

IFFCO-TOKIO GENERAL INSURANCE CO. LTD.

Regd. Office: 34, Nehru Place, New Delhi - 110 019

UIN: IRDAN106P0009V01200102

FIDELITY GUARANTEE POLICY

This Policy is evidence of the Contract between YOU and US. The proposal alongwith any written statement(s), declaration(s) of YOURS for purpose of this Policy forms part of this contract.

This Policy witnesses that in consideration of YOUR having paid the premium for the period stated in the Schedule or for any further period for which WE may accept the payment for renewal of this Policy, WE will insure YOUR Interests as specified in the Schedule during the period of Insurance and accordingly WE will indemnify you in respect of events occurring during the Period of Insurance in the manner and to the extent set forth in the Policy, provided that all the terms, conditions and exceptions of this Policy in so far as they relate to anything to be done or complied with by YOU have been met.

The schedule shall form part of this Policy and the term “**Policy**” whenever used shall be read as including the “**Schedule**”.

Any word or expression to which a specific meaning has been attached in any part of this Policy or of Schedule shall bear such meaning wherever it may appear. **YOUR Policy** is based on information, which YOU have given US and the truth of this information shall be condition precedent to YOUR right to recover under this Policy.

DEFINITION OF WORDS

- 1) **Proposal** It means any signed proposal by filling up the questionnaires and declarations, written statements and any information in addition thereto supplied to US by YOU or on YOUR behalf.
- 2) **Policy** It means the Policy Booklet, the Schedule and any applicable endorsements or memoranda. YOUR policy contains the details of the extent of the cover available to YOU, what is excluded from the cover and the conditions, warranties on which the Policy is issued.
- 3) **Schedule** It means the latest schedule issued by US as part of YOUR Policy. It provides details of YOUR Policy including full description of employees including designation, occupation and duties of employees, which are in force and the period of cover YOU have against the employees described.
- 4) A Revised Schedule will be sent at each renewal and whenever YOU request for a change in the cover.
- 5) **Sum Insured/Limit of Guarantee** It means the Monetary Amounts shown against any employee.

Policy Wording: Fidelity Guarantee Policy

UIN: IRDAN106P0009V01200102

- 6) **WE/OURS/US** It means **THE IFFCO-TOKIO GENERAL INSURANCE COMPANY LTD.**
- 7) **YOU/YOUR** It means the person(s)/the Company/the entity named as Insured in the Schedule and is the Employer.
- 8) **Employer** It means any person, partnership firm or any body of persons whether incorporated or not with whom employee who is included in the Schedule as a contract of Service.
- 9) **Employee** A person named in the schedule of the policy as the employee.
- 10) **Period of Insurance** It means the duration of the Policy as shown in the Schedule.
- 11) **Loss/Lost** It means the Damage or Loss.
- 12) **Excess** It means the first part of any claim for which YOU are responsible. Any Sum Insured/Limit will apply after the Excess has been deducted.

GENERAL CONDITIONS

- 1) **Notice** YOU will give every notice and communication in writing to OUR office through which this insurance is affected.
- 2) **Misdescription** This Policy shall be void and all premium paid by YOU to US shall be forfeited in the event of misrepresentation, misdescription or concealment of any material information.
- 3) **Changes in Circumstances** Unless WE are advised and OUR written approval be obtained, WE shall not be liable under this Policy –
 - a) in the event of any change in the nature of YOUR business or if the duties and conditions of service of employee shall be changed or if the remuneration of the Employee be reduced or its basis altered or if the precautions stated by YOU with regard to accounting be not duly followed or if YOU shall continue to entrust the employee with the monies or goods after having knowledge of any fact bearing on the honesty of the employee.
 - b) In the event of Checks for securing accuracy of accounts and stocks stated in the proposal not being duly observed.
- 4) **Identification of Employees** For the purpose of identifying 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 YOU, to US.
- 5) **Claim Procedure and Requirements** Upon happening of an event giving rise or which may give rise to a claim

- a) You or YOUR authorised representative shall forthwith give notice in writing to OUR nearest office with a copy to Policy issuing office with full particulars. A written statement of the claim will be required and a claim form will be provided. This written statement of claim alongwith supporting documents i.e. proofs, information and other evidences (verified by statutory declaration if so required) relating to the claim alongwith particulars of other Insurances covering the same risk must be delivered to US at YOUR expenses within 14 days of discovery of loss.
 - b) YOU shall lodge a complaint with the Police at the earliest after happening of the incident and take all practicable steps to apprehend the guilty person and prevent further loss.
- 6) Claim Control and subrogation**
- a) WE are entitled to
 - i) receive all information, proof of loss and assistance from YOU and any other person seeking benefit under the Policy.
 - ii) take proceedings at OUR own expenses and for OUR own benefit, but in YOUR name to prosecute all claims and exercise all rights of action competent to YOU against the employee in respect of any act insured against in connection with which WE might make payment under this policy and YOU shall give to US all such information and assistance as may be reasonably required for maintaining such claims or rights.
 - iii) send OUR Authorised Representative in case of any loss to YOU and YOU will permit him/her at all reasonable times to examine into circumstances of such loss and YOU shall on being required to do so by US produce all books of accounts, receipts and documents relating to or containing entries relating to the loss in his/her possession and furnish copies of or extracts from such of them as may be required by US so far as they relate to such claims or will in any assist US to ascertain the correctness thereof or OUR liability under this Policy.
 - b) YOU shall if and when required by US, give information and furnish evidence to the Criminal Authorities of any act or acts insured against committed or supposed to have been committed by any employee in consequence of which a claim may be made under this Policy and YOU shall if so required by US, forthwith prosecute the employee for such acts subject to the payment by US in the event of a conviction of all expenses necessarily incurred by YOU in such prosecution.
 - c) YOU shall if and when required by US but at OUR expenses if a conviction be obtained, 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 expenses give all information and assistance to enable US to use 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 shall have become liable to pay in respect thereof.

- d) It is also provided that an amount equal to any salary or commission which but for the acts on which the claim shall be found would have become payable by YOU to the employee in respect of whom the claim is made hereunder or any other money which shall be due to such employee from YOU shall be deducted from the amount payable under this Policy and all money, estate and effects of such employee in the hands of or received or possessed by YOU and all sums which may be or may prior to the settlements of claims become due from YOU to the employee and also all moneys or effects which shall come into YOUR possession or power for or on account of such employee after discovery of any act on part of such employee in respect of which any claim shall be made on this Policy shall be applied by YOU in and towards making good the amount to his/her claim under this Policy in priority to any other claim to YOU upon such monies, estate or effects.
- 7) **Limit of Liability** OUR liability under this Policy and/or any other Policy in respect of any defaulting employee shall not exceed the amount of Indemnity mentioned against his name.
- 8) **Fraud** If any claim under this Policy is fraudulent in any respect with or without YOUR knowledge or if any fraudulent means or devices are used by YOU or on YOUR behalf to obtain any benefit under this Policy, all benefits and rights under the Policy shall be forfeited.
- 9) **Contribution** If YOU are or will hereafter be guaranteed by any other person, society or company or hold other security or Insurance against such loss as is hereby guaranteed against, WE shall bear the loss in rateable proportion only.
- 10) **Cancellation** WE may cancel this policy by sending 7 days notice in writing by Regd.A.D. 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, which WE are liable to repay on demand. YOU may cancel this Policy by sending written Notice to US. WE will then allow a refund after the premium based on the following retaining table:

Period of cover	Rate of Premium to be retained
Upto One Month	25% of the Annual Rate
Upto Three Months	50% of the Annual Rate
Upto Six Months	75% of the Annual Rate
Preceding Six Months	Full Annual Rate

- 11) **Adjustment of Premium** If any part of premium or renewal premium is based on estimates furnished by YOU, YOU shall keep an accurate record containing all relevant particulars and shall allow US to inspect such record. YOU shall within one month after expiry of each period of insurance furnish such information as WE may require. Premium or renewal premium shall there upon be adjusted and the difference will be paid or allowed to US.

12) **Renewal Notice** WE shall not be bound to accept any renewal premium or give notice that such renewal 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 herein before mentioned and that nothing is known to YOU that may result to enhance OUR risk under the guarantee hereby given.

13) **Scope of the Policy**

What is covered	What is not covered
<p>WE will indemnify YOU against loss sustained by reason of any act of fraud/dishonesty committed by the Employee in connection with their/his/her employment as specified in the Schedule hereto during uninterrupted Service with YOU and within retroactive period as defined elsewhere in the Policy and discovered during the continuance of this Policy or within twelve months after the death, dismissal or retirement of such employee or within twelve months after this Policy has ceased to exist as regards such employee whichever of these events shall first happen.</p>	<p>WE shall not be liable:</p> <ul style="list-style-type: none"> a) To pay more than one claim in respect of acts of any one of the Employees. b) <u>In Retroactive period of Cover:</u> <ul style="list-style-type: none"> i) for losses not discovered within the period of Insurance ii) in the event of non renewal or cancellation of this Policy, for losses not discovered within twelve months next following the date of expiry or the date of cancellation as the case may be (provided only that if there be any other insurance in force during the said twelve months whether effected by YOU or on YOUR behalf or otherwise, this Policy shall not cover or contribute to any loss covered by such other insurance). The reinstatement provision will not apply to such losses discovered within twelve months from the date of non-renewal or cancellation. iii) For losses not sustained in within a retroactive period, not exceeding two years from the date of discovery of any such loss or losses.

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 UIN: JRDAN106P0009V01200102

	<p>Provided that in such retroactive period, the insurance was continuously in force but in no event, WE shall be liable to pay any claim in respect of loss sustained prior to the inception of the original Policy.</p> <p>Further it is also provided that losses which become payable under this clause shall be subject to the terms, conditions, exception of the Policy in force on date of discovery or in case of non renewal / cancellation, on the last date when such policy was in force.</p>
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- 14) **Arbitration** Should any dispute arise between YOU and US on quantum of amount payable (liability being otherwise admitted by US), such dispute will independently of all other questions be referred to the decision of Arbitrator(s) in accordance with statutory provision of the country in force at that time. Further, if / when any dispute is referable or referred to Arbitration, the making of an award by Arbitrator(s) shall be a condition precedent to any right of action by YOU against US.
- 15) **Disclaimer Clause** If WE shall disclaim OUR liability in any claim, and such claim shall not have been made subject matter of a suit in a court of law within 12 months from the date of disclaimer, and then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable under this Policy.

Any of the circumstances in relation to these conditions coming to the knowledge of OUR any official shall not be the Notice to or be held to bind or prejudicially affect US notwithstanding subsequent acceptance of the premium.

WE shall not be bound to 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 receipts of YOURS, YOUR legal personal representative shall in all cases be valid and affective discharge to US.

In the event of any transfer of interest except by death, this insurance shall cease unless expressly agreed to by US and endorsed herein.

- 16) **Interest/Penalty** No sum payable under this policy shall carry any interest or penalty.
- 17) **Geographical Scope** The geographical scope of this policy will be India.

PROVISIONS

1. Limit of liability

OUR liability shall not exceed

- a) In respect of any Employee the Sum Insured stated against his/her name or as declared herein.
 - b) In all claims under this Policy, the total Sum Insured.
2. If the Policy shall be continued in force for more than the one period of Indemnity or if any liability shall exist on OUR part under this Policy and also under any other Policy in respect of fraud or dishonesty of the employee, OUR liability 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 frauds 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.