

**COMMERCIAL CRIME
INSURANCE**

- POLICY WORDINGS -



General Insurance Company Ltd.

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This policy is a contract of insurance between the *policyholder* and *us* which is subject to the receipt of premium as specified in the *schedule* in full and the terms, conditions and exclusions of this policy.

Certain terms are used in this policy in *italic* letters, which have a specific meaning as set out in the policy. They have this meaning wherever they appear in the policy, including the *schedule*, or any subsequent extensions.

1. INSURING CLAUSE

We will indemnify the *policyholder* for its *financial interest* in respect of any *loss* incurred by an *insured* which results directly from any *criminal acts* first *discovered* during the *period of insurance* or any *extended discovery period* (if applicable) and notified to *us* in accordance with the provisions of this policy.

For the purposes of the Insuring Clause, *criminal acts* shall mean any *internal crime* or *external crime*.

a) Internal crime

Internal crime means any fraudulent or dishonest single, continuous or repeated act(s) committed by an *employee* acting alone or in collusion with others which causes a *loss* to the *insured*.

b) External crime

External crime means any fraudulent or dishonest single, continuous or repeated act(s) or a series of acts committed by a *third party* of:

- (i) *theft*;
- (ii) *forgery*;
- (iii) *fraudulent alteration*;
- (iv) *counterfeiting*;
- (v) *computer fraud*;
- (vi) *fraudulent induced transfer* only if the extension "*Fraudulent impersonation*" is specified to be covered in the Schedule;

External crime shall in no event mean:

- 1) *corporate transaction*;
- 2) *voluntary exchange* or *purchase* unless covered under *forgery*, *fraudulent alteration*, *counterfeiting* or *computer fraud*; or
- 3) *investment activities*.

2. DEFINITIONS

When used in this policy, its *schedule* and its extensions the following definitions shall apply:

2.1 Computer fraud

computer fraud means *loss* of the *insured's* money, *securities* or *property* due to any fraudulent or dishonest misuse or manipulation by a *third party* of the computer systems, programs or funds transfer systems owned or operated by the *insured*.

2.2 Corporate transaction

corporate transaction means any transaction involving the purchase or sale of shares, equity, debt or assets of any entity.

2.3 Counterfeit or Counterfeiting

counterfeit or *counterfeiting* means the intentional imitation of any currency notes or coins such that an *insured* is deceived on the basis of the quality of the imitation to believe that the imitation is the authentic original currency.

2.4 Credit card fraud

credit card fraud means the *forgery* or alteration of, on or in, any written instrument required in connection with any credit card issued to an *insured*, to any *director* or *officer*, or any partner or to any *employee* of the *insured*.

2.5 Deductible

deductible means the amount stated in the *schedule*, which shall be the responsibility of the *insured*, as applicable, in respect of each loss or claim for indemnity under the policy.

2.6 Director or Officer

director or *officer* means any natural person who was or now is a director or officer of the *policyholder* or any *subsidiary* (or the equivalent position in any jurisdiction) or who becomes a director or officer of the *policyholder* or any *subsidiary* (or the equivalent position in any jurisdiction) during the *period of insurance*, including de jure, de facto and shadow directors.

2.7 Discovered or Discovery

discovered or *discovery* means the moment on which the *insured* or any partner, *director* or *officer*, departmental head or other senior manager or the equivalent thereof, not in collusion with any person(s) committing the *criminal act*, becomes aware of any fact or facts that give reasonable grounds to believe that *loss* as insured under this policy has been or may be incurred even though the exact amount or details of the *loss* may not then be known.

2.8 Employee

employee means:

- (a) any natural person who is employed under a contract of service with an *insured* (which shall include the first 60 days after the cessation of such service) in the ordinary course of the *insured's* business whom the *insured* compensates by payment of salary, wages or commissions and has the right to govern and direct in the performance of such service;
- (b) any natural person who works under the supervision of an *insured* and who is subject to the same controls and procedures as the person mentioned under (a) above;
- (c) any natural person who is a trustee, fiduciary, administrator or officer of any *superannuation fund*;

- (d) any natural person who is a volunteer or temporary personnel whilst performing acts within the scope of an *employee's* normal duties;
- (e) any natural person who is a retired employee of the *policyholder* working under a written contract; or
- (f) any natural person whose identity the *insured* is unable to discover, but whose *criminal act* caused a *loss* under this policy and the evidence proves that the *loss* was sustained due to a *criminal act* of a person under (a), (b), (c), (d) or (e) above.

But excluding:

1. any partner of the *insured* (where the *policyholder* or its *subsidiary* is a partnership);
2. any *employee* who, at the time of *loss*, controls more than 20% of the voting rights of an *insured*;
3. any director or executive of the *insured*, when acting in their capacity as a director of the *insured*, and not in his or her capacity as an *employee* of the *insured*; and
4. any external auditor, broker, factor, commission merchant, consignee, contractor, other agent, representative, or equivalent thereof.

2.9 Extended discovery period

extended discovery period means the relevant period of cover stated in the *schedule*.

2.10 Financial institution

financial institution means any bank including any merchant or investment bank, finance company, insurance or reinsurance company (other than a captive owned by the *insured*), mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying on commodities, futures or foreign exchange trading or any other similar entity.

2.11 Financial instrument

financial instrument means cheques, drafts or similar written promises, orders or directions to pay a certain sum of money that are made, drawn by or drawn upon an *insured* or by anyone acting or purporting to be acting as the *insured's* agent.

2.12 Financial interest

financial interest means the financial interest of the *policyholder* which is deemed to be the equivalent of a *loss* sustained by an *insured*.

2.13 Forgery

forgery means:

- (a) the signing of another natural person's name; or
- (b) the endorsing or amending without authority, of any cheque, draft, promissory note or bill of exchange or other *financial instrument* given or received by an *insured* with the intent to deceive in consequence of which the *insured* has acted or transferred funds or goods.

Mechanically or electronically produced or reproduced signatures shall be treated as hand written signatures.

2.14 Fraudulent alteration

fraudulent alteration means a material alteration to any *financial instrument* for a fraudulent or dishonest purpose by a person other than the person who was authorised to sign such *financial instrument*.

2.15 Fraudulent induced transfer

fraudulent induced transfer means loss of money, *securities* or *property*, on deposit in the *insured's* own account, resulting directly from a transfer resulting from the good faith reliance upon a fraudulent *transfer instruction*:

2.15.1 transmitted to the *insured* or *employee* of the *insured* via an electronic mail, telefacsimile, telephone or other written instruction received by the *insured* or *employee* of the *insured* that is not in collusion with the sender of the fraudulent instruction; and

2.15.2 that purports, and reasonably appears, to have originated from:

- a) an *employee* of the *insured* specifically authorised by the *insured* to make such instruction; or
- b) a *vendor* authorised by the *insured*;

but the sender of the fraudulent *transfer instruction* was not, in fact, such *employee* or *vendor* but someone impersonating such and the impersonated *employee* or *vendor* had no knowledge or consent of such fraudulent *transfer instruction* received by the *insured*; and

2.15.3 containing a misrepresentation of material fact reasonably relied upon that directs the *insured* or *employee* of the *insured* to transfer, pay, or to change the method, destination or account for payments to such *employee* or *vendor* referenced in item 2.15.2 above.

2.17 Insured

insured means:

- a) the *policyholder*;
- b) any *subsidiary*; and
- c) any *employee superannuation fund*.

'You' and 'Your' is also used in this policy to mean one or more of the *insured*.

2.18 Investigation costs

investigation costs means all reasonable and necessary costs incurred by the *insured* to establish the amount of a *loss* (other than remuneration payable to any *employee*, partner, *director* or *officer* of any *insured*, cost of their time or costs or overhead of any *insured*) with *our* written consent in connection with a covered *loss* to be paid under this policy where the *loss* is excess of the applicable *deductible*.

2.19 Investment activities

investment activities means the act or purported act of investing or trading in *securities*, commodities, futures or foreign exchange.

2.20 Limit of liability

limit of liability means the Limit of Liability stated in the *schedule*.

2.21 Loss

loss means the direct financial loss of any *property*, money or *securities* sustained by an *insured* as a direct result of a *criminal act*.

2.22 Loss investigator

loss investigator means an investigator and/or forensic expert appointed by *us*

2.23 Period of insurance

period of insurance means the Period of Insurance stated in the *schedule* and any extension or endorsement thereof which may be agreed between *us* and the *policyholder*.

2.24 Policyholder

policyholder means the legal entity designated in the *schedule*.

2.25 Pollution

pollution means the discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

2.26 Property

property means tangible property of an *insured* other than money or *securities*.

2.27 Safe Burglary

Safe Burglary means the felonious abstraction of *Insured Property* from within a vault or safe located in the premises by a person making felonious entry into such vault containing the safe, when all doors thereof are duly closed and locked by at least one combination or time lock, provided that such entry shall be made by actual force and violence demonstrated by visible marks made by tools, electricity, gas or other chemicals upon the exterior or (1) a door or doors of such vault or safe and any vault containing the safe, if entry is made through such doors, or (2) the top, bottom or walls or such vault or safe and any vault containing the safe through which entry is made, if not made through such doors.

2.28 Securities

securities means any bond, debenture, note, share, stock or other equity or security for debt, and will include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items representing money or *property*. *Securities* shall not include money or *property*.

2.29 Schedule

schedule means the Schedule attaching to and forming part of the policy, including any *schedule* substituted for the original *schedule*.

2.30 Subsidiary

Subsidiary means any entity in which the *policyholder* exercises a controlling influence by means of:

- (i) directly or indirectly holding more than 50% of the voting rights, or
- (ii) directly or indirectly having the right to elect, appoint, designate, dismiss or remove a majority of the Board of Directors or comparable management or supervisory board, or
- (iii) a control agreement concluded directly with the entity, or
- (iv) the provisions of the entity's articles of association, or
- (v) the entity being established as a special purpose vehicle for a specific and narrowly defined goal of the parent company.

Cover for any *subsidiary* shall only apply in respect of *loss* arising out of any *criminal act* committed whilst such entity is a *subsidiary* of the *policyholder*.

2.31 Submission

submission means:

- a) any information and/or statements or materials;
- b) any proposal form completed and signed by any *insured* (including any attachments thereto, information included therewith or incorporated therein) for this policy and any previous policy for which this policy is a replacement or renewal; and
- c) the financial statements and annual reports of any *insured*, requested by or supplied to *us* by or on behalf of the *policyholder* either before or during the *period of insurance*.

2.32 Superannuation fund

superannuation fund means any superannuation fund established and sponsored solely by the *insured* and solely to provide retirement benefits to the *insured's* past, present or future *employees, directors or officers* or their respective beneficiaries.

2.33 Territorial limits

territorial limits means the Territorial Limits specified in the *schedule*.

2.34 Terrorism

Terrorism means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group of persons, whether or not acting on behalf of or in connection with any organisation, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

2.35 Theft

theft means the unlawful permanent deprivation of money, *securities* or *property*, whether from the *insured's* premises or in transit. For the avoidance of doubt, *theft* includes robbery and *Safe Burglary*.

2.36 Third party

third party means any person or entity other than the *insured*, not being an *employee* or acting in collusion with an *employee*, and not being excluded from the definition of *employee*.

2.37 Transfer instruction

transfer instruction means an instruction directing the *insured* to transfer money, *securities* or *property*.

2.38 Vendor

vendor means any entity or natural person from whom the *insured* purchases goods or services under a written contract, for a fee or other monetary consideration. However, *vendor* does not include any *financial institution*, asset manager, broker-dealer, armoured motor vehicle company, or any similar entity.

2.39 Voluntary exchange or Purchase

voluntary exchange or purchase means the voluntary giving or surrendering (whether or not such giving or surrendering is induced by deception) of money, *securities* or *property* in any exchange or purchase.

2.40 We/Our/Ours/Us

we/our/ours/us means the Magma HDI General Insurance Company Limited

3. LIMIT OF LIABILITY

The *limit of liability* as stated in the *schedule* shall be *our* maximum liability payable under this policy for each covered *loss* sustained by all *insureds* and *discovered* during the *period of insurance* and the *extended discovery period* (if applicable). The *limit of liability* shall apply over and above the applicable *deductible*. All indemnification and sub-limits provided by the extensions pursuant to the In-built Extensions of this policy and/or any extensions or endorsements attached hereto, shall be part of, and not in addition to the *limit of liability* for the *period of insurance*, including the *limit of liability* for any *extended discovery period* (if applicable).

Where more than one *loss* arises from one *criminal act* or from a series of *criminal acts* which are connected causally with another or which are by any means inter-related or inter-connected, they shall be deemed to be a single *loss* notwithstanding the number of *loss* notifications that have been made and such single *loss* shall be attributed solely to the *period of insurance* or the *extended discovery period* (if applicable) during which the first *loss* arising from such series of *criminal acts* was *discovered*.

Our aggregate liability for *loss* or *losses* sustained by any or all persons, companies or other entities forming part of the *insured* shall not exceed the amount for which *we* would be liable if all *losses* were sustained by any one of the persons, companies or other entities forming part of the *insured*.

4. IN-BUILT EXTENSIONS

Cover is automatically provided, and on the same terms and in the same manner as in the Insuring Clause (except as expressly stated), for the features described below. Each feature is subject to all the other provisions of this policy, including any additional terms stipulated in connection with it. No feature shall increase *our limit of liability* unless expressly stated otherwise.

4.1 Extended discovery period

If this policy upon termination is neither renewed nor replaced by any other policy covering the same or a similar risk, the *policyholder* shall have the right to a single *extended discovery period* as stated in the *schedule* and subject to payment of the additional premium stated in the *schedule*. Any *loss* discovered during such *extended discovery period* and notified to *us* in accordance with Condition 6.8 'Discovery and Notice' of this policy, shall be considered for cover, but only with respect to *criminal acts* committed prior to the termination date of the *period of insurance*. This *extended discovery period* shall not apply in the event of cancellation of this policy due to the non-payment of the premium.

The right to the single *extended discovery period* shall terminate unless written notice is given to *us* by the *policyholder* within thirty (30) days of the effective date of the non-renewal of this policy. Once the *extended discovery period* has been elected by the *policyholder* the entire premium for the *extended discovery period* shall be deemed earned at its commencement.

4.2 New subsidiaries

(a) Any entity (other than a *financial institution*), whether created or acquired, that becomes a *subsidiary* during the *period of insurance* of this policy shall be included as an *insured* under this policy, at no additional premium, with respect to *losses for criminal acts* committed after the date such entity became a *subsidiary* and while such entity remains a *subsidiary*, subject to the following:

- I. the *subsidiary* has gross annual turnover and number of *employees* which are less than 25% of the gross annual turnover and number of *employees* of the *insured* at the inception date of this policy; and
- II. the *subsidiary* has not, in the preceding 3 years, sustained *loss* of a type covered by this policy (whether *insured* or not) which was greater than the amount of the *deductible*.

Any such newly acquired or created *subsidiary* not meeting the above requirements acquired or created during the *period of insurance* shall be included under this policy as an *insured* for a period of ninety (90) days from becoming a *subsidiary* or until the expiry date of the *period of insurance*, whichever period expires first. The *policyholder* shall:

- I. notify *us* in writing of the creation or acquisition of such entity;
- II. provide *us* with full underwriting information as *we* may require; and
- III. agree to any additional premium and/or amendment of the provisions of this policy required by *us* relating to such *subsidiary*.

Further, *we* will only indemnify the *policyholder* for the *financial interest* for a *loss* resulting from *criminal acts* committed after the date such entity became a *subsidiary* and while such entity remains a *subsidiary* conditional upon the *policyholder* paying, when due, any additional premium required by *us* for such new *subsidiary*.

(b) *We* may also agree in writing, in *our* sole discretion and after having received all appropriate information, to indemnify the *policyholder* for its *financial interest* for a *loss* resulting from *criminal acts* committed prior to the date of acquisition and *discovered* during the *period of insurance*. With regard to such cover for prior acts, *we* reserve *our* right to vary the terms of this policy.

4.3 Run Off Cover For Ceased Subsidiaries

In respect of any entity which is being sold or discontinued during the *period of insurance* and which was previously included as an *insured* under this policy, this policy shall continue to indemnify the *policyholder* for any *loss* in connection with any *criminal act* which was committed whilst such entity was an *insured*.

This extension will not apply if the *policyholder* has no contractual liability for *loss* arising out of *criminal acts* committed prior to the date of sale or discontinuation of such former *insured*.

5. EXCLUSIONS

We will not pay anything in respect of any:

5.1 Absolute Asbestos Exclusion

This policy does not apply to any liability for any *loss* directly or indirectly caused by or arising out of asbestos, including but not limited to the following:

1. Inhaling, infesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or
2. The use of asbestos in construction or manufacturing of any goods, product or structure; or
3. The process of decontamination, treatment, control or removal of asbestos from any goods, product or structure; or
4. The manufacture, processing, mining, distribution, sale, transportation, storage or disposal of asbestos or goods or products containing asbestos. The coverage afforded by this policy does not apply to payment for the investigation or defence of any loss, injury or damage, or any cost, fine or penalty, or for any expense, claim or suit related to any of the above.

5.2 Bodily injury

Loss which is based upon, attributable to or in any way connected to a bodily injury suffered by the *insured* or by any *third party*.

5.3 Consequential loss

Consequential loss directly or indirectly arising from or in connection with any *loss*, including but not limited to any loss of income, interest and dividends not realized by the *insured* or any *third party* because of a *loss*, unless expressly covered under any extensions or endorsements made to this policy.

5.4 Directors or Shareholders' Criminal Act

Any *loss* resulting directly or indirectly from any *criminal act* or *computer fraud* of any *director* on the main board of the *insured* and/or any shareholder controlling more than 20% of the issued share capital of the *insured* at the time of the *criminal act*;

5.5 Property Damage

any *loss* as a result of any destruction, damage or physical loss of or to *property* resulting from contributed or aggravated by:

- (i) fire, explosion, implosion or collapse;
- (ii) flood;
- (iii) any act of God or nature, including but not limited to hurricane, typhoon, earthquake, or subterranean fire, or as a result of fire following any of the foregoing

5.6 Fraudulent induced transfer

loss caused by, arising out of directly or indirectly from *fraudulent induced transfer*, unless such *loss* is covered under the extension 'Fraudulent impersonation' and specified to be covered in the Schedule.

5.7 Intellectual property rights and Trade secrets

loss of or arising from the accessing of any confidential information including but not limited to trade secrets, computer programs, customer information, patents, trademarks, copyrights or processing methods, except to the extent that any such information is used to support or facilitate the committing of a *criminal act* covered by this policy.

5.8 Inventory shortages

Any *loss* the proof of which is dependent solely upon a

- (i) profit and loss computation or comparison, or
- (ii) comparison of inventory records with an actual physical count.

Inventory records and actual physical count of inventory can be submitted as supporting documentation to the *Insured's* proof of *loss* as required under this policy.

5.9 Kidnap and Ransom

loss arising from or in connection with kidnap, ransom or any threat thereof.

5.10 Known criminal acts

loss caused by:

- (a) any *employee* whom the *insured* was aware had previously committed a *criminal act* before or after the date of commencement of employment by the *insured*; or
- (b) for the purposes of cover under the extension 'Partners' if specified to be covered in the Schedule, any partner whom the *insured* was aware had previously committed a *criminal act* before or after the date on which such person became a partner.

5.11 Nuclear

loss alleging, arising out of, based upon or attributable to, or in any way involving directly or indirectly, the hazardous properties of nuclear material including but not limited to the actual, alleged, threatened or potential:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

5.12 Pollution

Any *loss* or damage caused by or resulting from *pollution*.

5.14 Specific documents

loss in connection with the *forgery, counterfeiting or fraudulent alteration* of, on or in, any account receivable, or assignments thereof, bills of lading, warehouse or trust receipts, or receipts serving a similar purpose.

However, this exclusion shall only apply to *external crime*.

5.15 Outside Territorial limits

loss arising from a *criminal act* occurring outside of the *territorial limits* of this policy.

5.16 Trade finance and Trade loans

loss resulting from the full or partial non-payment of or default under any:

- a) credit agreement, extension of credit or hire purchase agreement;
- b) loan or transaction of the nature of a loan;
- c) lease or rental agreement; or
- d) invoice, account, agreement or any other evidence of debt.

However, this exclusion shall only apply to *external crime* and then shall not apply to any loss where the *insured* has relied or acted upon any document that contains *forgery, fraudulent alteration or counterfeit* of currency notes or coins.

5.17 War & Terrorism

loss arising out of the consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, *terrorism*, rebellion, revolution, insurrection or military or usurped power or confiscation, nationalisation, requisition, destruction of or damage to *property* by or under the order of any government or public or local authority.

5.18 Discovery outside the Insurance Period

Any Loss resulting from any *criminal act* first *discovered*:

- (i) prior to the inception date of the *period of insurance* as set forth in the *schedule*; or
- (ii) subsequent to the expiry date of the *period of insurance* as set forth in the *schedule*.

5.19 Criminal Act prior to Retroactive date

Any loss resulting from any *criminal act* committed prior to the *retroactive date* as set forth in the *schedule*.

5.20 Other Insured's Benefit

Any loss sustained by any one *insured* to the benefit of any other *insured*.

6. CONDITIONS

The following Conditions apply to your policy.

6.1 Assignment

This policy and any rights under it shall not be assigned without *our* prior written consent.

6.2 Authorisation

The *policyholder* is authorised to act on behalf of all *insureds*.

6.3 Cancellation

- a) The *policyholder* may cancel this policy at any time by giving notice in writing to *us*;
- b) Upon cancellation by the *policyholder* and where no claim has been made under this policy, a refund of premium will be allowed as per the short period scale as shown below.

Table of Short Period Rates

Period of Risk	Amount of Premium to be retained
Up to 1 Months	1/8 th of the Annual premium
Up to 2 Months	2/8 th of the Annual premium
Up to 3 Months	3/8 th of the Annual premium
Up to 4 Months	4/8 th of the Annual premium
Up to 5 Months	5/8 th of the Annual premium
Upto 6 Months	6/8 th of the Annual premium
Upto 7 Months	7/8 th of the Annual
Above 7 Months	Full annual premium

- c) This policy has been issued on the basis of the information provided in respect of *insured* in the proposal Form, *submissions* and any other details submitted to *us*. The policy shall be void and all premium paid hereon shall be forfeited to *us*, in the event of misrepresentation, non-disclosure of material facts, fraud, or non-cooperation by the *policyholder* or *insured*, either at the time of issuance of Policy or during continuation of the policy ;
- d) Upon cancellation by *us* for any other reason, such cancellation to take effect within 30 days from the time of notification received by the *policyholder* and a refund of premium will be allowed pro rata for the unexpired *period of insurance*.
- e) Where the *insured* comprises more than one person or entity, it is agreed that the *policyholder* referred to in the *schedule* shall be the agent of each *insured* or others indemnified under this policy for the purposes of receiving any notice pursuant to the foregoing conditions, or any other notice, statement, document or information relating to this policy.

6.4 Change in control

If during the *period of insurance* a Change in Control occurs, which is an event which results in:

- a) the liquidation (whether voluntary or compulsory) of the *policyholder* or the appointment of a trustee in bankruptcy, receiver, or liquidator (or similar official or person) for the *policyholder*; or

- b) control of the *policyholder* being taken over by any government or by officials appointed by any government or local authority (where “control” means the power to direct the management and policies of the *policyholder* directly or indirectly, whether through the ownership of voting securities, by contract or otherwise).

(hereafter called ‘Change in Control’), then the cover provided by this policy shall only apply to *criminal acts* which occurred prior to the effective date of such Change in Control and which were first *discovered* during the *period of insurance* and notified to *us* in accordance with Condition 6.8 ‘Discovery and Notice’ of this policy.

The *policyholder* shall give written notice to *us* of such Change in Control as soon as reasonably practicable. Notwithstanding the effect on cover caused by such a Change in Control there shall be no entitlement to cancellation of this policy by any party hereto and the entire original premium for this policy shall be deemed to have been fully earned as of the date of the Change in Control.

6.5 Change of risk

Every change materially affecting the facts, circumstances, degree or amount of risk existing at the commencement of this insurance or at any subsequent renewal date shall be notified in writing to *us* as soon as such change comes to the notice of the *insured* or any of their officers or representatives. On receipt of such notice *we* may vary the terms of this policy and/or charge such additional premium as *we* may determine appropriate.

6.6 Changes to the policy

The terms and conditions of this policy may only be altered by way of an extension under a written endorsement issued by *us*.

6.7 Deductible

We shall be liable only for the amount of each *loss* or claim for indemnity under this policy that exceeds the applicable *deductible*. The *deductible* is not part of *our* liability for any *loss* or claim for indemnity.

A single *deductible* shall apply to all *loss* or claims for indemnity arising from any *criminal act* or series of *criminal acts* which are causally connected with another or which are by any means inter-related or inter-connected.

The *deductible* shall be paid by the *insured* and will be the first amount of *loss* or a claim for indemnity borne by the *insured*.

The *deductible* shall remain uninsured.

6.8 Discovery and Notice

The *insured* as a condition precedent to coverage under this policy shall, upon the *discovery* of *loss*, provide written notice to *us* as soon as practicable, but in any event, within 30 days of such *discovery*. There shall be no cover for any *loss* under this policy unless that *loss* is notified in accordance with this clause.

Written notice shall include but not be limited to full particulars as to dates and persons involved, the date and manner in which the *insured* first became aware of the matters underlying the *loss*.

All notices under any provision of the policy shall be put in writing and given by courier, certified mail or email to:

The Claims Manager;
Magma HDI General Insurance Company Ltd.,
Rustomjee Aspiree, 4th Floor,
Sion Wadala Link Road, Everard Nagar,
Sion (E), Mumbai, 400022
Phone +91 22 67284800

Any notification, sent by post or email, will be effective from the date received by *us*.

6.9 Retroactive Date

Date specified in the *schedule*. Any act prior to the *retroactive date* will not be covered under this policy, irrespective of the date of *discovery*.

6.10 Fraudulent notifications

If any notification under this policy is in any respect fraudulent or if any fraudulent means be used by the *policyholder* or any one acting on their behalf to obtain any benefit under this policy or if any *loss* be caused or contributed to by the wilful act or with the connivance of the *insured* all benefit under this policy shall be forfeit and the *policyholder* shall immediately reimburse *us* for any payments that it may have made in respect of such notification.

6.10 Knowledge

Knowledge possessed or *discovery* made by any person, company or entity forming part of the *insured* or by any partner, *director* or *officer*, departmental head or other senior manager or the equivalent thereof shall be deemed to constitute knowledge possessed or *discovery* made by all other persons, companies or entities forming part of the *insured*.

6.11 Other insurance

Unless otherwise required by law, cover under this policy is provided only as excess over any other valid and collectable policy or indemnity, including self-insurance, unless such other insurance is written only as specific excess insurance over the Limit of Indemnity. This policy shall not cover any fees and expenses relating to the defence of any demand, claim, suit or legal proceeding or *any investigation costs* where another policy imposes upon another insurer a duty to defend such demand, claim, suit or legal proceeding.

6.12 Payment of loss

Payment of any *loss* under this policy to the *policyholder* shall fully release *us* on account of such *loss*.

6.13 Plurals and Titles

The *submission*, this policy, its *schedule* and any endorsements are one contract in which, unless the context otherwise requires:

- a) headings are descriptive only, not an aid to interpretation;
- b) singular includes the plural, and vice versa;
- c) the male includes the female and neuter; and
- d) references to positions, offices or titles shall include their equivalents in any jurisdiction in which a claim is made.

6.14 Proper law and Jurisdiction

This Policy, including its construction, validity or operation shall be governed by and construed exclusively in accordance with the laws of Republic of India.

6.15 Arbitration

Any and all disputes or differences which may arise under, out of, in connection with or in relation to this Policy, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this Policy, shall be referred to a sole arbitrator to be appointed by the parties to the dispute within 30 days of any party giving notice of arbitration to the other(s).

In the event that the parties are unable to agree upon the identity of a sole arbitrator, the disputes or differences shall be referred to the decision of 3 arbitrators of whom one shall be appointed in writing by each of the parties within a period of 30 days after the failure to appoint a sole arbitrator and the third (who shall serve as Chairman) shall be appointed by the nominated arbitrators. In case either party shall refuse or fail to appoint an arbitrator within the aforesaid 30 days after receipt of notice in writing requiring an appointment, the other party may approach appropriate Court for appointment of the Arbitrator in terms of Arbitration and Conciliation Act 1996 or any amendment thereto.

The parties shall share the expenses of the arbitrator or arbitral tribunal equally and such expenses, along with the reasonable costs of the parties in the arbitration, shall be awarded by the arbitrator or arbitral tribunal in favor of the successful party in the arbitration or, where no party can be said to have been wholly successful, to the party who has substantially succeeded. The place of arbitration shall be Mumbai, India, the language of the arbitration shall be English, the law applicable to and in the arbitration shall be Indian law and the arbitration process will be in accordance with the provisions of the Arbitration & Conciliation Act 1996, as amended from time to time.

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

6.16 Proof of loss

The *insured* shall furnish a proof of *loss* with full particulars of the *loss* to *us* as soon as reasonably possible in support of its claim under the policy. Unless otherwise agreed, a reasonable time frame will be deemed to be 12 months from the date of *discovery*.

The *insured* may not offer, as a part of any proof of *loss*, any computation or comparison which involves in any manner a profit and loss computation or comparison. The *insured* may offer a comparison between an *insured's* inventory records and actual physical counts of its inventory to prove the amount of *loss* only where an *insured* establishes that, wholly apart from such comparison, it has sustained a covered *loss* caused by an *employee*.

6.17 Recoveries

Any sums recovered following a payment or payments under this policy shall be distributed in the following order:

- (a) the costs incurred in the course of such recovery, whether to the *policyholder* or to *us*;
- (b) to the *policyholder* in respect of any amount by which the amount of the *loss* exceeded the *limit of liability*;
- (c) to *us* to the extent of the *loss* paid or payable; and
- (d) to the *policyholder* for the amount of any *deductible* applicable.

6.18 Sanctions / Embargo Clause

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any loss or claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such loss or claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United States of America and/or any other applicable national economic or trade sanction law or regulations.

6.19 Subrogation

We may at any time at *our* own expense take such steps as *we* may deem necessary to obtain reimbursement from any person (or that person's estate) committing a *criminal act* against the *insured* resulting in a *loss* which *we* have paid or will become liable to pay under this policy and for this purpose use the name of the *insured*. The *policyholder* shall as and when required give all necessary information and assistance to *us*.

6.20 Valuation of losses

(a) Securities

In no event shall *we* be liable in respect of *securities* for more than the actual cash value thereof at the close of business on the business day on which the *loss* was *discovered*.

(b) Books of accounts and Records

In the case of *loss* of or damage to *property* consisting of books of accounts or other records (other than electronic data) used by the *insured* in the conduct of their business, *we* shall be liable under

this policy only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which shall have been furnished by the *insured* in order to reproduce such books and other records.

(c) Electronic data

In the event that a *loss* covered under this policy results in the destruction, erasure or *theft* of electronic data used by the *insured* while such data is stored within the *insured's* computer systems, *we* shall be liable under this policy if such data is actually reproduced and cover hereunder shall only apply to the cost of labour for the actual transcription or copying of data, which shall have been furnished by the *insured* in order to reproduce such electronic data.

(d) Damage to premises

In the case of damage to the premises, *we* shall not be liable for more than the actual diminution in value of the *property*.

(e) Foreign currency

If a foreign currency (being a currency other than the currency in which this policy is written) is involved in a *loss* sustained by the *insured* under this policy, then for the purpose of any calculation required in the settlement of a *loss* by *us*, the rate of exchange shall be the published exchange rate by RBI on the date of such settlement.

(f) Property

In no event shall *we* be liable in respect of *property* (not included in the above), for more than the actual cash value thereof at the time of *loss* or for more than the diminution in value of the *property* of such *property* or of replacing same with *property* or material of like quality and value, provided however, the actual cash value of such other *property* held by the *insured* as a pledge, or as collateral for an advance or loan, shall be deemed not to exceed the value of the *property* as determined and recorded by the *insured* when making the advance or loan, nor, in the absence of such record, the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

7. COMPLAINTS PROCEDURE

Magma HDI General Insurance Company Limited aims to provide its clients with a high standard of service. Consequently, should *we* fail to meet your expectations, *we* will aim to resolve your concerns promptly and fairly.

In the first instance, any concerns should be directed to your usual contact or to the manager of the department with which you usually deal. If *we* cannot resolve your concerns within **1** working day, *we* will acknowledge your complaint in writing within 7 working days and let you know when an answer might be expected.

If you remain dissatisfied with *our* response, *we* have an escalation process for ensuring that a senior

member of staff reviews your complaint. You can invoke this by stating to the individual that is handling your complaint that you wish to escalate it.

Alternatively, you may write to:

The Compliance Officer

Magma HDI General Insurance Company Limited, Rustomjee Aspiree, 4th Floor, Sion Wadala Link Road, Everard Nagar, Sion (E), Mumbai, 400022

Phone: +91 22 67284800

In case Your complaint is not fully addressed by Us, You may use the Integrated Grievance Management System (IGMS) for escalating the complaint to IRDAI. Through IGMS, You can register the complaint online and track its status. For registration, please visit IRDAI website www.irdaindia.org.

If the issue still remains unresolved, You may, subject to vested jurisdiction, approach the Insurance Ombudsman for the redressal of grievance. The details of the Insurance Ombudsman are available below:

Address & Contact Details of Ombudsmen Centers

CONTACT DETAILS	JURISDICTION
<p>AHMEDABAD Office of the Insurance Ombudsman, Jeevan Prakash Building, 6th floor, Tilak Marg, Relief Road, Ahmedabad – 380 001. Tel.: 079 - 25501201/02/05/06 Email: bimalokpal.ahmedabad@ecoi.co.in</p>	<p>Gujarat, Dadra & Nagar Haveli, Daman and Diu.</p>
<p>BENGALURU Office of the Insurance Ombudsman, Jeevan Soudha Building, PID No. 57-27-N-19, Ground Floor, 19/19, 24th Main Road, JP Nagar, 1st Phase, Bengaluru – 560 078. Tel.: 080 - 26652048 / 26652049 Email: bimalokpal.bengaluru@ecoi.co.in</p>	<p>Karnataka.</p>
<p>BHOPAL Office of the Insurance Ombudsman, Janak Vihar Complex, 2nd Floor, 6, Malviya Nagar, Opp. Airtel Office, Near New Market, Bhopal – 462 003. Tel.: 0755 - 2769201 / 2769202, Fax: 0755 - 2769203 Email: bimalokpal.bhopal@ecoi.co.in</p>	<p>Madhya Pradesh, Chattisgarh.</p>
<p>BHUBANESHWAR Office of the Insurance Ombudsman, 62, Forest park, Bhubneshwar – 751 009. Tel.: 0674 - 2596461 /2596455, Fax: 0674 - 2596429 Email: bimalokpal.bhubaneswar@ecoi.co.in</p>	<p>Orissa.</p>

<p>CHANDIGARH Office of the Insurance Ombudsman, S.C.O. No. 101, 102 & 103, 2nd Floor, Batra Building, Sector 17 – D, Chandigarh – 160 017. Tel.: 0172 - 2706196 / 2706468, Fax: 0172 - 2708274 Email: bimalokpal.chandigarh@ecoi.co.in</p>	<p>Punjab, Haryana, Himachal Pradesh, Jammu & Kashmir, Chandigarh.</p>
<p>CHENNAI Office of the Insurance Ombudsman, Fatima Akhtar Court, 4th Floor, 453, Anna Salai, Teynampet, CHENNAI – 600 018. Tel.: 044 - 24333668 / 24335284, Fax: 044 - 24333664 Email: bimalokpal.chennai@ecoi.co.in</p>	<p>Tamil Nadu, Pondicherry Town and Karaikal (which are part of Pondicherry).</p>
<p>DELHI Office of the Insurance Ombudsman, 2/2 A, Universal Insurance Building, Asaf Ali Road, New Delhi – 110 002. Tel.: 011 - 23232481/23213504 Email: bimalokpal.delhi@ecoi.co.in</p>	<p>Delhi.</p>
<p>GUWAHATI Office of the Insurance Ombudsman, Jeevan Nivesh, 5th Floor, Nr. Panbazar over bridge, S.S. Road, Guwahati – 781001(ASSAM). Tel.: 0361 - 2132204 / 2132205 Email: bimalokpal.guwahati@ecoi.co.in</p>	<p>Assam, Meghalaya, Manipur, Mizoram, Arunachal Pradesh, Nagaland and Tripura.</p>
<p>HYDERABAD Office of the Insurance Ombudsman, 6-2-46, 1st floor, "Moin Court", Lane Opp. Saleem Function Palace, A. C. Guards, Lakdi-Ka-Pool, Hyderabad - 500 004. Tel.: 040 - 65504123 / 23312122, Fax: 040 - 23376599 Email: bimalokpal.hyderabad@ecoi.co.in</p>	<p>Andhra Pradesh, Telangana, Yanam and part of Territory of Pondicherry.</p>
<p>JAIPUR Office of the Insurance Ombudsman, Jeevan Nidhi – II Bldg., Gr. Floor, Bhawani Singh Marg, Jaipur - 302 005. Tel.: 0141 - 2740363 Email: Bimalokpal.jaipur@ecoi.co.in</p>	<p>Rajasthan.</p>
<p>ERNAKULAM Office of the Insurance Ombudsman, 2nd Floor, Pulinat Bldg., Opp. Cochin Shipyard, M. G. Road, Ernakulam - 682 015. Tel.: 0484 - 2358759 / 2359338, Fax: 0484 - 2359336 Email: bimalokpal.ernakulam@ecoi.co.in</p>	<p>Kerala, Lakshadweep, Mahe-a part of Pondicherry.</p>

<p>KOLKATA Office of the Insurance Ombudsman, Hindustan Bldg. Annexe, 4th Floor, 4, C.R. Avenue, KOLKATA - 700 072. Tel.: 033 - 22124339 / 22124340 Fax : 033 - 22124341 Email: bimalokpal.kolkata@ecoi.co.in</p>	<p>West Bengal, Sikkim, Andaman & Nicobar Islands.</p>
<p>LUCKNOW Office of the Insurance Ombudsman, 6th Floor, Jeevan Bhawan, Phase-II, Nawal Kishore Road, Hazratganj, Lucknow - 226 001. Tel.: 0522 - 2231330 / 2231331, Fax: 0522 - 2231310 Email: bimalokpal.lucknow@ecoi.co.in</p>	<p>Districts of Uttar Pradesh: Laitpur, Jhansi, Mahoba, Hamirpur, Banda, Chitrakoot, Allahabad, Mirzapur, Sonbhadra, Fatehpur, Pratapgarh, Jaunpur, Varanasi, Gazipur, Jalaun, Kanpur, Lucknow, Unnao, Sitapur, Lakhimpur, Bahraich, Barabanki, Raebareli, Sravasti, Gonda, Faizabad, Amethi, Kaushambi, Balrampur, Basti, Ambedkarnagar, Sultanpur, Maharajgang, Santkabirnagar, Azamgarh, Kushinagar, Gorkhpur, Deoria, Mau, Ghazipur, Chandauli, Ballia, Sidharathnagar.</p>
<p>MUMBAI Office of the Insurance Ombudsman, 3rd Floor, Jeevan Seva Annexe, S. V. Road, Santacruz (W), Mumbai - 400 054. Tel.: 022 - 26106552 / 26106960, Fax: 022 - 26106052 Email: bimalokpal.mumbai@ecoi.co.in</p>	<p>Goa, Mumbai Metropolitan Region excluding Navi Mumbai & Thane.</p>
<p>NOIDA Office of the Insurance Ombudsman, Bhagwan Sahai Palace, 4th Floor, Main Road, Naya Bans, Sector 15, Distt: Gautam Buddh Nagar, U.P - 201301. Tel.: 0120-2514250 / 2514252 / 2514253 Email: bimalokpal.noida@ecoi.co.in</p>	<p>State of Uttaranchal and the following Districts of Uttar Pradesh: Agra, Aligarh, Bagpat, Bareilly, Bijnor, Budaun, Bulandshehar, Etah, Kanooj, Mainpuri, Mathura, Meerut, Moradabad, Muzaffarnagar, Oraiyya, Pilibhit, Etawah, Farrukhabad, Firozbad, Gautambodhanagar, Ghaziabad, Hardoi, Shahjahanpur, Hapur, Shamli, Rampur, Kashganj, Sambhal, Amroha, Hathras, Kanshiramnagar, Saharanpur.</p>
<p>PATNA Office of the Insurance Ombudsman, 1st Floor, Kalpana Arcade Bldg, Bazar Samiti Road, Bahadurpur, Patna 800 006. Tel.: 0612-2680952 Email: bimalokpal.patna@ecoi.co.in</p>	<p>Bihar, Jharkhand.</p>

<p>PUNE Office of the Insurance Ombudsman, Jeevan Darshan Bldg., 3rd Floor, C.T.S. No.s. 195 to 198, N.C. Kelkar Road, Narayan Peth, Pune – 411 030. Tel.: 020-41312555 Email: bimalokpal.pune@ecoi.co.in</p>	<p>Maharashtra, Area of Navi Mumbai and Thane excluding Mumbai Metropolitan Region.</p>
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