

Issuing office :

FIDELITY GUARANTEE INSURANCE POLICY

Whereas the Insured has made to Bajaj Allianz General Insurance Company Ltd (hereinafter called the "Company"), a proposal which is hereby agreed to be the basis of this Policy and has paid the premium specified in the Schedule, now the Company agrees, subject always to the following terms, conditions, exclusions, and limitations, to indemnify the Insured in excess of the amount of the Deductible and subject always to the Limit of Indemnity against such loss as is herein provided.

1 Operative Clause

The Company will provide an indemnity in respect of direct pecuniary loss sustained by the Insured in consequence of any deliberate fraudulent or dishonest act of any Employee, provided that:

- 1.1 such loss is committed within the retroactive period and during the course of the Business, and
- 1.2 first discovered during the Policy period or within 12 months of expiry of the policy, and
- 1.3 such loss is committed by the Employee with the primary intention to obtain personal financial gain, and
- 1.4 the Company's liability to indemnify is subject to the Deductible, the Employee Sum Insured and the Limit of Indemnity.

2 Exclusions

- 2.1 The Company is not liable for and no indemnity will be provided in respect of any loss arising out of, caused by, occasioned by, attributable to or howsoever connected to:

- 2.1.1 any consequential losses of any kind, be they by way of loss of profit, any loss not reflected in the Insured's books of account, loss of opportunity, business interruption, market loss, loss of gain or potential income or gain which should have accrued to the Insured (including but not limited to interest and dividends), or otherwise;
- 2.1.2 any legal liability of any kind;
- 2.1.3 any fraudulent or dishonest act of an Employee not discovered within 12 months (subject to condition 4.3.2) of the date upon which such Employee ceased to be an employee of the Insured for any reason;
- 2.1.4 any expenses incurred by the Insured in establishing the existence of or quantification of any fact or matter giving rise to a Claim under this Policy;
- 2.1.5 any fact or matter or circumstance of which the Insured was, or ought reasonably to have been, aware at the commencement of the Policy Period.
- 2.2 The Company is not liable for and no indemnity will be provided in respect of any loss arising in circumstances where:
 - 2.2.1 the Insured carries on any business other than the Business, and/or
 - 2.2.2 there is any material change in the facts and matters stated in the Insured's proposal, and/or
 - 2.2.3 the duties or terms of service of Employees differ from those described in the proposal, and/or

2.2.4 the precautions and checks for ensuring the accuracy of the Insured's accounts and stocks are not as described in the Insured's proposal,

3 Definitions

The following words or terms shall have the meaning ascribed to them wherever they appear in this Policy, and references to the singular or to the masculine shall include references to the plural and to the female wherever the context so permits:

- 3.1 "Business" means the business of the Insured as specified in the Schedule.
- 3.2 "Employee" means the persons or persons within the categories of persons named in the Schedule who have entered into a contract of service with Insured, whether such contract of service is expressed or implied, verbal or written, but shall not include persons whose employment is of a casual nature and/or who are employed other than for the purposes of the business.
- 3.3 "Deductible" means the amount stated in the Schedule, which shall be borne by the Insured in respect of each and every Claim made under this Policy.
- 3.4 "Employee Sum Insured" means the amount specified in the Schedule against the name or category of an Employee which, subject to the Limit of Indemnity, shall be the Company's maximum liability for any and all claims in respect of that Employee.
- 3.5 "Insured" means the person or organisation named in the Schedule.
- 3.6 "Limit of Indemnity" means the amount stated in the Schedule, which shall be the Company's maximum liability under this Policy (regardless of the number or amount of claims made) in the aggregate for all claims made during the Policy Period.
- 3.7 "Period of Insurance" means the period between the Retroactive Date and the expiry date specified in the Schedule.
- 3.8 "Policy" means the proposal, the Schedule, this policy document, and any endorsement

attaching to or forming part hereof, either at inception or during the Policy Period.

- 3.9 "Policy Period" means the period between the commencement date and the expiry date specified in the Schedule.
- 3.10 "Retroactive Date" means the date specified in the Schedule and, if none is specified, the commencement date specified for the Policy Period.
- 3.11 "Schedule" means the schedule, and any annexure to it, attached to and forming part of this Policy.

4 Conditions

4.1 Observance of Terms And Conditions

The due observance and fulfilment of the terms, conditions and endorsements (if any) of this Policy in so far as they relate to any thing to be done or complied with by the Insured, shall be a condition precedent to any liability of the Company to make any payment under this Policy.

4.2 Notifications & Declarations

4.2.1 Any and all notices and declarations for the attention of the Company shall be submitted in writing and shall be delivered to the address specified in the Schedule.

4.2.2 Any and all notices and declarations for the attention of the Insured shall be posted to the Insured's address stated in the Schedule.

4.3 Claims Notification

4.3.1 It is a condition precedent to the Company's liability under this Policy that upon the discovery of any event giving rise to a claim, or the existence of circumstances likely to give rise to a claim (regardless of whether the quantum of the claim can be ascertained), the Insured shall:

- 4.3.1.1 immediately and, in any event, within 7 days, give full written notice of the same (including

an estimate of the loss) to the address shown in the Schedule for this purpose and in the case of the existence of circumstances likely to give rise to a Claim shall specify the grounds for such belief, and

4.3.1.2 take all reasonable steps to minimise the quantum of any Claim that may be made and/or any further loss that might arise, and

4.3.1.3 immediately lodge a complaint with the police detailing the loss in respect of which the Insured intends to claim, and provide a copy of that written complaint, the First Information Report and/or Final Report to the Company, and

4.3.1.4 within 14 days deliver to the Company a detailed written statement of the loss that has occurred and an estimate of the quantum of any claim along with all documentation required to support and substantiate the amount sought from the Company, and

4.3.1.5 expeditiously and at the Insured's cost provide the Company and its representatives and appointees with access to and all of the information, assistance, records and documentation in relation to the loss and the Company's liability hereunder that might reasonably be required.

4.3.2 In the event of the non-renewal or cancellation of this Policy, the Company shall (subject to the Policy terms, conditions, and exclusions) accept losses arising during the Policy Period and first discovered within 90 days of the date of cancellation or expiry of the Policy Period, as the case may be.

4.4 Contribution

If, at the time of any Claim, there is, or but for the existence of this Policy would be, any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such Claim, then the Company shall not be liable to pay or contribute more than its rateable proportion of any loss or damage.

4.5 Basis of Loss Payment

4.5.1 If a loss is sustained by the Insured as a result of the fraudulent or dishonest conduct of a named Employee and/or persons comprising a category of Employees and other employees, then the liability of the Company shall stand reduced in the same proportion as the number of named Employees and/or categories of Employees bears to the number of employees involved in causing the said loss.

4.5.2 If a loss is sustained by the Insured as a result of the fraudulent or dishonest conduct of a member or members of a category of Employees, and the actual number of Employees in such category exceeds the number of employees noted in the Schedule against such category, then the liability of the Company shall stand reduced in the same proportion as the number of Employees in such category bears to the actual number of employees in such category.

4.5.3 Any monies which, but for the dishonest or fraudulent conduct of the Employee concerned, would have been payable to such Employee by the Insured and any monies of such Employee with the Insured (or which may come into the custody, care or control of the Insured) shall be applied by the Insured, to the extent it is legally entitled to do so, against the amount payable by the Company in diminution or extinction of any loss.

4.5.4 In no event shall the Company be liable under this Policy for more than the actual cash value of money, bullion, travellers cheques, negotiable instruments, bearer bonds or coupons, stamps, cheques, bank or currency notes or similar instruments on the day upon which the loss is discovered.

4.6 Employees

No persons other than Employees shall be covered under this Policy unless and until a person's name or a category of employees has been notified in writing to the Company, any additional premium due has been paid and the Company's agreement to extend cover has

been indicated by it issuing an endorsement confirming the addition of such employee or category as an Employee.

4.7 Adjustment of Premium

If so indicated in the Schedule, then during the Policy Period the Insured shall maintain a proper and contemporaneous record of the actual amount of cash or stock held by Employees, which record shall be available for inspection by the Company at any reasonable time. Within one month from the expiry of this Policy the Insured shall provide the Company with a written record of the actual amount of cash or stock held by Employees during the Policy Period and any information or supporting documentation in respect thereof that the Company may request. If the amount of cash or stock held by Employees ascertained after the expiry of this Policy shall differ from the Insured's estimate thereof as stated in the proposal, then (if the actual amount of cash or stock held by Employees exceeds the Insured's estimate of the same) the Insured shall pay to the Company any additional premium that the Company may determine by reference to the differential, or (if the actual amount of cash or stock held by Employees is less than the Insured's estimate of the same) the Company will reimburse the Insured by reference to the differential but subject to minimum retention of premium of 75%.

4.8 Claims Aggregation

All claims and losses resulting from:

4.8.1 one and the same fraudulent or dishonest act;
or

4.8.2 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 this Policy.

4.9 Fraud

If the Insured shall make or advance any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall be void and all claims or payments hereunder shall be forfeited.

4.10 Subrogation

The Insured and any claimant under this Policy, shall at the expense of the Company do or concur in doing or permit to be done all such acts and things that may be necessary or reasonably required by the Company for the purpose of enforcing any civil or criminal rights and remedies or obtaining relief or indemnity from other parties to which the Company shall be or would become entitled or subrogated upon the Company paying for or making good any loss or damage under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Company.

4.11 Renewal & Cancellation

4.11.1 The Company shall not be bound to accept any renewal premium nor give notice that such renewal is due.

4.11.2 The insurance provided by this Policy shall be deemed cancelled in respect of any Employee:

4.11.2.1 Immediately upon the discovery by the Insured of any dishonest or fraudulent act, error or omission on the part of such Employee; no cover shall be available hereunder in respect of any loss sustained in consequence of any fraudulent or dishonest act, error or omission occurring after the date of the discovery of (or of reasonable cause for suspicion of) the same on the part of the Employee concerned;

4.11.2.2 immediately upon the Company and/or the Insured giving written notice of the same.

4.11.3 This Policy may be cancelled by or on behalf of the Company by giving the Insured at least 7 days written notice and in such event the Company shall refund to the Insured a pro-rata

premium for the unexpired Policy Period. For the avoidance of doubt, the Company shall remain liable for any claim which was made prior to the date upon which this insurance is cancelled.

4.11.4 This Policy may be cancelled by the Insured at any time by giving at least 7 days written notice to the Company. The Company will refund premium according to the Company's Short Period Rates set out below:

Table of Short Period Rates	
Period of Risk	Amount of Premium to be Retained by the Company
Up to 1 month	1/8th of the Annual Premium.
1 month and above, up to 2 months	2/8th of the Annual Premium.
2 months and above, up to 3 months	3/8th of the Annual Premium
3 months and above, up to 4 months	4/8th of the Annual Premium.
4 months and above, up to 5 months	5/8th of the Annual Premium.
5 months and above, up to 6 months	6/8th of the Annual Premium.
6 months and above, up to 7 months	7/8th of the Annual premium.
7 months and above	Full Annual Premium.

No refund of premium shall be due if the Insured has made a claim under this Policy.

4.12 Governing Law

The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with Indian law. The section headings of this Policy are included for descriptive purposes only and do not form part of this Policy for the purpose of its construction or interpretation.

4.13 Dispute Resolution

4.13.1 Any and all disputes or differences, which may arise under or in relation to this Policy, including its interpretation or the quantum of any Claim shall be referred to arbitration and to a sole arbitrator to be appointed in accordance with Arbitration and Conciliation Act, 1996, within a period of 30 days of either the

Company or the Insured party giving notice in this regard.

4.13.2 The applicable law in and of the arbitration shall be Indian law.

4.13.3 The expenses of the arbitrator shall be shared between the parties equally and such expenses along with all reasonable costs in the conduct of the arbitration shall be awarded by the arbitrator to the successful party, or where no party can be said to have been wholly successful, to such party, as substantially succeeded.

4.13.4 It is agreed condition precedent to any right of action or suit upon this Policy that an award by such arbitrator or arbitrators shall be first obtained.

4.13.5 In the event that these arbitration provisions shall be held to be invalid then all such disputes shall be referred to the exclusive jurisdiction of the Indian Courts.

4.14 Entire Contract

The Policy constitutes the complete contract of insurance. No change or alteration in this Policy shall be valid or effective unless approved in writing by the Company, which approval shall be evidenced by an endorsement on the Policy.

4.15 Territorial Limits

This Policy covers insured events arising during the Policy Period within India. The Company's liability to make any payment shall be to make payment within India and in Indian Rupees only.

Bajaj Allianz General Insurance Company Limited

Head Office & Regd. Office: GE Plaza, Airport Road, Yerawada, Pune 411 006



Welcome to Bajaj Allianz and Thank You for choosing us as your insurer.

Please read your policy and schedule

The policy and policy schedule set out the terms of your contract with us. Please read your policy and policy schedule carefully to ensure that the cover meets your needs.

RESOLVING ISSUES

We do our best to ensure that our customers are delighted with the service they receive from Bajaj Allianz, If you are dissatisfied we would like to inform you that we have a procedure for resolving issues. Please include your policy number in any communication. This will help us deal with the issue more efficiently. If you don't have it, please call your Branch office.

First Step

Initially, we suggest you contact the Branch Manager / Regional Manager of the local office which has issued the policy. The address and telephone number will be available in the policy.

Second Step

Naturally, we hope the issue can be resolved to your satisfaction at the earlier stage itself. But if you feel dissatisfied with the suggested resolution of the issue after contacting the local office, please e-mail or write to:

Customer Care Cell

Bajaj Allianz General Insurance Co. Ltd

GE Plaza, Airport Road

Yerawada, Pune 411 006

E-mail: customer.care@bajajallianz.co.in

If You are still not satisfied, You can approach the Insurance Ombudsman in the respective area for resolving the issue. The contact details of the Ombudsman offices is mentioned below:

Ombudsman Offices	
Jurisdiction	Office Address
Delhi, Rajasthan	First Floor, Universal Insurance Building, 2/2A Asaf Ali Road, New Delhi 110002 Ph:23239611 /33 Fax: 23230858
West Bengal, Bihar	29, N.S. Road, Third Floor, Kolkata 700 001. Ph:222 12669 Fax: 222 12668
Maharashtra	Jeevan Seva Annex, 3 rd floor, Above MTNL, SV Road, Santacruz (W) Mumbai 400 054
Tamil Nadu, Pondicherry	Fatima Akhtar Court, Fourth Floor, 312 Anna Salai, Chennai 600018
Andhra Pradesh	6-2-47, Yeturu Towers, A.C. Guards Lakdi-Ka-Pool, Hyderabad 500004
Gujarat	Second Floor, Shree Jayshree Ambica House, 5, Navyug College, Ashram Road, Ahmedabad 380014
Kerala, Karnataka	Pulinat Building, Second Floor, M.G. Road, Kochi 682015
North-Eastern States	Aquanus, Bhaskar Nagar, R.G. Baruah Road, Guwahati 781021
Uttar Pradesh	Chintal House, First Floor, 16 Station Road, Lucknow 226001
Madhya Pradesh	First Floor, 117 Zone 2, Maharana Pratap Nagar, Bhopal 462011
Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh	Batra Building, Shop-cum-Office 101-103, Second floor, Sector 17D, Chandigarh
Orissa	62, Forest Park, Bhubaneswar 751009

DPM/9th April 2003