

SURETY BOND INSURANCE PROSPECTUS

Section 1: Introduction

To facilitate the growth of infrastructure sector in the country we are introducing **Future Surety Bond Insurance**. Unlike a bank guarantee, the Insurance will not require any large collateral from the contractor and will provide much-needed financial reassurance to all parties involved in infrastructure projects.

What are Surety Bonds?

The policy provides a guarantee to a beneficiary or obligee that the principal or contractor will meet his contractual obligations. In case the principal fails to deliver his promise, a monetary compensation is paid to the obligee by the Company.

The Policy involves a **three-party agreement**. The three parties in a surety agreement are: -

1. **Principal** – The party that purchases the bond and undertakes an obligation to perform the contract/act as promised.
2. **Surety** – The insurance company that guarantees the obligation will be performed. If the principal fails to perform the contract/act as promised, the surety company/insurance company is contractually liable for losses sustained.
3. **Obligee** - The party who requires and often the beneficiary of the surety bond.

Section 2: Who Can Buy the Policy

A surety bond is provided by the insurance company on behalf of the contractor or business owner to the entity which is awarding the project as a guarantee against the future work performance to Obligee.

Section 3: What Does this Policy Cover?

Future Surety Bond Insurance is designed to provide protection against breach of terms & conditions by the contractors either during the bidding stage or during the performance stage of a project.

Section 4: Types of Bond Insurance

- **Bid Bond** - Operates as an alternative of earnest money deposit and if the Contractor fails to accept the contract post winning the bid, Surety pays the Obligee earnest money or the cost of retendering or cost of differential between the original bidder and the next best bidder.
- **Advance Bond** - Typically this bond covers coverage against the principal not being able to mobilise the requisite resources as defined in the contract but has taken advance from the Obligee (Beneficiary) and the delay caused due to such non-mobilisation of resources may result in project delays which an Obligee may claim from the Principal as per the Contract Terms.
- **Contract Bond**: A contract bond ensures that a contractor will fulfill their obligations as specified in a contract. If the contractor fails to deliver, the bond provides compensation to the project owner.
- **Performance Bond**: This bond guarantees that a contractor will complete a project according to the terms of the contract. If the contractor doesn't meet their obligations, the bond covers the costs to complete the work as per the pre-determined conditions.
- **Retention Money Bond**: This bond addresses the situation where a portion of the contract price is retained by the project owner until the work is completed. The bond provides a safeguard against financial loss if the contractor doesn't meet the terms.

- **Customs and Court Bond:** Customs bonds facilitate international trade by ensuring that importers comply with customs regulations. Court bonds, on the other hand, are often required during legal proceedings to protect against potential financial losses.

Difference Between the Conditional and Unconditional Bond?

A conditional bond is also known as a default bond. Where If, certain conditions are met, the surety may be required to pay a set amount to the obligee or beneficiary. Whereas an unconditional Bond allows the obligee/beneficiary to claim the money almost without any conditions. (except for some minor conditions such as the requirement of a written request being submitted within the valid term of the bond, etc.). In case of an alleged breach of contract, the beneficiary can use the unconditional bond to claim the surety amount from the Surety immediately to compensate for any damages resulting from such breach.

How is Premium Calculated?

Premium rate depends on various factors such as Financial health of the company, project tenure, contract value along with others factors such as age of the company and credit score.

What is the tenure of the Policy?

Maximum bond tenure is 120 months (including contract, maintenance period and extensions) or based on the Contract bond, whichever is lower.

Section 6: Exclusions

- Contract termination between principal & beneficiary prior to insurance.
- Gross Negligence, illegal /criminal acts by both principal & beneficiary.
- Changing terms of contract without the knowledge of the Surety Insurer
- War/Act of God/Nuclear Perils.
- Fraud/Collusion Non-performance or non-fulfilment of terms /conditions of the contract.
- Any third party loss not part of the contract.
- Any price fluctuation in execution of the project.

The above list is only indicative in nature. For details of coverage and exclusion, please refer to the policy document or contact our nearest branch.

For detailed information on this product, terms and conditions etc., please refer to the product policy clause, consult your advisor or visit our website before concluding a sale. Tax benefits are subject to change due to change in tax laws. Insurance is the subject matter of solicitation.

SECTION 41(2). OF INSURANCE ACT, 1938-PROHIBITION OF REBATES:

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 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.

Any person making default in complying with the provisions of this section shall be punishable with fine, which may extend to Ten Lakhs Rupees.

- a) For registration of your Motor claim call us at 18605003333, 1800220233 (toll-free) or SMS MOTORCLAIM to 9222211100 (Standard SMS charges applicable)
- b) Submit completely filled Claim Form at the nearest Future Generali's Office

**Call us at: 1800 102 2355 | Website: www.futuregenerali.in
Future Generali India Insurance Company Limited (IRDAI Regn. No.: 132)
(CIN: U66030MH2006PLC165287)
Regd. and Corp. Office: Unit No. 801 & 802, Tower C, 247 Embassy Park, LBS Marg, Vikhroli
(West), Mumbai - 400083. Fax: 022-4097 6900 | Email: fgcare@futuregenerali.in
Trade Logo displayed above belongs to M/S Assicurazioni Generali - Societa Per Azioni and
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Grievances

If You have a grievance about any matter relating to the Policy, or Our decision on any matter, or the claim, you can address Your grievance as follows:

1. Our Grievance Redressal Officer

You can send Your grievance in writing by post or email to Our Grievance Redressal Officer at the following address:

You can directly contact our **Grievance Redressal Officer** at our Head office.

You can email to: fggro@futuregenerali.in or call at: 7900197777

You can write directly to our **Grievance Redressal Cell at our Head office:**

Grievance Redressal Cell, Future Generali India Insurance Company Ltd.

Lodha I – Think Techno Campus, B Wing – 2nd Floor, Pokhran Road – 2, Off Eastern Express Highway Behind TCS, Thane West – 400607.

Please send your complaint in writing. You can use the complaint form, annexed with your policy.

Kindly quote your policy number in all communication with us. This will help us to deal with the matter faster

2. Consumer Affairs Department of IRDAI

a. In case it is not resolved within 15 days or if You are unhappy with the resolution, You can approach the Grievance Redressal Cell of the Consumer Affairs Department of IRDAI by calling Toll Free Number **155255 (or) 1800 4254 732** or sending an e-mail to complaints@irdai.gov.in. You can also make use of IRDAI's online portal - Integrated Grievance Management System (IGMS) by registering Your complaint at igms.irda.gov.in.

b. You can send a letter to IRDAI with Your complaint on a Complaint Registration Form available by clicking here. You must fill and send the Complaint Registration Form along with any documents by post or courier to General Manager, Insurance Regulatory and Development Authority of India (IRDAI), Consumer Affairs Department - Grievance Redressal Cell, Sy.No.115/1, Financial District, Nanakramguda, Gachibowli, Hyderabad-500032.

c. You can visit the portal <http://www.policyholder.gov.in> for more details.

3. Insurance Ombudsman

You can approach the Insurance Ombudsman depending on the nature of grievance and financial implication, if any. Information about Insurance Ombudsmen, their jurisdiction and powers is available on the website of the Insurance Regulatory and Development Authority of India (IRDAI) at www.irdai.gov.in, or of the General Insurance Council at www.generalinsurancecouncil.org.in, the Consumer Education Website of the IRDAI at <http://www.policyholder.gov.in>, or from any of Our Offices.

Information about Us

The Future Generali India Insurance Company Limited

Address: Unit No. 801 & 802, Tower C, 247 Embassy Park, LBS Marg, Vikhroli (West), Mumbai – 400083

CIN: U66030MH2006PLC165287

E-mail: www.futuregenerali.in

Customer Service: 1800-220-233 | 1860-500-3333 | 022-67837800.
