



Circular No.: MCX/FIN-ACCT/099/2011

March 28, 2011

Members Indemnity Insurance Policy

In terms of the Rules, Bye-laws and Business Rules of the Exchange and in continuation to circular no.MCX/FIN-ACCT/097/2010 dated March 25, 2010; the members of the Exchange are notified as under:

Exchange has been facilitating Members getting Indemnity Insurance Policy (Insurance Policy) through Oriental Insurance Company (Insurance Company) for the benefit of all our members. Many members have availed this benefit. It may please be noted that the current policy expires on March 28, 2011. It is informed that the insurance company has agreed to renew the said policy on the same rates, terms & conditions as per the existing policy.

Members are advised to avail the benefit of the said Insurance Policy. This Insurance Policy is useful to reduce the operational risks of the Members.

The details of Insurance Policy, exclusions and Add –On Cover thereto in the said Policy are mentioned in Annexure -1.

To minimize their risk, all the members are advised to take the said insurance policy wherein the minimum risk covered is Rs. 5.00 lac for which the minimum premium payable shall be Rs. 2330/- plus service tax. The Insurance Company has offered add-on cover for proprietary/ client /sub-broker trades and intermediaries (approved users) at an additional premium subject to conditions.

It is reiterated that the members may avail this insurance cover solely at their option.

The details of Sum Insured, Premium rates, Excess etc, along with the claim settlement procedure is specified in Annexure –2.

Though it is optional, considering the amount of operational risk members' face, the members are strongly advised to take advantage of the concessional premium offered by the Insurance Company to MCX members.

Interested members may send an email to devang.desai@mcxindia.com, requesting the Exchange to debit their settlement account towards Insurance Premium. Your mail should clearly mention the Member ID & Member Name. After receipt of the instructions as above from the members, the Exchange shall debit the settlement account of the respective members and shall make the payment to the Insurance Company. The Insurance Company shall issue the coverage of the insurance scheme to the members only after the receipt of the premium amount. The Exchange on receipt of the policy cover will inform the Members accordingly.

Members are advised to go through the Policy document for details of coverage and exclusions. It is clarified that in case of any conflict/ contradiction between this circular and the said Policy, the terms and conditions contained in the Policy shall prevail. It is further clarified that Exchange only facilitates insurance coverage and is not directly or indirectly responsible or liable for issuance of insurance cover by the insurance company or for settlement of claims arising out of the said Policy.

Members are requested to take note of the same.

Hemant Vastani
Head - Finance & Accounts

Encl: As above

Kindly contact Mr. Devang Desai on 022-67319115 or send an email at customersupport@mcxindia.com for any clarification.

Insurance Coverage:

This Insurance Policy covers the member's risks with respect to operational loss arising, inter-alia, due to the following –

- (1) Dishonest or fraudulent acts of employees with intent to obtain financial gain for themselves;
- (2) Financial loss due to physical loss, destruction, theft or damage to Commodities and Cash caused, including wrongful abstraction or removal, or where the same have been lost, mislaid or accidentally destroyed ;
- (3) Loss incurred while acting upon dealing in or handling and possessing in good faith the commodities which prove to be counterfeit, fraudulently altered, forged or lost or stolen;
- (4) Loss due to forged signature or endorsement or fraudulent alteration of documents without the knowledge or consent of the client;
- (5) Computer crime such as fraudulent input or modification of electronic data, malicious destruction/threat attempt of electronic data by any person or on the ground of Electronic Data Processing Media being lost, damaged or destroyed as a result of robbery, burglary, larceny, theft, misplacement ;
- (6) Fraudulent electronic Communication purported to have been sent by a customer, Automated Clearing House or financial institution but which communications were either not sent by said customer, Automated Clearing House or financial institution
- (7) Destruction or attempt threat of the Insured's Electronic Data due to Computer Virus caused by any person while such Electronic Data are stored within the Insured's Computer System or a Service Bureau's Computer System.
- (8) Errors and omissions (covering quantity/rates/commodity/contract punching errors by employees).

Exclusions:

1. Loss due to
 - War and kindred Perils and Nuclear Perils etc.
 - Natural Disasters
 - Insolvency of the Broker
 - Insured's / Insured Dealers' personal transactions
 - Liability arising out of any contract.
2. Loss of Potential Income
3. Cost of Establishing a Loss / preparing a Claim
4. Fines, Penalties and Punitive Damages, etc.

Add-On Covers:

On payment of Extra Premium and on specific request, we are also providing following Add-On covers, which otherwise are not covered in the basic Policy - .

- Proprietary / Client / Sub-brokers Trade Cover
- Approved User (Intermediaries) Cover
- Branches

Please note that these Add-on covers are meant for Error & Omission and are subject to Specific Exclusions, Terms and Conditions as specified in the relevant clauses.

PREMIUM RATING CHART**Premium Table for Basic Cover: (Anywhere in India)**

Sr. No.	Indemnity Limit	Excess	Annual Premium
1	` 5 lacs	No Excess	` 2330/-
2	` 10 lacs		` 4500/-
3	` 15 lacs		` 6500/-
4	` 20 lacs		` 8400/-
5	` 25 lacs		` 10180/-
6	` 50 lacs		` 19500/-
7	` 100 lacs		` 59300/-
8	` 200 lacs		` 113600/-
9	` 300 lacs		` 167200/-
10	` 500 lacs		` 255000/-

If required, higher Sum Insured may be granted at the specific request made by any proposer.

Premium Table 2 (a) – For Add-On Cover – Proprietary/ Client Trade/ sub-brokers (Anywhere in India)

For this Add-On Cover Extra Premium will be charged @ 15% of the Basic Premium for the Basic Cover opted by the Proposer. Service Tax will be charged extra @ 10.30% or as applicable.

5% of the basic premium will be charged per client if opted by the insured. Service Tax will be charged extra @ 10.30% or as applicable.

5% of the basic premium will be charged per Sub-broker if opted by the insured. Service Tax will be charged extra @ 10.30% or as applicable.

Maximum Liability is limited to 50% of the Basic Sum Insured under the policy. This cover is given only for Error and Omission in punching in Quantity/ rates/ commodity/ contract

Premium Table 2 (b) - For Add-On Cover Intermediaries (Approved Users) (Anywhere in India)

For this Add-On Cover, Extra Premium will be charged as the % of the Basic Premium based upon the no. of Approved Users as per the various Slabs as under:-

Sr. No.	Slab of No. of Approved Users	Premium @ % of Basic Premium
1	1 to 10	5.00%
2	11 to 25	10.00%
3	26 to 50	15.00%
4	51 to 75	20.00%
5	76 to 100	25.00%
6	101 to 150	30.00%
7	151 to 200	35.00%
8	201 to 300	40.00%
9	301 to 500	50.00%

Premium Table 2 (c) - For Branches (Anywhere in India)

Premium chargeable for branches if opted by the insured will be 2% of the basic premium per branch.

For Premium Table 2 (b) and 2 (c)

Maximum Liability per Intermediary is limited to 50% of the basic sum insured under the Policy. This Cover is given only for Error and Omission in punching in Quantity/rates/commodity or contract.

- NOTE: 1. Service Tax @ 10.30% or as applicable will be charged extra.
2. If the Policy is required to be issued for less than a year, short period rates will be applicable.

Claim Settlement Procedure

- Immediate Notice to the Insurer at the following address.
- Simultaneous Notice to the Exchange.
- Duly filled Claim Form has to be sent to the Insurer providing all the details about the loss, its occurrence and amount of loss
- Insurer will appoint a surveyor to assess the admissibility, amount etc. of Loss.
- Insured Member of the Exchange will have to provide all required information to Surveyor / Insurer / Exchange.
- Insurer will settle the loss of the member under information to the Exchange.

The Insurance Cover is provided by the following Office of the Insurer –

The Oriental Insurance Company Limited

Mrs. Archana Kanthode

Divisional Manager

5, Shop Zone, 5th FLOOR,

M.G. Road, Ghatkopar (W), MUMBAI - 400 086.

Tel. No.: 022 - 2511 2373 / 2514 8493 / 2516 2052 / 2502 1162 (Dir.)

Fax no.: 022- 2514 7092, e-mail: archanank@orientalinsurance.co.in