

Introduction:

People First Liability Insurance is a Specialised insurance policy designed to protect employers, directors, and managers against claims made by employees, former employees, or job applicants alleging that their legal rights have been violated. As workplace regulations become more complex, EPLI has become an essential risk management tool, covering damages, legal defense costs, and settlements for claims like wrongful termination, discrimination, and harassment.

Who is providing the Coverage?

Royal Sundaram General Insurance Co. Limited is providing the coverage under this Policy.

Who can avail "People First Liability Insurance"?

- Private Limited Companies
- Public Limited Companies (listed and unlisted)
- Indian subsidiaries of multinational corporations
- Limited Liability Partnerships (LLPs)
- NGOs, trusts, and educational institutions
- Start-ups with established HR and governance structures

What is the coverage under the policy?

This policy covers claims for incidents that occurred or happened after a specific retroactive date. The claims should be filed during the policy period or the stipulated discovery period.

Coverage under the policy protects the Insured's Organization, its subsidiaries, and its personnel (directors, officers, and all categories of employees) against financial loss from legal claims filed during the policy period.

The scope of cover is divided into two main categories: Employment Practices Wrongful Acts, which addresses internal claims from workers or applicants regarding issues like discrimination, harassment, wrongful termination, and defamation; and Third Party Wrongful Acts, which covers external claims from non-employees regarding harassment or discrimination.

Additional Coverage:

- A. This Policy Covers Claims for Wrongful Acts even if the Insured Person has died or become incompetent, insolvent, or bankrupt, provided the Claims would otherwise have been covered under this Policy. Coverage applies when such Claims are brought against the Insured Person's estate, heirs, legal representatives, or assigns.



- B. Coverage extends to Claims against an Insured Person's lawful spouse when the spouse is named only due to marital status or property ownership, provided no wrongdoing by the spouse is alleged. Payments by the spouse will be treated as a loss of the Insured Person.

What are the exclusions under the policy?

(A) The Insurer will not be liable to make any payment of Loss in connection with a Claim:

- (1) arising out of, based upon or attributable to the commission by any Insured of any deliberately fraudulent or criminal act if there has been a final adjudication establishing that such Insured so acted;
- (2) for any actual or alleged bodily injury (other than emotional distress or mental anguish), sickness, disease or death of any person or damage to or destruction of any tangible property, including the loss of use thereof;
- (3) arising out of, based upon or attributable to facts or circumstances alleged in any Claim which has been reported, or with respect to which any notice has been given, under any policy of which this Policy is a renewal or replacement or which it may succeed in time;
- (4) arising out of, based upon or attributable to any demand, suit or proceeding in which a Wrongful Act is or was alleged and which was pending against any Insured on or prior to the Prior or Pending Date set forth in Item 7 of the Declarations or the policy schedule, or alleging or derived from the same or essentially the same facts or circumstances as alleged therein;
- (5) arising out of, based upon or attributable to a Wrongful Act is committed before the Retroactive Date Set forth in Item 9 of the Declarations or the policy schedule.
- (6) for any actual or alleged violation of any provision of the Employee Retirement Income Security Act of 1974 other than Section 510 thereof, the Fair Labor Standards Act other than the Equal Pay Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, any workers' compensation, unemployment insurance, social security or disability benefits law or any amendments thereto, or any other similar provisions of any federal, state or local statutory or common law or any rules and regulations promulgated under any of the foregoing; provided, that this EXCLUSION (A)(6) shall not apply to any Claim for actual or alleged retaliation; or
- (7) for the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants; provided, that this EXCLUSION (A)(6) will not apply to any Claim for actual or alleged retaliation.

(B) The Insurer will not be liable to make any payment of Loss, other than Defense Costs, which constitutes:

- (1) amounts owing under or assumed by an Insured pursuant to any express written contract or agreement; provided, that this EXCLUSION (B)(1) will not apply to the extent such Insured would be liable for such Loss in the absence of such contract or agreement,
- (2) costs associated with complying with an order, judgment or award of, or agreement to provide, non-monetary relief, including costs associated with providing reasonable accommodations under, or otherwise complying

with, the Americans with Disabilities Act and any amendments thereto, any other similar provisions of any federal, state or local statutory or common law or any rules and regulations promulgated under any of the foregoing;

- (3) compensation earned by a claimant in the course of employment but not paid by the Insured Organization, including any unpaid salary, wages, bonus, severance pay, retirement benefits, vacation pay or sick pay; provided, that this EXCLUSION (B)(3) will not apply to: (a) any back pay or front pay;
- (4) medical or insurance benefits (or the equivalent thereof) to which a claimant allegedly was entitled or would have been entitled had the Insured Organization provided the claimant with a continuation or conversion of such benefits or insurance.

No conduct of any Insured will be imputed to any other Insured to determine the application of any of the above EXCLUSIONS.

What is the duration of the policy?

The policy will be issued for a maximum period of one year and must be renewed before the expiry date to maintain continuous protection.

What is the procedure for cancellation of the policy?

The **Insured** may cancel the Policy by giving 15 days’ notice in writing to the **Insurer** and the **Insurer** shall refund premium for the unexpired **Policy Period** at the short period scales specified below.

Days insurance in force	Percent of the annual premium retained by Insurer
1 to 90	35%
91-180	65%
181-270	80%
Above 270	100%

The **Insurer** may cancel the Policy by giving 30 notice in writing to the **Insured** and the **Insurer** shall refund a pro-rata premium for the unexpired **Policy Period**. The **Insured** will not get any cancellation refund in case there is a **Claim**/circumstance reported under the Policy.

What is the Claims procedure?

1. Claim intimation:

The insured should notify us as soon as practically possible to

Royal Sundaram General Insurance Co. Limited

Vishranthi Melaram Towers", 2/319, Rajiv Gandhi Salai, Karapakkam, Chennai 600 097.

2. Claim Process:

We will appoint a Panel Counsel (investigator) for the settlement of claims who may seek for additional information/evidence or clarification.

Submission of documents:

The insured needs to submit the following documents:

- Duly Completed claim form
 - Copy of Court summons, plaint, petition, labour complaint, legal notice, POSH complaint, or show-cause notice
 - Brief chronology of events leading to the Claim
 - Employment and HR Records of the employee
 - Copy of the POSH Policy in force at the time of incident
 - Litigation and legal documents
 - Any other document that is directly related to claim.
3. The Insureds shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment, or incur any Defense Costs without the Insurer's prior written consent.
 4. We will appoint a panel defence counsel (for advices) and alongwith counsel we will:
 - Review HR and employment records
 - Examine emails, disciplinary records, POSH files
 - Monitor court / tribunal / IC proceedings
 - Assess liability and potential exposure
 5. We will evaluate the merits of the case, legal precedents and cost of defense Vs settlements.
 6. We, in consultation with the insured, will decide whether to settle the claim or defend it in court. If a settlement is reached, we will pay the agreed amount as per the policy terms and conditions.

Section 41 in the Insurance Act, 1938

41. Prohibition of rebates

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.