TITLE INSURANCE FOR DEVELOPERS

PROSPECTUS

Title Insurance for developers by ICICI Lombard is designed as a form of indemnity insurance that protects property owners against losses related to the property's title or ownership. In other word, title insurance protects property owners if there are any losses due to a defect in title of the property

The Real Estate (Regulation and Development) Act, 2016 is an Act of the Parliament of India and has come into force since 1st May, 2017. Under Section 16 of the Act, the promoter of the real estate project must mandatorily declare the legal status of the title of the land and obtain Title Insurance along with Construction Insurance. As per the RERA Act, 2016 it is mandatory for developers to purchase Title Insurance for their properties if:

i. Area of property exceeds 500 sq. mtrs. ii. Number of apartments exceeds 8 in number.

RISKS COVERED

The risks covered include losses which adversely impact on the title to the insured property due to:

1. lack of title including boundary and mapping issues and missing historic links in title
2. lack of rights required over third party lands to facilitate the development which includes lack of rights for access, drainage, water and other services such as telecommunications.
3. third party challenges for breach of burdens which restrict the use of the property and prevent development
4. errors in search documents provided in connection with the transaction
5. historic planning breaches which create liabilities which attach to the property
6. creditors of the seller to the property challenge the transfer of the title to the developer on the basis that it was intended to prevent them from enforcement against the asset, if such transfer is set aside by courts
7. historic fraud and forgery issues which impact on the title to the property
8. any other known defects discovered during the underwriting process

MAJOR EXCLUSIONS-

These are stated on the policy as follows:

1. Changes in the insured use of the property.

2. Defects in the title charges encumbrances adverse claims or other such matters affecting the Property that would fall within the insured risks but which:
   2.1.1. The insured agreed to or allowed to happen before, on or after the commencement date;
   2.1.2. The insured was aware of but omitted to take steps/actions to safeguard its rights in the property;
   2.1.3. The insured knew about on the commencement date and which the insured did not tell the insurer about prior to the commencement date;
   2.1.4. are created or are attached to the property after the commencement date that do not form part of the insured use; and/or
   2.1.5. would not have happened or been created had the title or any interest in the mortgage been acquired for value in good faith by the insured
3. Any statutory rights relating to precious metals coal petroleum and other substances
4. Public utility undertakers (or a private corporation which is a successor public utility) having statutory rights to carry out works affecting the property
5. Environmental contaminants or hazardous waste or any pollution or contamination
6. The property or any part of the property being situated within a flood plain
7. Any defects in the title charges encumbrances adverse claims or other such matters affecting the property or any losses not directly attributable to any matter covered by this policy
8. Any physical damage to the property.
9. Any defects in the title charges encumbrances adverse claims or other such matters affecting the property
10. Any losses that would normally be covered by a householder's buildings insurance policy.
11. Any claim, arising out of insolvency
12. Any claim arising out of lack of any operating licence, certificates or statutory consents for the use of the property
13. Any claim arising from any rights which were being exercised on under or over the property at the commencement date
14. Any claim arising from failure to pay the reasonable proportion of the costs of maintaining or repairing the accessways pipes cables and/or conduits
15. Any claim arising from misrepresentation by the Insured during the title due diligence
16. Any claim arising from missing government records or incorrect recording of data maintained by the government
17. Any claim arising from political matters and/or fraud, duress, undue influence and changes in law
18. Any claim relating to tribal rights over agricultural lands.

LIMIT OF INDEMNITY

Limit of Indemnity will comprise of Land cost + Cost of Construction of the building + Profit Margin.

This will be the aggregate sales price of all the units of the Project for the Builder.

On payment of additional premium, the Limit of Indemnity can be increased by way of endorsement to reflect the fair value, subject to a maximum of 5% per year for a maximum period of 10 years subject to a maximum of 163%.

BENEFITS OF BUYING THIS POLICY –

- ✓ Makes real estate transactions safer for developer and all subsequent owners of the property Where there are known defects in title which can be covered it expedites the real estate transaction as an alternative to rectifying the defect in title Creates title due diligence efficiencies.
- ✓ Facilitates and accelerates and mortgage finance.
- ✓ Makes real estate, as well securitisation markets, more liquid and efficient.
- ✓ Covers expenses
- ✓ Covers undiscoverable defects such as errors in searches and historic documents which cannot be discovered via a full title diligence process

CLAIMS:

The Insured must submit claims notifications in writing to:

ICICI Lombard General Insurance Company Limited

ICICI Lombard House,

414, Veer Savarkar Marg, Prabhadevi Mumbai 400

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Such notice shall be effective on the date of receipt by the Company at such address

The Insured must submit a Notification to the Insurer about any matter which may lead to a loss liability or claim under this Policy within 45 days of it first coming to the Insured's attention

The Insured must submit the claim with all necessary supporting documents within 90 days after the Insured has submitted a Notification to the Insurer

Nature of Claims documents would vary for claims but would require you to provide:

- Statement of claim

- Property information
- Claimant contact information
- Supporting documentation
- KYC documents where settlement amount is over Rs. 1 lac

(b) For all other notices:

ICICI LOMBARD General Insurance Company Limited
ICICI Lombard House,
414, Veer Savarkar Marg, Prabhadevi,
Mumbai 4000025

CANCELLATION/ TERMINATION

In the event of any law or regulation becoming applicable during the Policy period which will restrict the ability of the Insurer to provide coverage i.e. if, by virtue of any law or regulation which is applicable to the Insurer at the inception of the Policy or becomes applicable at any time thereafter, providing coverage to the Insured is or would be unlawful because it breaches an embargo or sanction, the Insurer shall provide no coverage or benefit and have no liability whatsoever nor provide any defence to the Insured or make any payment of expenses or provide any form of security on behalf of the Insured, to the extent that it would be in breach of such law or regulation. Then both the Insured and the Insurer shall have the right to cancel this Policy in accordance with the laws and regulations applicable to the Policy provided that in respect of cancellation by the Insurer a minimum of 30 days' notice in writing be given. In the event of cancellation by either the Insured or the Insurer, the Insurer shall retain the pro rata proportion of the premium during the first 12 months that the Policy has been in force and thereafter the Insurer shall retain the whole premium. However, in the event that the incurred claims at the effective date of cancellation exceed the earned or pro rata premium (as applicable) due to the Insurer, and in the absence of a more specific provision in the Policy relating to the return of premium, any return premium shall be subject to mutual agreement. Notice of cancellation by the Insurer shall be effective even though the Insurer makes no payment or tender of return premium.

The Insurer may cancel the policy for:

a. Material change in risk or exposure by written notice; or
b. Intentional concealment or misrepresentation of a material fact relating to the Policy or fraud byInsured or any additional insured by written notice

Insurer will give 30 day notice to Insured before effective date of cancellation, if the Policy has to be cancelled for above reasons and no premiums shall be refunded.

ANTI REBATING WARNING

Section 41 of the Insurance Act 1938

(i) 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 rebate except such rebate as may be allowed In accordance with the published prospectus or tables of the insurer.

(ii) Any person making default in complying with the provisions of this Section shall be punishable with fine which may extend to Ten Lakhs rupees.

Insurance is the subject matter of solicitation.

For more details on risk factors, terms and conditions, please read the policy wordings before concluding a sale.

GRIEVANCES

For resolution of any query or grievance, Insured may contact the respective branch office of the Company or may call toll free no.1800-2666 or may approach us at the sub section "Grievance Redressal" on our website www.icicilombard.com (Customer Support section). However, if the resolution provided by us is not satisfactory you may approach Insurance Regulatory and Development Authority of India (IRDAI) through the Bima Bharosa Portal - https://bimabharosa.irdai.gov.in/ or IRDAI Grievance Call Centre(IGCC) at their toll free no. 1800 4254 732 / 155255.

You may also approach Insurance Ombudsman, subject to vested jurisdiction, for the redressal of grievance. Details of Insurance Ombudsman offices are available at IRDAI website: www.irdai.gov.in, or on the Company's website at www.icicilombard.com.

STATUTORY WARNING PROHIBITION OF REBATES

(Under Section 41 of Insurance Act, 1938)

(Amendment Act 2015)

(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 any class of insurance business taken out by himself in relation to risks associated with his own life, health or property 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.

YOU CAN REQUEST A QUOTE TODAY

For more information about our new Title Insurance and the full range of ICICI Lombard Insurance products contact your ICICI Lombard representative.

ICICI Lombard General Insurance Company Limited
Mailing Address: Interface Building No.16, 601/602, 6th Floor, New Link Road Malad (W), Mumbai - 400 064.
Registered Office Address: ICICI Lombard House, 414, Veer Savarkar Marg, Near Siddhi Vinayak Temple, Prabhadevi, Mumbai 400 025.
Visit us at www.icicilombard.com • Mail us at customersupport@icicilombard.com
Toll Free No.: **1800 2666** • Chargeable No.: **+91 865222 22666** • Insurance is the subject matter of solicitation.
IRDA Reg. No. 115. • CIN: L67200MH2000PLC129408