



RELIANCE GENERAL INSURANCE COMPANY LIMITED
 (Registered Office: 3rd floor, Maker Chambers IV, Nariman Point, Mumbai - 400 021)

RGICL/MI-FG/Form 2

FIDELITY GUARANTEE INSURANCE POLICY

PREAMBLE

Whereas the Insured Employer (hereinafter called "Insured") named in the Schedule hereto has made or caused to be made to Reliance General Insurance Company Limited (hereinafter called the "Company") a written proposal as stated in the Schedule hereto (warranting the truth of the statements contained therein) which is the basis of this contract and is deemed to be incorporated herein and has paid or agreed to pay, in such manner and within such time, as may be prescribed under the provisions of the Insurance Act, 1938, and the rules made thereunder, to the Company the premium herein stated as consideration for insurance of risks hereinafter specified:

OPERATIVE CLAUSE

NOW THIS POLICY WITNESSETH that subject to the terms, provisions, exceptions, conditions and definitions contained herein or endorsed or otherwise expressed hereon, the Company agrees to indemnify the Insured against a direct pecuniary loss sustained by reason of any act of fraud/dishonesty committed by the Employee on or after the date of commencement of this policy and during uninterrupted service with the Insured and discovered during the continuance of this policy or within twelve calendar months of the expiration thereof and in the case of death, dismissal or retirement of the Employee within twelve calendar months of such death, dismissal or retirement whichever of these events shall first happen.

PROVIDED ALWAYS THAT

The liability of the Company shall not exceed in respect of:

- a) any Employee the sum insured stated against his name or as declared herein;
- b) all claims under this policy, the total sum insured.

If this policy shall be continued in force for more than one period of indemnity or if any liability shall exist on the part of the Company under this policy and also under any other policy in respect of fraud or dishonesty of the Employee the liability of the Company hereunder shall not be accumulated or increased thereby but the aggregate liability of the Company 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.

The Company shall not be liable to pay more than one claim in respect of the acts of any one Employee.

CONDITIONS

The Company shall not be liable in respect of any loss arising elsewhere than in India.
 The Company shall also be not liable in respect of any loss under this policy if such loss is due to misfeasance, malfeasance or nonfeasance or breach of trust by the Insured.

A true copy:

For Reliance General Insurance Company Limited

DEFINITIONS

1. The term "Employee" wherever appearing in this policy means 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.
2. The term "Insured" wherever appearing in this policy means any person, partnership firm or any body of persons whether incorporated or not with whom Employee who is included in the Schedule attached hereto has a contract of service.

CONDITIONS

This policy and the Schedule thereto shall be read together and any word or expression to which a specific meaning has been attached in any part of the policy or of the Schedule shall bear such meaning wherever it may appear.

1. On the discovery of any act of default or circumstances which may give rise to a claim, the Insured shall forthwith -
 - a) give written notice to the issuing office of the Company;
 - b) take all steps to prevent further loss; and
 - c) supply at the request of and free of expense to the Company all such proof, information and other evidence (verified by statutory declaration if so required) relating to the claim as the Company may require.
2. If the Insured is or shall hereafter be guaranteed by any other person, society or company or hold other security or insurance against such loss as is hereby guaranteed, the Company shall only be liable to bear the loss rateable with such person, society or company or securities or insurance.

Any money of the Employee in the hands of Insured and any money which but for the Employee's dishonesty would have been due to the Employee from the Insured shall be deducted from the amount otherwise payable under this policy. Any money recovered after the settlement of any claim shall be the property of the Company not exceeding, however, the amount paid by the Company.

The Insured shall when required by the Company but at the expense of the Company use all diligence in prosecuting any of the Employees to conviction for any act which such Employee shall have committed and in consequence of which a claim is made under such policy and shall at the Company's expense give all information and assistance to enable the Company to sue for and obtain reimbursement from any such Employee by reason of whose acts or defaults a claim has been made or from the estate of such Employee of money which the Company shall have become liable to pay.

Unless the Company be advised and its written approval be obtained the Company shall not be liable hereunder in the event of any change in the nature of the business of the Insured or 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 the Insured shall continue to entrust the Employee with

money or goods after having knowledge of any material fact bearing on the honesty of the Employee.

6. If any part of the premium or renewal is based on estimates furnished by the Insured, the Insured shall keep an accurate record containing all relevant particulars and shall allow the Company to inspect such record. The Insured shall within one month after the expiry of each period of insurance furnish such information as the Company may require. The premium or renewal premium shall thereupon be adjusted and the difference paid or allowed to the Insured.
7. If required by the Company, the agent of the Company shall in case of any loss to the Insured be permitted at all reasonable times to examine into the circumstances of such loss and the Insured shall on being required so to do by the Company produce all books of accounts, receipts, documents relating to or containing entries relating to the loss in his possession and furnish copies of or extracts from such of them as may be required by the Company so far as they relate to such claims or will in any way enable the Company to ascertain the correctness thereof or the liability of the Company under this policy.
8. This 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 device be used by the Insured or any one acting on his behalf to obtain any benefit under the policy.
9. The Company shall be entitled at its own expense and for its own benefit in the name of the Insured to prosecute all claims and exercise all rights of action available to the Insured against the Employee in respect of any act insured against in connection with which it may have made payment under this policy and the Insured shall give to the Company all such information and assistance as may be reasonably required for maintaining such claims or rights.
10. The Company may but without prejudice to the rights of the Insured in respect of claims of which notice shall have to be given to the Company cancel this policy by sending seven days notice by Regd. A/D. to the Insured at his last known address and in such event will return to the Insured the premium less the pro-rata portion thereof for the period the policy has been in force or the policy may be cancelled at any time by the Insured on seven days notice (provided that no claim has arisen during the then current period of insurance) and the Insured shall be entitled to return of the premium less premium at the Company's short period scales (Table given herebelow) for the time the policy has been in force.

Table of Short Period Scales	
Period of Risk(Not exceeding)	Premium to be retained (% of the Annual Rate)
1 Week	10%
1 Month	25%
2 Months	35%
3 Months	50%
4 Months	60%
6 Months	75%
8 Months	85%
Exceeding 8 Months	Full Annual Premium.

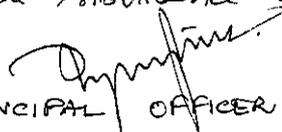
11. Every renewal premium which shall be paid and accepted in respect of this policy shall be so paid and accepted upon the distinct understanding that no alteration has taken place in the facts contained in the proposal or declaration herein before mentioned and that nothing is known to the Insured that may result to enhance the risk of the Company under the guarantee hereby given. No renewal receipt shall be valid unless it is on the printed form of the Company and signed by the authorised official of the Company.
12. For the purpose of identifying an Employee in all cases of change of residence or occupation or change of name whether by marriage or otherwise due notice thereof in writing shall be given by the Insured to the Company.
13. The Company shall not be bound to give notice or be affected by any notice of any trust, charge, lien, assignment or other dealing with or relating to any contract of insurance but the receipt of the Insured or his legal representative shall in all cases be a full, valid and effectual discharge to the Company.
14. Any of the circumstances in relation to these conditions coming to the knowledge of any official of the Company shall not be construed as notice to or be held to bind or prejudicially affect the Company notwithstanding subsequent acceptance of any premium.
15. If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties thereto or if they cannot agree upon a single arbitrator within 30 days of any party invoking arbitration, the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

It is clearly agreed and understood that no difference or dispute shall be referable to arbitration as herein before provided if the Company has disputed or not accepted liability under or in respect of this policy.

16. The Company agrees and undertakes to indemnify the Insured against pecuniary loss suffered by the Insured subject to the maximum total sum insured under this policy provided that Company is bound and liable to indemnify the Insured in accordance with the terms and conditions of this policy only and only if the Insured makes a demand or claim on the Company in writing within 12(twelve) months of the occurrence of any event giving rise to a claim hereunder.
17. The due observance and fulfilment of the terms, provisions, conditions and endorsements of this policy in so far as they relate to anything to be done or complied with by the Insured and the truth of the statements and answers in the proposal shall be condition precedent to any liability of the Company insurer to make any payment under this policy.

A true copy :

For Reliance General Insurance Company Limited


PRINCIPAL OFFICER



Reliance General Insurance Company Limited

(Registered Office: 3rd floor, Maker Chambers IV, Nariman Point, Mumbai – 400 021)

RGICL/MI-FG/Form 1(a)

FIDELITY GUARANTEE INSURANCE

Proposal form for employer

SCOPE OF COVER

The Insurance Policy provides indemnity to Employer against any direct financial loss, including loss of goods, caused by fraud/dishonesty of employees.

EXCLUSIONS

This Insurance Policy does not cover any loss :

- a) Discovered more than 12 months after the termination either of the guarantee or of the service of employee concerned.
- b) When there has been any change in the agreed system of check of accounting precautions without the Insurer's prior consent.
- c) Caused by an employee after discovery of his previous fraud or dishonesty.
- d) Such as stock taking shortages, trading losses, not caused by fraud or dishonesty.

Basis of Insurance

Named employees can be selected and guaranteed for specified amounts. Employees can be guaranteed for a total amount overall or for separate amounts in respect of different categories.

THE FOREGOING IS ONLY A BROAD INDICATION OF THE COVER OFFERED. FOR DETAILS PLEASE REFER TO ANY OFFICE OF THE COMPANY.

NOTE: PLEASE ANSWER EVERY QUESTION AND FULLY

(The policy does not commence until the proposal is accepted and premium paid)

Area Office Code/Service Centre Code			
Broker/Agent Name & code		Code	

Proposer Details

1 Name of the Proposer												
18 Customer ID												
18 Address of the Proposer		Plot No/Door No.				Building name						
		Road										
		Area										
		City						Pincode				
		State										
		Phone No.										
		E-mail Id										
18 Business of the Proposer												
18 Since when established												
18 Location of risk to be covered		Plot No/Door No.				Building name						
		Road										
		Area										
		City						Pincode				
		District				State						
		Phone No.										
		E-mail Id										
18 Details of Employee to be guaranteed												
Name		Duties		Since when, in service		Place of Employment		Total remuneration (Rs)		Amount to be guaranteed		Any other security taken
18 Do you wish to cover the employees on a floater basis?						No. of employees to be covered (class wise)						
						Total amount to be Guaranteed Rs.....						
18 Period of Insurance				From				To				
18 Is there a system to obtain references from previous Employers? If not, specify practice followed.												
18 State the estimate of maximum amount held by any employee at any one time and for how long?						Money		Stock				
						Amount (Rs)						

	Period (no. of years)		
18 a) Has there been any occasion to question honesty or conduct of any person proposed for guarantee b) How often are the employees required to account for money? c) What independent system is there to check that all sums received by employees are accounted for?			
13. a) Do employees pay out money or draw cash from Employer's account? b) System of operation of Bank account and precautions taken c) Whether such payments/withdrawals are authorized by a senior employee and compared with supporting documents?			
14. How often the cash book is balanced, the entries checked with vouchers and Bank's Pass Book and with counterfoils of receipt books			
15 How often are the Proposer's books balanced?			
16 a) System followed for purchase of goods and recording deliveries. b) System followed for authorising dispatch of goods and ensuring that dispatch is recorded and charged to the customer			
17. How often and by whom stock verification is done ?			

18 System for collecting outstanding accounts	
19 How often will statements of account be furnished by the proposer direct to Customers?	
20. What's the extent and frequency of audit?	
22 Details of losses suffered on account of infidelity of any employee during last 5 years and steps taken to prevent recurrence.	
22 a) Has any company in respect of any fidelity guarantee Insurance declined your proposal? b) Cancelled or refused to renew policy? c) Accepted your proposal on special terms and conditions.	

I/ We do hereby declare that the above statements and answers are true and that I/We have not withheld any information what so ever regarding the Proposal. I/we agree that this proposal and declaration shall be the basis of the contract between me/us and Reliance General Insurance Company Ltd. whose Policy for the Insurance proposed is acceptable to me/us. I/we undertake to exercise all ordinary and reasonable precautions for safety of the property as if it were uninsured.

Place :

Date :

Signature of the Proposer

SECTION 41 OF INSURANCE ACT, 1938

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 Five Hundred Rupees.

The Proposer is known to me/my Agent for _____ years, and I recommend acceptance of this proposal.

Place :

Date :

Agent's Signature
Code/Name



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RGICL/MI-FG/Form 1(b)

FIDELITY GUARANTEE INSURANCE

Proposal form for employee

1.	
a. Write your full name, address and nationality	
b. age	
2. Are you single, married?	
3. If married, state number of your children	
4. How many persons, in all, are dependent on you?	
5. Give name, address and occupation of your father or nearest relative :	
6. Do you own a house? If not do you live in rented house/company accommodation/with relatives?	
7. Please list addresses where you have been living for the last three years.	
8. Amount of guarantee required	
9. Nature of duties in respect of which this Guarantee is required	
10. Full Name, address and business of Employer for whom this Guarantee is required	
11. State salary and give full particulars of any other remuneration from the Employment.	
12. State clearly and separately how and where you have been occupied during the last SEVEN YEARS, giving full names and addresses of all Employers. Your period of service and reasons for leaving, in each case. Please note that the whole period of SEVEN YEARS must be accounted for. <i>(Please attach a separate sheet of paper giving the details)</i>	

13. Do you have you any private or business Liabilities? If so, state the amount	
14. Were you ever bankrupt or insolvent or did you ever arrange with your creditors? If so, please state the circumstances which led to your financial difficulties, the name and address of the Trustee, and whether you are now free of all liabilities.	
15. Is your life insured? If so, please state for what amount, and whether the policy is in your possession	
16. Do you possess any property, are you entitled to any in reversion? If so, state generally its nature and whether encumbered?	
17. Have you any source of Income besides the remuneration derived from the employment for which the Guarantee is required? If so, give particulars	
18. Are you surety for anyone? If so, give particulars :	
19. Have you ever applied for a Guarantee to this or any other Insurer? If with which Company and at what date was the application accepted or declined?	
20. Give the names of two or more persons (not relatives) who have known you intimately for some time and to whom reference may be made;	
Name of Referee (Block Letters)	Occupation Full Postal Address

I hereby declare that in all of my replies on this Proposal Form I have stated the truth without any reservation.

Date :20.....

Signature of employee



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FIDELITY GUARANTEE INSURANCE

SCHEDULE

Area Office Code:		Agent Code:		
Policy No:				
Date of proposal & declaration:		Details of previous policy(in case of renewal)		
		Previous policy No:		
		Date of expiry:		
Name of the Insured:				
Address:				
Customer ID No:		Occupation/Business:		
Period of Insurance : From _____ A.M./P.M. on _____ to mid-night on _____				
Employee		Any person named or in a category below :		
Sr. No.	Name of Employee	Place of Employment	Capacity/ Duties	Amount Guaranteed (Rs)
Aggregate Limit of Guarantee : Rs.				
Additional conditions, if any:-				



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Premium (Rs)		
Less:	Discount in lieu of agency commission, if applicable	
Net Premium (Rs)		
Add:	Service Tax @ 5%	
Total		
In witness whereof this policy has been signed at _____ on the _____ day of 20__		
Prepared by : _____	For and on behalf of Reliance General Insurance Company Limited	
Checked by : _____	AUTHORISED SIGNATORY	



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Rating Schedule for Fidelity Guarantee

The following rating schedule is only a guide rate, which may be applied in respect of standard risks. However, the underwriter may use his skill and discretion to rate money policies according to the special characters of the risk.

Premium Rate: 0.50% to 1.00%

- a) Depending upon the nature of work and responsibilities of the employee(s) i.e. Whether handling Cash / Stock or Otherwise, the rate can be fixed.
- b) In the case of Floater Cover , in addition to the basic premium charged as in a) above, a premium of Rs.5 /- to Rs.10 / - per person on the total no. of persons covered is to be charged.
- c) In the case of collective policy, a discount not exceeding 10 % can be given on the premium calculated as in a) above.

Loading /extra for adverse underwriting features

1. Salesmen handling cash and goods.
2. Security deposit collected by the employer not commensurate with the amount of cash handled by the employee.

A loading of up to a maximum of 50 % may be charged to the insured

Discount for Favourable underwriting Features

1. Security Deposit taken by the Employer.
2. Employees of Govt. and Public sector Undertakings
3. Good System of checking accounts and keeping records
4. Past Claims Experience

Discounts up to a maximum of 50% may be given depending upon the Favourable features.



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The above are the rates are guide rates. However, the actual rates to be charged depend upon the risk and hazard factors of individual cases (With reasons duly recorded therefor).

In any case, the minimum rate to be charged shall not be lower than 0.25%



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RGICL/MI-FG/Form 3

Fidelity Guarantee Insurance

Claim Form

The issue of this form does not constitute admission of liability. Please return the form duly completed within Fourteen days of the loss together with the relevant vouchers, documents etc.

Policy No		Claim No.	
		Date of registration	
Area Office Code/Service Centre Code			
Broker/Agent Name & code		Code	

1. Name of the Insured			
2. Customer ID			
3. Address of the Insured	Plot No/Door No.		Building name
	Road		
	Area		
	City		Pin code
	State		
	Phone No.		
	E-mail Id		

4.	
a) Name of the defaulting employee in full	
b) His/her present address	
5. Amount of loss sustained	Rs...
6. Date of discovery of the defalcation	
7. Date (s) of defalcation (s)	

<p>8. How exactly was the defalcation committed?</p> <p><i>If space is not sufficient, please give full and detailed particulars on a separate signed sheet. Also please attach a certified statement containing all entries in your books of accounts relative to the defalcation in the order of their dates.</i></p>	
<p>9. Please reply fully to the following questions regarding the duties of the employee at the time of defalcation :-</p> <p>a) In what capacity was he engaged and where?</p> <p><u>Money</u></p> <p>b) In what way did money reach his hands?</p> <p>c) What was the largest sum which he had in his hands at any one time and for how long?</p> <p>d) Was he allowed to pay out any amounts on your behalf?</p> <p>e) Who authorized these payment or issue?</p> <p>f) Was he required to give printed receipts from a book with counterfoils? If so, how often were the counterfoils examined and checked and by whom?</p> <p>g) Did the defaulting employee pay moneys into Bank? If so, how often were BankBooks examined and checked and by whom?</p> <p>h) What balance, if any was allowed to be kept in his hand?</p>	

<p>i) How often is Cash Accounts balances and how was their accuracy checked? Please explain fully</p> <p>j) How often were accounts sent direct to Customers independently of the employee?</p> <p><u>Stock</u></p> <p>k) Did the employee have charge of stock? If so, in what way did stock reach his hands?</p> <p>l) Was he allowed to issue stores or materials independently? If not, who authorised these issues?</p> <p>m) How often was the position of stock handled by the employee checked?</p> <p>n) When was the last check made?</p>	
<p>10. How often were the Account Books/Stock Books at the place of the defaulting employee's employment audited and by whom? When was the last audit done?</p>	
<p>11. Have you any moneys, estate, or effects of the employee in your possession? If so, give particulars with amounts.</p>	
<p>12. Do you hold any other security from the employee? If so, state its nature and amount.</p>	
<p>13. Is the defaulting employee a member of a joint family, or does he hold any property furniture or other effects? If so, give details.</p>	

14. Does the employee have any near relatives? If so, give their names and addresses, if known.	
15. Have you taken any action against the employee? If so, state the nature of action taken.	
16. Has the loss been reported to the Police? If so, state at which Police Station and what action, if any has been taken by them.	

I/we the above named do hereby, to the best of my/our knowledge and belief, warrant the truth of the foregoing statements in every respect and I/we agree that if I/we have made, or, in any further declaration the Company may require in respect of the said occurrence shall make any false or fraudulent statement or any suppression, concealment or untrue averment whatever, the Policy shall be void and my/our right to compensation forfeited.

Signature of Insured.

Place:

Date :

Witness

Signature

Name

Address

Date