

## **FIDELITY GUARANTEE INSURANCE POLICY**

WHEREAS the Insured Employer (hereinafter called INSURED) named in the Schedule hereto has made or caused to be made to Insurance Co. (hereinafter called COMPANY) a written proposal dated. As stated in the Schedule hereto (arranging the truth of the statements contained therein) which is the basis of this contract and is deemed to be incorporated herein and has paid the Company the premium herein stated as consideration for insurance of risks hereinafter specified.

Now, this Policy witnessed that subject to the terms provisos exceptions conditions and definitions contained herein or endorsed or otherwise expressed here on the Company agrees to indemnify the insured against a direct pecuniary loss sustained by reason of any act of fraud/dishonesty committed 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 with twelve calendar months of such death, dismissal or retirement whichever of these events shall first happen.

### **PROVIDED ALWAYS THAT**

- i. The liability of the Company shall not exceed
  - (a) In respect of any employee the sum insured stated against his name or as declared herein.
  - (b) In respect of all claims under this policy, the total sum insured.
- ii. 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.
- iii. The Company shall not be liable to pay more than one claim in respect of the action of any one employee.

### **EXCEPTIONS**

The Company shall not be liable in respect of losses arising elsewhere than in India.

## **DEFINITIONS**

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

## **CONDITIONS**

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

1. On the discovery of any act or default or circumstances which may give rise to a claim, the Insured shall:
  - (a) Forthwith give written notice to the Issuing Office of the Company;
  - (b) Immediately take all steps to prevent further loss;
  - (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 Insured shall only be liable to bear the loss ratable with such person, society or company or securities or insurance.
3. 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 Insurance Company not exceeding, however, the amount paid by the Company.
4. The Insured shall if and when required by the Company but at the expense of the Company 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 the Company's expense give all information and assistance to enable the Company 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 the Company shall have become liable to pay in respect thereof.
5. 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 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 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 Insured 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. The Policy shall be null and void in the event of misrepresentation, misdescription or nondisclosure in any material particular or if a claim be fraudulent or any fraudulent means or devices be used by the Insured or any one acting on his behalf to obtain any benefit under this Policy.
9. The Company shall be entitled at its own expenses and for its own benefit, in the name of the Insured to prosecute all claims and exercise all rights of action competent 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 Registered Letter 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 canceled at any time by the Insured on seven days notice (provided no claim has arisen during the then current period of insurance) and the Insured shall be entitled to returning of the premium less premium at the Company's short period rates for the time the Policy has been in force.
11. The Company shall not be bound to accept any renewal premium nor to 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 the risk of the Company under the guarantee hereby given. No renewal receipts shall be valid unless it is on the printed form of the Company and signed by the authorized official of the Company.
12. 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 the Insured to the Company.

13. The Company shall not be bound to give notice or be affected by any notice of any trust charged lien assignment or other dealing with or relating to any contract of insurance but the receipt of the Insured or his legal personal representative shall in all cases be an 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 the 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 the 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 to 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 hereinbefore provided if the Company has disputed or not accepted liability under or in respect of this Policy.

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this Policy that award by such arbitrators or umpire of the amount of the loss or damage shall be first obtained.

It is also hereby expressly agreed and declared that if the Company shall disclaim liability to the Insured for any claim hereunder, and such claim shall not, within 12 calendar months from the date of such disclaimer have been made the subject matter of a suit in a Court of Law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be recoverable hereunder.

16. The due observance and fulfillment 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 said proposal shall be conditions precedent to any liability of the Insurer to make any payment under this guarantee.