brings in years of experience in Insurance and technology companies. We want to become a part of consumers' lives and enable them to live without worrying about uncertain future.

What is Parametric Insurance?

Parametric (or index based) solutions are a type of insurance that covers the probability of a predefined event happening instead of indemnifying actual loss incurred. Parametric or index-based solutions are often brought to the table of discussion when covering hard to insure risks. It is an agreement to make a payment upon the occurrence of a triggering event.

A parametric solution always consists of the following:

1. **Triggering event** - The insurance cover is triggered if pre-defined event parameters are met or exceeded, measured by an objective parameter or index that is related to an insured's particular exposure.
2. **Pay-out mechanism** - A pre-agreed pay-out if the parameter or index threshold is reached or exceeded, regardless of actual physical loss sustained.

Who Can buy this Product?

This Product will be sold to an individual/ entity/ firms/trusts/companies/ organisations who are need coverage against any pre-defined event.

What are coverage provided under this product?

The Company hereby agrees, subject to the terms, conditions and Exclusions herein contained, or otherwise expressed herein, to make such payment as stated in the Policy Schedule to the Insured, in the event of occurrence of Strike or Exit resulting from deviation of Observed Index within the Policy Period/ Index Risk Period/ Index Phase Period (as applicable) if such deviation is as stated in Policy Schedule or Term sheet.

What are the exclusions under this product?

The Company shall not be liable to make any payment under this Policy to the Insured in connection with or in respect of any expenses whatsoever incurred by the Insured or arising out of or related to:

1. Deviation in Observed Index resulting from:
 - a. Ionizing radiations or contaminations by radioactivity from any nuclear waste from the combustion of nuclear fuel; or
 - b. The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
2. Any event leading to diminished agricultural or non-agricultural output/yield, or increased operational costs, howsoever caused, other than on account of a deviation in weather parameters as stated in the Schedule within a

specific geographical location and specified time period, unless specifically covered under the Policy and mentioned in the Policy Schedule or Term Sheet.

3. Riots, Strike, Malicious Damage, Acts of Terrorism, unless specifically covered under the Policy and mentioned in the Policy Schedule or Term Sheet.
4. War, war-like operations, act of foreign enemy, invasion of Indian territory or any part thereof, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion, military or usurped power, or loot or pillage in connection with the foregoing, seizure, capture, confiscation, arrests, restraints and detainment by order of any governments or any other authority, unless it is proved by the Insured to the satisfaction of the Company that such loss or damage or contingency or cost or expenses of whatsoever nature are not directly or indirectly caused by, resulting from or in connection with any war, war-like operations, act of foreign enemy, invasion of Indian territory or any part thereof, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion, military or usurped power, or loot or pillage in connection with the foregoing, seizure, capture, confiscation, arrests, restraints and detainment by order of any governments or any other authority.
5. Consequential losses of any kind, by the way of loss of profit, business interruption, market loss or otherwise and/or any other legal liability of any kind, unless specifically covered under the Policy and mentioned in the Policy Schedule or Term Sheet.
6. Strike or Exit resulting out of act of god (AOG) perils such as Storm, Cyclone, Tempest, Typhoon, Hurricane, Tornado, Flood, Inundation, Earthquake, Tsunami, Hailstorm etc., unless specifically covered under the Policy and mentioned in the Policy Schedule or Term Sheet.
7. An occurrence or outbreak of a pandemic or any infectious or human contagious diseases.
8. In case of cover granted for agricultural activities:
 - i. insurance is not valid, if the land is not cultivated during the Policy Period, unless specifically covered under the Policy and mentioned in the Policy Schedule or Term Sheet.
 - ii. Any loss incurred to harvested crops and crops in transit.
9. The Company shall not be liable to make any payment to the Insured,
 - i. in the event that the Observed Index is lower than the Strike and where Insured has opted for coverage for an Observed Index exceeding the Strike during the Policy Period and
 - ii. in the event that the Observed Index is greater than the Strike where Insured has opted for coverage for an Observed Index lower than the Strike, during the Policy Period.
10. Any loss incurred to other weather index/parameter, other than stated in the schedule or part thereto.

What are claims procedure under this Policy?

The basis upon which the Company will assess the claim is as provided below:

1. The Company shall procure the certified data of the Authorized Data Provider, who is authorized to maintain such records, as has been explicitly informed and voluntarily accepted by the Insured at the time of inception of the Policy to calculate the deviation in Observed Index.
2. Data collected from the Authorized Data Provider shall be the only basis of determining the payments to be made under this Policy and data recorded by institutions or departments other than the Authorized Data Provider as mentioned in Policy Schedule shall have no bearing on the payments to be made and cannot be hold good for any future disputes.
3. The Insured shall tender to the Company all reasonable information, assistance and proofs in connection with any claim hereunder.
4. In the specific geographical location and during the Policy Period as specified in the Policy Schedule, the Observed Index is greater or lower than the Strike, the benefit will be payable to the Insured, subject to a maximum of the Sum Insured.
5. Payment shall be made, which will be irrespective of the date on which the event shall have occurred, but not earlier than the expiry of the Index Risk Period/ Index Phase Period as specified in the Policy Schedule.
6. On expiry of Index Risk Period/ Index Phase Period, the Company will settle the claim, if any, within sixty days or as specifically mentioned otherwise in the Policy Schedule, subject to receipt of necessary certified data from the Authorized Data Provider.

7. In event when there is a deviation in Observed Index as per the data provided by Authorized Data Provider, the Insurer shall calculate the loss as per the payment formula as stated in the Policy Schedule or Term Sheet on the basis of parameter data.
8. In event when there is no deviation in the Index parameters as per the Policy terms and conditions, there will not be any claim payable under the policy. The Company shall not be liable to provide any written communication to the Insured.
9. Claims, when becoming payable, would be directly paid to the Insured and/or to the concerned Qualified Financial Institution/Bank as mentioned in the Policy Schedule and as per the provision of agreed Bank clause.
10. The Company has a right to enter and examine any insured area where claim event has occurred.
11. If the data is not available from the Reference Data Provider, then the Backup /Alternate Data Provider data will be used. In case, data from Backup/Alternate Data Provider are also not available, then the data generated through fallback methodology will be used. The fallback methodology is explained below.

Fallback Methodology: If the Authorized Data Provider does not publish the Daily observed data in respect of any calendar day during the Policy Period, the Missing Data shall be replaced with an average value to be calculated as follows:

Any Missing Data shall be replaced with data measured on the corresponding dates of the most recent available mutually agreed (between Insurer and Insured) number of historical years on an iterative basis. If more than one data point is missing for the current year, all the replacement data shall be taken from the same historical year(s), so that if in any historical year data is available for one date corresponding to a missing data point in the current year, but is not available for another Missing Data point, that historical year's data shall not be used as replacement data. Each of the last mutually agreed (between Insurer and Insured) number of historical year's available replacement data shall be applied in turn in place of each of the Missing Data points, and the loss payable under the Policy shall equate to the average of the mutually agreed (between Insurer and Insured) number of amounts (if any) thus indicated as payable.

What are the various General Conditions under this Policy?

- 1) **Incontestability and Duty of Disclosure:** The Policy shall be null and void and no benefit shall be payable in the event of untrue or incorrect statements, misrepresentation, mis-description or on non-disclosure in any material particular in the proposal, personal statement, declaration and connected documents, or any material information having been withheld, or a claim being fraudulent or any fraudulent means or devices being used by the Insured or any one acting on his behalf to obtain any benefit under this Policy.
- 2) **Limitation Period**
In no case whatsoever shall the Company be liable for any loss or damage after the expiration of 12 months from the date on which the claim under this Policy is made if the Insured fails to produce or deliver such documents or details as may be required by the Company in connection with the claim, unless the claim is the subject of pending action or arbitration.
- 3) **Insurable Interest**
During the Period of Insurance, the Insured shall possess all legal ownership rights with regard to the Property / agriculture/ non-agriculture economic activities and events. The Insured shall provide to the Company such title deeds and other documents as may be required by the Company for verification of his/her legal ownership rights over the Property /agriculture/ non-agriculture economic activities and events. The due observance and fulfillment of the above shall be a condition precedent for settlement of any claim under this Policy.
- 4) **Reasonable Care**
The Insured shall take all reasonable steps to safeguard the interests of the Insured against loss or damage that may give rise to a claim.
- 5) **Observance of terms and conditions**
The due observance and fulfillment of the terms, conditions and endorsement of this Policy in so far as they relate to anything to be done or complied with by the Insured shall be a condition precedent to any liability of the Company to make any payment under this Policy.
- 6) **Material change**

The Insured shall immediately notify the Company in writing of any material change in the risk, and cause at his own expense such additional precautions to be taken as circumstances may require to ensure safe operation of the Insured items or trade or business practices thereby containing the circumstances that may give rise to the claim, and the Company may adjust the scope of cover and/or premium if necessary, accordingly.

7) Records to be maintained

The Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of the Insurance Policy furnish such information as the Company may require.

8) No constructive Notice

Any knowledge or information of any circumstances or condition in connection with the Insured in possession of any official of the Company shall not be the notice to or be held to bind or prejudicially affect the Company notwithstanding subsequent acceptance of any premium.

9) Notice of charge etc

The Company shall not be bound to take notice or be affected by any notice of any trust, charge, lien, assignment or other dealing with or relating to this Policy, but the payment by the Company to the Insured or his legal representative of any compensation or benefit under the Policy shall in all cases be an effectual discharge to the Company.

10) Special Provisions: Any special provisions subject to which this Policy has been entered into and endorsed in the Policy or in any separate instrument shall be deemed to be part of this Policy and shall have effect accordingly.

11) Overriding effect:

The terms and conditions contained herein of the Policy Schedule shall be deemed to form part of the Policy and shall be read as if they are specifically incorporated herein; however in case of any inconsistency of any of these term and condition with the scope of cover contained the Policy Schedule, then the term(s) and condition(s) contained herein shall be read in consonance with the scope of cover/terms and conditions contained in the Policy Schedule and these terms and conditions shall be deemed to be modified accordingly or superseded by the Policy Schedule, in case of inconsistency being irreconcilable.

12) Right to inspect:

If required by the Company, an agent/representative of the Company including a loss assessor or a Surveyor appointed in that behalf shall in case of any loss or any circumstances that have given rise to the claim to the Insured be permitted at all reasonable times to examine into the circumstances of such loss. The Insured shall on being required so to do by the Company produce all books of accounts, receipts, documents relating to or containing entries relating to the loss or such circumstance in his possession and furnish copies of or extracts from such of them as may be required by the Company so far as they relate to such claims or will in any way assist the Company to ascertain in the correctness thereof or the liability of the Company under the Policy.

13) Contribution: If at the time of the happening of any loss or damage covered by this Policy, there shall be existing any other insurance of any nature whatsoever covering the same subject matter of this insurance, whether effected by the Insured or not, then the Company shall not be liable to pay or contribute more than its rateable proportion of any loss or damage.

14) Fraudulent claims: If any claim is in any respect fraudulent, or if any false statement, or declaration is made or used in support thereof, or if any fraudulent means or devices are used by the Insured or anyone acting on his/her behalf to obtain any benefit under this Policy, all benefits under this Policy shall be forfeited.

15) Cancellation/termination of Policy:

The Company may at any time, cancel this Policy, by giving 15 days notice in writing to the Insured. In such an event, the company shall refund to the insured full premium in respect of those sections of this policy for which the risks are yet to commence. For the avoidance of doubt, no cancellation will be allowed for those sections of risks which have already expired and/or are already in force as on date of request for cancellation and the company shall remain liable to make benefit payments, if applicable, to the insured in respect of such sections. Under normal circumstances, the Company will not cancel the policy except for reasons of mis-representation, fraud, non-disclosure of material facts, non-cooperation of the Insured or if any false statement, or declaration is made or used.

The Insured may also give 15 days notice in writing, to the company, for the cancellation of this policy. In such case, the insured shall be entitled to a refund of seventy five percent (75%) (unless specifically mentioned otherwise in the Policy Schedule) of premium in respect of those sections of the policy for which the risk are yet to commence. For the avoidance of doubt, no cancellation will be allowed for those sections which have already expired and/or are already in force as on date of request for cancellation and the Company shall remain liable to make benefit payments, if applicable, to the insured in respect of such sections.

16) Renewal notice

The Company shall not be bound to accept any renewal premium nor give notice that such is due.

17) Notices

- a. Any and all notices and declarations for the attention of the Company shall be submitted in writing and shall be delivered to the address specified in the Policy Schedule.
- b. Any and all notices and declarations for the attention of the Insured shall be posted to his/her address stated in the Policy Schedule.

18) Policy Disputes: 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 agrees to submit such dispute to a Court of competent jurisdiction in India and to comply with all requirements necessary to give such Court the jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such Court.

19) Arbitration

The parties to the contract may mutually agree and enter into a separate Arbitration Agreement to settle any and all disputes in relation to this policy.

Arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

What are endorsements available under the product?

Clauses applicable to the Policy (Wherever opted and mentioned in the Policy Schedule)

1. Agreed Bank Clause
2. Assignment Clause

How do I get the premium amount for this Insurance Cover?

Based on filled proposal form and information furnished, we will provide you with the premium amount.

What do I claim under this Policy?

In case of a claim, we request you to register a claim by contacting our Customer Service No. 1800 258 5956: You can, alternatively, also register a claim by email on: hello@godigit.com

Please keep below details handy at the time of registering claims as this information will help us serve you faster: Policy Number, Date and Time of loss & Contact Number of the Insured/Caller.

IMPORTANT NOTE: Above is a summary of Coverage and Exclusions, please refer to detailed Policy Terms & Conditions and Policy Schedule for full description which shall prevail in the event of any claim/complaint/dispute.