

## **FIDELITY GUARANTEE INSURANCE POLICY**

This Policy has been issued based on information provided by you. Please read this Policy carefully and make sure that you understand it. If you have any doubts about the policy, please call our Toll free number or write to the nearest office of Raheja QBE General Insurance Co. Ltd.

### **1. THE INSURANCE CONTRACT**

- 1.1. The Policy is an evidence of the contract between you (Insured) and us (Company).
- 1.2. The Proposal or any information supplied by you forms the basis of this contract.
- 1.3. The Policy, the Schedule and any Endorsement are to be read as one document and any word or expression used with a specific meaning in any of them has the same meaning wherever it appears.
- 1.4. This Policy has been issued on receipt of premium from you for the period stated in the schedule. Any subsequent renewal will require our acceptance of your proposal and your payment of premium for the renewal period.
- 1.5. The terms, conditions and exceptions that appear in the Policy or in any endorsement are part of the contract and must be complied with. Failure to comply may result in the claim being denied.

### **2. COVERAGE**

We shall indemnify you against any direct pecuniary loss sustained by reason of any act of fraud/dishonesty committed by your employees on or after the date of commencement of this policy and during uninterrupted service with you and discovered during the continuance of this policy or within twelve calendar months of the expiration thereof and in the case of death, dismissal, resignation or retirement of the Employee within twelve calendar months of such death, dismissal, resignation or retirement whichever of these events shall first happen.

- 2.1. Our liability under the policy shall not exceed
  - 2.1.1. in respect of any employee the sum insured stated against his name or as declared herein.
  - 2.1.2. in respect of all claims under this policy, the total sum insured.
- 2.2. If this policy shall be continued in force for more than one period of indemnity or if any liability shall exist on our part under this Policy and also under any other Policy (ies) in respect of fraud or dishonesty of the employee, our liability hereunder shall not be accumulated or increased thereby but our aggregate liability during any number of

periods of indemnity and for any number of acts of fraud or dishonesty committed by the employee shall not exceed the sum insured hereunder or the sum insured under any other such Policy as aforesaid whichever is greater.

2.3. We shall not be liable to pay more than one claim in respect of the acts of any one employee.

### 3. EXCLUSIONS

The policy does not cover any loss if:

- 3.1. Arising out of suppression of fact affecting the risk at the time of effecting the policy
- 3.2. There is any change in the circumstances or conditions of the said employment without the consent of the company.
- 3.3. Loss arising outside India.
- 3.4. Loss due to non-observance or relaxation of system of checks and precautions.
- 3.5. Loss by an act committed subsequent to an earlier act of dishonesty/fraud and which had come to the notice of the insured / Insured's representative/supervisor.
- 3.6. Discovered more than 12 months after the termination either of the guarantee or of the service of employee concerned.
- 3.7. Caused by an employee after discovery of his previous fraud or dishonesty.
- 3.8. Inventory losses
- 3.9. Any loss resulting directly or indirectly from trading in securities : whether in your name and whether in a genuine or fictitious account
- 3.10. Consequential losses of any nature
- 3.11. Legal liability of any kind.

### 4. DEFINITIONS

- 4.1. **“You”** or **“Insured”** wherever appearing in this policy refer to any person, partnership firm or any body of persons whether incorporated or not with whom employee(s) who is/are included in the schedule attached hereto has a contract of service.
- 4.2. **“Employee”** wherever appearing in this policy refers any person (other than a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the Insured's trade or business) who has entered into a contract of employment with Insured whether such contract of employment is expressed or implied, oral or in writing.

- 4.3. “**Deductible**” as stated in the schedule means the amount which shall be borne by you first in respect of each and every claim made under this Policy. Our liability to make any payment under the Policy is in excess of the “Deductible”.

**5. BASIS OF LOSS SETTLEMENT:**

- 5.1. If a loss is sustained by you as a result of the fraudulent or dishonest conduct of a named employee/ a category of employee , the liability shall be restricted to the sum insured under the Policy against the said employee/the said category of the employee or the value of the actual cash value of money, bullion, travellers cheques, negotiable instruments, bearer bonds or coupons, stamps, cheques or similar instrument, stocks held on trust on the day upon which the loss is discovered, whichever is lower.
- 5.2. If the number of people covered for insurance under this policy against a category of employees is less than the actual number of employees in the said category, our liability stands reduced in the same proportion as the number of employees insured bears to actual number of employees in the said Category.
- 5.3. Any monies which, but for the dishonest or fraudulent conduct of the employee concerned would have been payable to such employee by you and any monies of such employee under your custody or control shall be reduced from the amount payable by us in diminution or extinction of any loss.
- 5.4. All claims and losses resulting from one and the same fraudulent or dishonest act or a series of fraudulent or dishonest acts arising out of or attributable to the same originating cause, source or event shall be deemed to be one claim subject to a single employee sum insured under the Policy

**6. CONDITIONS**

- 6.1. On the discovery of any act of default or circumstances which may give rise to a claim, you shall :
- 6.1.1. Report to the Police immediately ( file an FIR)
  - 6.1.2. Forthwith give written notice to our Policy issuing office
  - 6.1.3. Immediately take all steps to prevent further loss,
  - 6.1.4. Supply at our request and at your cost all such proof, information and other evidence (verified by statutory declaration if so required) relating to the claim as we may require.

- 6.2. If you have been guaranteed by any other person, society or hold other security or insurance against such loss as is hereby guaranteed, we shall only be liable to bear the loss rateable with such person, society or securities or insurance.
- 6.3. Any money of the Employee in your hands and any money which but for the Employee's dishonesty would have been due to the Employee from you shall be deducted from the amount otherwise payable under this policy. Any money recovered after the settlement of any claim shall be the property due to us not exceeding, however, the amount paid by us.
- 6.4. You shall use all diligence in prosecuting any of the employee to conviction for any act which such employee shall have committed and in consequence of which a claim will have to be made under such policy and shall at our expense give all information and assistance to enable us to sue for and obtain reimbursement by any such employee by reason of whose acts or defaults a claim has been made or by the estate of such employee or money which We have become liable to pay in respect thereof.
- 6.5. Unless you receive a written approval from us , we shall not be liable hereunder in the event of any change in the nature of your business or in the duties and conditions of service of the employee or if remuneration of the employee be reduced or its basis altered or if the precautions stated by the Insured with regard to accounting be not duly followed or if you continue to entrust the employee with money or goods after having knowledge of any material fact bearing on the honesty of the employee.
- 6.6. If any part of the premium or renewal is based on estimates furnished by you, then you shall keep an accurate record containing all relevant particulars and shall allow us to inspect such record. You shall within one month after the expiry of each period of insurance furnish such information as we require. The premium or renewal premium shall thereupon be adjusted and the difference paid or allowed to you.
- 6.7. The policy shall be null and void in the event of misrepresentation misdescription or non-disclosure in any material particular or if a claim be fraudulent or any fraudulent means or devices be used by you or anyone acting on your behalf to obtain any benefit under this policy.
- 6.8. For the purpose of identifying employee in all cases of change of residence or occupation or change of name whether by marriage of otherwise due notice thereof in writing shall be given by you to us.
- 6.9. In the event of a claim under the Policy, the following documents are required to be submitted us by you:
  - 6.9.1. Duly completed claim form

6.9.2. Copy of the Police report (FIR)

6.9.3. Estimation of loss

6.9.4. Any other documents/details called for a specific loss

6.10. If we shall disclaim our liability in any claim, and such claim shall not have been made the subject matter of a suit in a court of law within 12 months from the date of disclaimer, the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable under this Policy.

6.11. We may cancel the Policy by sending 15 days notice in writing by recorded delivery to you at your last known address. You will then be entitled to a pro-rata refund of premium for the unexpired period of this Policy from the date of cancellation.

The Policy may be cancelled at any time by you on 15 days notice in writing. You shall be entitled to the return of premium after adjustment of the premium due to us for the period the policy was in force at the 'short period rates' given below:.

Upto 1 month	25% of annual premium
Above 1 month and upto 3 months	50% of annual premium
Above 3 months and upto 6 months	75% of annual premium
Above 6 months	100% of annual premium

No refund will be made for such Insured Persons where a claim has been intimated, paid or admitted under the Policy during such period.

6.12. Renewals

We shall not be bound to accept any renewal premium nor give notice that such is due. Every renewal premium (which shall be paid and accepted in respect of this policy) shall be so paid and accepted upon the distinct understanding that no alteration has taken place in the facts contained in the proposal or declaration herein before mentioned and that nothing is known to the Insured that may result to enhance our risk. Nothing herein or otherwise shall oblige us to offer renewal terms or restrict any renewal terms as to premium or otherwise.

6.13. Arbitration

Should any dispute arise between Us and You on the quantum of amount payable, liability being otherwise admitted by us, such dispute will be referred to Arbitration proceedings in accordance with Arbitration and Conciliation Act of 1996 as amended from time to time. Further the making of an award by Arbitrator(s) shall be a condition precedent to any right of action or suit by You or insured person against Us

6.14. The Policy is subject to the laws of India and jurisdiction of its Courts.

6.15. Grievance

In case the Insured Person is aggrieved in any way, the Insured Person may contact the Company at the specified address, during normal business hours for the following grievances:

- 6.15.1. Any partial or total repudiation of claims by us.
- 6.15.2. Any dispute regard to premium paid or payable in terms of the policy.
- 6.15.3. Any dispute on the legal construction of the policies in so far as such disputes relate to claims.
- 6.15.4. Delay in settlement of claims.
- 6.15.5. Non-issue of any insurance document to customer after receipt of the premium.