COMMERCIAL CRIME INSURANCE

In consideration of the payment of premium, RQBE shall provide indemnity in accordance with and subject to the terms of this policy.

1. Insurance Cover

Subject to payment of the premium and the provisions of this policy, in reliance upon the statements made and information contained in the proposal form and the schedule, all of which are part of, and shall form the basis of, this insurance, RQBE shall indemnify the insured for their loss sustained for either:

A: fraud or dishonesty committed by any employee (acting alone or in collusion with others); or
B: a fraudulent act committed by any other person;

Which:
1 is committed with the principal intent to cause the insured to sustain such loss, and
2 is first discovered by the insured during the policy period.

2. Definitions

2.1 Any other person means any natural person who:

(i) is not a director, officer, partner, trustee or employee of any insured; and/or
(ii) does not have and does not provide services under any contract for services, written or implied, with any insured; and/or
(iii) is not in collusion with any employee.

2.2 Associated company means any company in which the policyholder owns any amount which is less than or equal to 50% of the issued and outstanding voting shares, including joint ventures, either directly or indirectly through one or more of its subsidiary companies, and in which the policyholder retains management control.

Cover for any associated company shall only apply in respect of loss arising out of any act covered under this policy committed whilst such entity is an associated company of the policyholder. However upon written request by the policyholder,
RQBE may consider, after assessment and evaluation of the increased exposure and subject to the payment of any additional premium that, granting cover for acts committed prior to the acquisition of an associated company. Such cover is only valid when specifically agreed in writing by RQBE.

2.3 Computer or funds transfer fraud means the theft of the insured’s:

(i) assets under the direct or indirect control of a computer system by manipulation of computer hardware or software programmes or systems by any other person who does not have authorised access to such computer system by the insured; or

(ii) funds from an account maintained by the insured at a financial institution (from which the insured or a person or organisation authorised by the insured may request the transfer, payment or delivery of funds), following fraudulent electronic, telegraphic, tested facsimile, tested telex, telephone or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from the insured or a person or organisation authorised by the insured to issue such instructions, but which are fraudulently transmitted, issued, or are forged or have been the subject of fraudulent alteration by any other person.

2.4 Counterfeit or counterfeiting means the imitation of an authentic negotiable instrument such that the insured is deceived on the basis of the quality of the imitation to believe that the said item is the authentic original negotiable instrument. Fictitious instruments which merely contain fraudulent misrepresentations of fact and are genuinely signed or endorsed are not counterfeit.

2.5 Credit arrangement means any credit agreement, extension of credit or hire purchase agreement, loan or transaction in the nature of a loan, lease or rental agreement, invoice, account, agreement or other evidence of debt, payments made or withdrawals from any customer’s account involving items which are not finally paid for any reason.

2.6 Discovered or discovery means when any insured or any of the insured’s directors, partners, officers, departmental directors, senior managers or equivalent become aware or ought reasonably have become aware of any act or acts which could reasonably be foreseen to give rise to a loss covered by this policy even though the
exact amount or details of a **loss** are not known at the time of **discovery**. Such **discovery** shall constitute knowledge possessed or **discovery** made by every **insured**.

2.7 **Employee** means any natural person, other than a director or partner, who has entered into or works under a contract of service with any **insured** and whom such **insured** compensates by salary, wages and/or commissions and whom the **insured** has the right to govern and direct in the performance of such service. The term **employee** shall also mean any:

(i) director or trustee of the **insured** whilst performing acts coming within the scope of the usual duties of an **employee** of the **insured**;

(ii) part-time or temporary **employee** performing the duties of an **employee** under the **insured**’s supervision;

(iii) retired employee appointed by the **insured** under a written contract whom the **insured** governs and directs in the performance of their service as an **employee**;

(iv) student, secondee or volunteer pursuing studies, gaining work experience or performing the duties of an **employee** under the **insured**’s supervision;

(v) ex-**employee** of the **insured**, for a period not exceeding 90 days following the formal termination of their employment with the **insured** (other than where such termination is as a result of an act covered under this policy in accordance with Exclusion 3.9(i));

(vi) trustee, fiduciary, administrator or officer of any **plan**;

(vii) solicitor, other than a sole practitioner, retained by the **insured** and any **employee** of such solicitor whilst performing legal services for the **insured**;

(viii) person provided to the **insured** by an employment agency (or similar source) to perform the duties of an **employee** under the **insured**’s supervision;

(ix) person or **employee** of an organisation to whom or which the **insured outsource** any administrative function;

(x) **Employee** which the **insured** is unable to identify by name but whose act or acts have caused a **loss** covered under this policy, provided that the evidence submitted proves beyond reasonable doubt that the **loss** was due to the act of such **employee**.
Notwithstanding the above the term **employee** does not mean any person who is or acts on behalf of any external auditor, external accountant, broker, investment adviser or investment manager, factor, commission merchant, consignee, contractor or other similar agent or representative unless specifically agreed by **RQBE** and endorsed to this **policy**.

2.8 **Forgery or forged** means the signing or endorsing of the name of a genuine person or a copy of the said person’s signature by **any other person** without authority and with intent to deceive. It does not include the signing in whole or in part of one’s own name, with or without authority, in any capacity, for any purpose. Mechanically or electronically produced or reproduced signatures are treated the same as handwritten signatures.

2.9 **Fraudulent act** means:

(i) the **forgery** or **counterfeiting** or **fraudulent alteration** of any **money**, **securities** or instruction upon which the **insured** has acted or relied and shall include **incoming cheque forgery**; or

(ii) the **forgery** or **fraudulent alteration** of any cheque or similar written promise by the **insured** to pay a veritable sum representing money drawn upon the **insured**'s account at any bank at which the **insured** maintain a current or savings account;

(iii) the fraudulent use of any corporate credit, debit or charge card issued to the **insured** or any **employee** of the **insured** for business purposes where such card is **forged** or **fraudulently altered** provided that the **insured** and the **employee** have complied fully with the provisions, conditions or other terms under which the card was issued and provided the **insured** was legally liable for such **loss**;

(iv) **computer or funds transfer fraud**.

2.10 **Fraudulent alteration** means a material alteration to an instrument for a fraudulent purpose by **any other person** other than the person who was authorised to prepare or sign the instrument.

2.11 **Incoming cheque forgery** means the **fraudulent alteration** of, on or in:

(i) any cheque or draft:-

a) drawn upon by any bank; or
b) drawn upon by any corporation upon itself; or

(ii) any cheque or written order or direction to pay a veritable sum representing money drawn by any public body upon itself, or in any warrant drawn by any public body which the insured shall receive at any of its premises in payment or purported payment for:

a) tangible property sold and delivered; or

b) services rendered

subject to the insured retaining 20% of the loss in addition to the Retention as specified in Item 4 of the schedule.

2.12 Insured means the policyholder and any of the policyholder’s subsidiary and associated companies and any plan existing at the inception of this policy.

2.13 RQBE means Raheja QBE General Insurance Company Limited.

2.14 Limit of indemnity means the limit of indemnity as specified in Item 3 of the schedule.

2.15 Loss means the direct financial loss sustained by the insured in connection with any single act or series of related, continuous or repeated acts (which shall be treated as a single act). Loss shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits paid by the insured where earned in the normal course of employment.

Loss does not mean any loss resulting from or amounting to:

(i) any dealing or trading in securities, commodities, futures, options, foreign or Federal funds, currencies, foreign exchange and the like unless such loss is covered under Insurance Cover 1 (A) and results in the employee making improper financial gain for themselves or for any other individual or organisation intended by such employee to receive such benefit; or

(ii) any reckless or inadvertent acts; or

(iii) the creation of a liability to a third party other than as provided under Standard Extension 4.1.

2.16 Management control means that the policyholder has the right to control the day-to-day management of the relevant entity and sets security and internal control procedures, whether financial or operational.
2.17 Money means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques, postal orders and money orders held for sale to the public.

2.18 Outsource means the retention and authorisation by the insured of a person or an organisation to perform a normal administrative function on behalf of the insured, provided that:

(i) such function is performed under a written contract; and

(ii) the insured retain the right to audit the performance of such function; and

(iii) the insured can demonstrate that they have vetted the person or organisation for competency, financial stability and honesty prior to the retention and authorisation by the insured of such person or organisation to perform such function.

Cover in respect of any person or organisation to whom the insured outsource any administrative function shall apply in excess of any indemnification or valid and collectible insurance or indemnity, contractual or otherwise, available to the outsource entity or the insured.

2.19 Plan means any pension, employee benefit, welfare benefit, share save or share option plan or charitable fund or foundation established and maintained by the insured for the benefit of the past, present and future employees of the insured or their respective beneficiaries.

Cover for any plan shall only apply in respect of loss arising out of any act covered under this policy committed whilst such entity is a plan of the insured. However upon written request by the policyholder, RQBE may consider, after assessment and evaluation of the increased exposure, granting cover for acts committed prior to the acquisition of a plan. Such cover is only valid when specifically agreed in writing by RQBE.

2.20 Policy means:

a) the schedule, this policy wording; and

b) any endorsement attaching to and forming part of this policy either at inception or during the policy period; and

c) the insured’s statements in the proposal form.

2.21 Policyholder means the organisation specified in Item 1 of the schedule.
2.22 **Policy period** means the period of time specified in Item 2 of the *schedule* or as extended by RQBE.

2.23 **Premises** means the interior portion of any building owned or occupied by the *insured* and in which they conduct their business.

2.24 **Premium** means the premium specified in the *schedule* or in any endorsement to the *schedule*.

2.25 **Proposal form** means the information provided by the *insured* prior to the inception of this *policy* and shall include the written proposal and any attachments to it.

2.26 **Schedule** means the schedule attached to this *policy* and any amendment to it authorised by RQBE.

2.27 **Securities** mean all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include *money*.

2.28 **Subsidiary company** means any company in which the *policyholder* either directly or indirectly through one or more of its subsidiaries:

(i) controls the composition of the board of directors; or

(ii) controls more than half of the voting power; or

(iii) holds more than half of the issued share capital.

Cover for any *subsidiary company* shall only apply in respect of *loss* arising out of any act covered under this *policy* committed whilst such entity is a *subsidiary company* of the *policyholder*. However upon written request by the *policyholder*, RQBE may consider, after assessment and evaluation of the increased exposure, granting cover for acts committed prior to the acquisition of a *subsidiary company*. Such cover is only valid when specifically agreed in writing by RQBE.

2.29 **Terrorism** means any act, of any person or group(s) of persons, whether acting alone or on behalf of any organisation(s) or government(s) which from its nature or context is done for political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear
3. Exclusions

*RQBE* shall not be liable to indemnify the *insured* for any *loss* directly or indirectly arising from, or related or amounting to any of the following:

3.1 **Consequential Loss**

Indirect or consequential *loss* of any nature, including but not limited to any loss of income, interest and dividends not realised by the *insured* or any other individual or organisation because of a *loss* covered under this *policy*.

3.2 **Credit Risks**

Loss resulting from the complete or partial non-payment of or default upon any *credit arrangement* or *loss* caused by *forgery* or the *fraudulent alteration* of assets received by the *Insured* in purported payment for property sold and delivered on credit unless such Loss is covered under Insurance Cover 1(A) or 1(B).

3.3 **Directors/Partners**

*Loss* resulting directly or indirectly from any act or series of acts committed by any director or partner of the *insured*, whether acting alone or in collusion, except to the extent that at the time the relevant act is committed such director or partner is deemed to be an *employee* under Definition 2.7 (i).

3.4 **Employee Acts**

*Loss* resulting directly or indirectly from any act or series of acts of any *employee* unless expressly covered under Insurance Cover 1(A) or any relevant extensions.

3.5 **Extortion or Kidnap and Ransom**

*Loss* due to extortion or kidnap and ransom unless covered under Insurance Cover 1(A).

3.6 **Fees, Costs and Expenses**

Fees, costs or other expenses incurred in establishing the existence or amount of *loss* covered under this *policy*, or in prosecuting or defending any legal proceeding, or for any recall costs or costs associated with a recall, except as provided under Standard Extension 4.2 (i).

3.7 **Fines, Penalties or Damages**

Fines, penalties or damages of any type for which the *insured* is legally liable, except direct compensatory damages covered under Standard Extension 4.1.
3.8 **Fire**

Loss or damage caused by fire, other than loss of or damage to money, securities, safes or vaults as provided under Standard Extension 4.3.

3.9 **Loss Sustained after Knowledge**

Loss caused from the time any insured or any of the insured’s employees (including any director or partner) or any other individual or organisation shall have knowledge or information that such employee or any other individual or organisation has committed any act or acts of fraud, dishonesty, criminal damage, theft or any fraudulent act:

(i) whilst such employee is in any insured’s service or during the term of employment with any insured; or

(ii) prior to an employee being employed by any insured, provided the act or acts involved money, securities or other property valued at INR ________ or more.

3.10 **Major Shareholder**

Loss involving any person who, at the time of committing an act which results in a loss covered by this policy, owns or controls more than 5% of the insured’s issued share capital of any insured.

3.11 **Non-violent crime**

Loss of and/or damage to any money, securities or property without the use of any force and violence other than in respect of:

(i) Money and/or securities on the premises or in transit as provided under Standard Extension 4.3; or

(ii) a fraudulent act committed by any other person; or

(iii) Loss committed by an employee of the insured and covered under Insurance Cover 1 (A); or

3.12 **Premises Damage**

Damage or destruction to any:

(i) Premises or building, however caused; or

(ii) contents and fixtures and fittings in the premises.

(iii) safes or vaults unless covered under Standard Extension 4.3(i)
3.13 **Prior or Subsequent Discovery of Loss**

Loss the insured discovered:

(i) prior to the commencement of the **policy period**; or

(ii) subsequent to the expiry of the **policy period**.

3.14 **Profit, Loss or Inventory Computation**

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.

However, where an **employee** is involved and has been identified, inventory records and actual physical count of inventory can be submitted as supporting documentation of **loss**.

3.15 **Proprietary Information, Trade Secrets and Intellectual Property**

Loss of or arising from directly or indirectly the accessing of any confidential information including but not limited to trade secrets, computer programmes, customer information, patents, trademarks, copyrights or processing methods.

3.16 **Radioactivity and Nuclear**

Loss, expense, liability or consequential **loss** of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

(i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or

(ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3.17 **Violent Crime by any Individual or Organisation**

Loss arising out of theft occasioning the use of forcible and violent means unless:

(i) provided under Standard Extension 4.3; or

(ii) committed by an **employee** (acting alone or in collusion with others and covered under Insurance Cover 1 (A)).

3.18 **Voluntary Exchange or Purchase**

Loss arising out of the voluntary giving or surrendering (whether or not such giving and surrendering is induced by deception) of **money, securities** or other property in any exchange or purchase, unless
(i) such **Loss** is committed by an **employee** (acting alone or in collusion with others) and covered under Insurance Cover I(A); or

(ii) is as a result of a **fraudulent act** committed by **any other person**.

### 3.19 War and Terrorism

**RQBE** shall not be liable to indemnify the **insured** for any **loss** directly or indirectly arising from, or related or amounting to any of the following:

This **policy** excludes **loss** caused by, resulting from or in connection with any of the following:

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**; or

2. any act of **terrorism**, regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**.

This exclusion also applies to **loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1. and/or 2. above.

If **RQBE** allege that by reason of this exclusion, any **loss** is not covered by this **policy** the burden of proving the contrary shall be upon the **insured**.

### 3.20 Stock held or in transit

**Loss** of or damage to, stock whilst held or in transit.

### 4. Standard Extensions

Subject to all of the terms, exceptions and conditions of this policy, cover is extended as follows:

4.1 **Care Custody and Control**

Cover is extended to include **loss** of **money, securities** or other property belonging to any other individual or organisation, but which is in the care custody or control of the
insured and for which the insured is liable. Such amount is part of and not in addition to the limit of indemnity specified in Item 3 of the schedule.

4.2 Fees, Costs and Expenses

(i) Legal Fees

Cover is extended to indemnify the insured for reasonable legal fees, costs and expenses incurred and paid by the insured in the defence of any demand, claim, suit or legal proceeding which the insured subsequently establishes results directly from a loss covered under this policy, provided that:

(a) such indemnity is limited to INR_______ such amount being part of and not in addition to the limit of indemnity specified in Item 3 of the schedule;

(b) RQBE shall not be liable to make any payment for fees, costs or other expenses (whether such fees, costs or expenses be for legal, accounting or other services) incurred by the insured in establishing the existence, validity or amount of any loss under this policy;

(c) such legal fees, costs and expenses are incurred with the prior written consent of RQBE;

(d) there is no duty upon RQBE to advance any legal fees, costs or expenses to the insured prior to the conclusion of the demand, claim, suit or legal proceeding;

(e) such legal fees, costs and expenses are not recoverable from any other party.

For the purpose of this Standard Extension defence shall mean a situation whereby the insured is acting as a defendant in a court of law.

(ii) Reconstitution Costs

Cover is extended to include the reasonable cost of rewriting or amending the insured's software programmes or systems with the prior written consent of RQBE where such rewriting or amending is necessary to correct the programmes or amend the security codes following a loss covered under this policy. RQBE’s liability for such rewriting or amending is limited to INR_______ for any single loss and in the aggregate and such amount is part of and not in addition to the limit of indemnity specified in Item 3 of the schedule.
(iii) *Investigative Specialist*

Cover is extended to indemnify the *insured* for the fees and expenses of an investigative specialist, to investigate the facts behind a *loss* covered under this policy and to determine the quantum of such *loss*. Such indemnity is limited to INR ___________ such amount being part of and not in addition to the limit of indemnity specified in Item 3 of the schedule.

4.3 *Money or Securities–Damage, Destruction or Disappearance*

Cover is extended to include

(i) the physical *loss* of or damage to or actual destruction or disappearance of *money or securities* including damage to safes or vaults; and/or

provided that this Standard Extension:

(1) is limited to INR ___________ in respect of any single *loss* as a result of physical *loss* of or damage to or actual destruction of *money or securities* caused by fire; and

(2) is always in excess of any other valid and collectable insurance or indemnity (or would be valid or collectible except for the application of the retention amount or the exhaustion of the limits of liability), contractual or otherwise, available to the *insured*; and

(3) is part of and not in addition to the limit of indemnity specified in Item 3 of the schedule.

4.4 *New Entities–Newly Created and Acquired*

Cover is extended to include:

(i) any newly created *subsidiary company* or *associated company* or *plan* formed or established by any *insured* during the *policy period*; or

(ii) any merger with, or consolidation with, or purchase of, or other acquisition of the assets of another business. Indemnity under this *policy* shall apply to acts committed from the date of such merger with, or consolidation with, or purchase of, or other acquisition of the assets of another business.

Cover in respect of both (i) and (ii) above is afforded to such *subsidiary company* or *associated company* or *plan* or assets only in respect of *loss* arising out of any act covered under this *policy* committed whilst such entity is or was a *subsidiary company* or *associated company* or *plan* of the *policyholder* and this *policy* shall
only apply in respect of such an entity for **loss discovered** after the commencement of such cover. In the event of (i) or (ii) above such new entity shall be covered hereunder provided that such entity:

(a) has a total gross annual turnover and total number of **employees** which are less than 10% of the combined total gross annual turnover and total number of **employees** for all **insureds**; and

(b) has not discovered any single **loss** of a type covered by this **policy** within the last 3 years which, whether insured or not and before the application of any retention, deductible or excess, was individually greater than 50% of the Retention specified in Item 4 of the **schedule**; and

(c) conducts business activities which are comparable to the **insured**'s business as most recently advised to **RQBE**; and

(d) is governed by controls and procedures which are as effective as those most recently advised to **RQBE** by the **insured** creating or acquiring such entity.

If the new entity fails to meet the conditions set out in (a), (b), (c) and (d) above **RQBE** may agree upon written request to provide cover hereunder for acts committed on or after the date of such creation, merger, consolidation, purchase or acquisition but only upon the condition that within 90 days of the acquisition of the newly created or acquired **subsidiary company** or **associated company** or **plan** or assets, **RQBE** shall have been provided with full particulars of the newly created or acquired **subsidiary** or **associated company** and any additional **premium** and/or amendment to the **policy** has been agreed by **RQBE**.

### 5. Optional Extensions

None.


#### 6.1 Limit of Indemnity

The payment of any **Loss** shall not reduce **RQBE**’s liability for other **losses**. **RQBE**’s maximum liability for any single **loss** shall not exceed the amount specified in Item 3 of the **schedule**.
6.2 **Limit of Indemnity under this Policy and Prior Insurance**

Loss which is covered partly by this policy and partly by any other policy (including policies of which this is a renewal) issued by RQBE to the insured, for which the previous discovery period has not expired, shall be limited to the larger amount of insurance under the previous policy or this policy and shall on no account be cumulative.

6.3 **Non Accumulation of Liability**

Regardless of the number of years this policy is in force and irrespective that it is or may be renewed and regardless of the number of premiums paid, the limit of indemnity as specified in Item 3 of the schedule shall not be cumulative from year to year or period to period.

6.4 **Retention and Other Insurance**

For each and every loss, cover under this policy will be excess of the greater of:

(i) the Retention specified in Item 4 of the schedule; or

(ii) the amount of any other valid and collectible insurance or indemnity, contractual or otherwise, available to the insured.

If a loss is covered partly under this policy and partly under a prior policy written by another insurer or carrier, the Retention under this policy applicable to the loss will be reduced by the retention or deductible actually applied to loss under such other policy.

6.5 **Single Policy**

This policy is a single contract of insurance and if more than one insured is covered this policy shall nevertheless be and remain a single contract of insurance for the benefit of the insured as joint insured and, accordingly, without limitation:

(i) the policyholder shall act for itself and for all insured for all purposes under this policy, including but not limited to the giving and receiving of notice, the giving of notice of loss, the payment of premiums that may become due and the receipt and acceptance of any endorsements issued to form a part of this policy;

(ii) payment of any loss under this policy to the policyholder shall fully release RQBE with respect to such loss;

(iii) if there is more than one insured under this policy and any such entity other than the policyholder ceases for any reason to be covered under this policy,
then the remaining insureds shall continue to be joint insured for all purposes under this policy;

(iv) knowledge possessed or discovery made by any insured or by any director, partner, officer, departmental director, senior manager or equivalent thereof of any insured shall for all purposes constitute knowledge possessed or discovery made by every insured;

(v) RQBE’s liability for loss sustained by any or all of the insured shall not exceed the amount for which RQBE would be liable had all such loss been sustained by any one of the insured.

(vi) in calculating loss covered under this policy, where another insured receives a benefit corresponding or relating to such loss, that benefit will be set off against the value of such loss.

6.6 How to Give Notice and Report a Loss

(i) Notice of loss shall be given in writing to

Raheja QBE General Insurance Company Ltd.
Commerz, 10th Floor, International Business Park
Oberoi Garden City, Off Western Express Highway
 Goregoan (E), Mumbai 400 063

(ii) The insured shall, as a condition precedent to the obligations of RQBE under this policy:

a) give written notice to RQBE as soon as practicable but in any event no later than 60 days after loss is discovered; and

b) give notice to the police; and

c) provide RQBE with all requested information and documents and cooperate with RQBE in all matters pertaining to the loss; and

(d) furnish to RQBE affirmative proof of loss with full particulars within 6 months of discovery.

6.7 Loss Settlement

RQBE may, with the insured’s consent, settle any claim for loss of property with the owner. Any property for which RQBE has made indemnification shall become the property of RQBE. At its discretion, RQBE may pay the actual cash value or make applicable repairs or replacements.
6.8 **Basis of valuation**

In no event shall **RQBE** be liable for more than:

(i) the actual market value, published by the Reserve Bank of India of securities, foreign funds, currencies or precious metals at the close of business on the day the **loss** was **discovered**, or, if less, the actual cost of replacing the **securities**;

(ii) 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 furnished by the **insured** in order to reproduce books of accounts and records;

(iii) the cost of labour for the actual transcription or copying of electronic data furnished by the **insured**, in order to reproduce such electronic data;

(iv) the actual cash value of other property at the time of **loss** or the actual cost of repairing or replacing the property with property or material of like quality or value, whichever is less. The actual cash value of other property if held by the **insured** as a pledge, or as collateral for an advance or a loan, shall be considered not to exceed the value of the property as determined and recorded by the **insured** when making the advance or loan, or in the absence of a record, the unpaid portion of the advance or loan plus accrued interest at legal rates.

6.9 **Recoveries**

Recoveries (except from insurance, reinsurance, sureties or indemnity), will be allocated in the following order of reimbursement:

(i) firstly, for any costs and expenses reasonably and necessarily incurred in relation to the recovery;

(ii) secondly, the **insured** will be reimbursed for any **loss** exceeding the **limit of indemnity** specified in Item 3 of the **schedule**;

(iii) thirdly, **RQBE** will be reimbursed for any settlement made; and

(iv) lastly, the **insured** will be reimbursed for **loss** equal to the Retention amount specified in Item 4 of the **schedule**.

6.10 **Subrogation**

In the event of any payment under this **policy**, **RQBE** shall be subrogated to the extent of such payment to all of the **insured**'s rights of recovery in respect of the payment. The **insured** shall execute all papers required and shall do everything necessary to secure any rights including the execution of any documents necessary to
enable RQBE effectively to bring suit in the name of the insured whether such acts shall be or become necessary before or after payment by RQBE.

6.11 Policy Construction and Arbitration

(a) Policy Construction

(i) The construction, interpretation and meaning of the provisions of this policy shall be determined in accordance with Indian laws.

(ii) The marginal notes and titles of paragraphs in this policy are included for descriptive purposes only and do not form part of this policy for the purpose of its construction or interpretation.

(iii) Under this policy, the masculine includes the feminine and the singular includes the plural and vice versa.

(b) Arbitration

(i) If any dispute or difference shall arise as to the quantum to be paid under this policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties hereto 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 Indian Arbitration and Conciliation Act 1996.

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

(iii) 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 the award by such arbitrator/arbitrators of the amount of the loss or damage shall be first obtained and that the Indian Courts shall have sole and exclusive jurisdiction over any such action or suit.

6.12 Assignment

This policy and any rights under it cannot be assigned without written consent of RQBE.
6.13 Changes in Risk during Policy Period

If during the policy period any of the following changes in risk take place, then the cover provided under this policy is amended to apply only to those acts committed prior to the effective date of such change in risk.

For the purpose of this General Provision changes in risk mean:

(i) the liquidation of the policyholder, or the appointment of a receiver, liquidator, manager or administrator in respect of the policyholder; or

(ii) the liquidation of any single insured or the appointment of a receiver, liquidator, manager or administrator of such insured; or

(iii) the consolidation or merger of the policyholder with another business entity, or upon any purchase, assignment, transfer, pledge or sale of assets or shares occasioning any change in control of the policyholder; or

(iv) a change of control in any insured; or

(v) knowledge that an act of fraud or dishonesty or criminal damage has been committed by any employee of the insured or any director, partner, officer, departmental director, senior manager or equivalent as set out under Exclusion 3.9; or

(vi) a fraudulent act, any act of theft or criminal damage committed by any other person as set out under Exclusion 3.9.

6.15 Cancellation

This policy may be cancelled as follows:

(i) by the policyholder immediately upon RQBE’s receipt of a written notice. In such case, RQBE shall refund any unearned premium calculated at pro-rata of the annual premium except in the event of a loss having been discovered prior to the date of cancellation whereby no refund in premium shall be due;

(ii) by RQBE following the issue of written notice to the address specified in Item 1 of the schedule in respect of the policyholder or any insured or any employee of any insured. Cancellation shall apply 30 days following the issue of such notice.

6.16 Fraudulent claims

If any claim is in any manner false, dishonest or fraudulent, or is supported by any false, dishonest or fraudulent means or devices, whether by any insured or anyone acting on
behalf of an insured or with the insured’s knowledge, then this policy shall be void and all benefits paid or potentially payable under it shall be forfeited.

6.17 Signature and Alteration

The insurance provided by this policy is operative only if this policy bears the signature of an authorised representative of RQBE and no change in or modification to this policy will be effective unless made by written endorsement bearing the signature of an authorised representative of RQBE.

6.18 Proposal and Representation

In granting cover to any one insured, RQBE has relied upon the statements and particulars in the proposal together with its attachments and other information supplied. All such statements, attachments and information are the basis of and are deemed incorporated into the contract. The insured shall not conceal or misrepresent any material fact or circumstance when making such representation.

6.19 Title and Italics

The titles of these paragraphs are for convenience only and do not lend any meaning to this contract. In this policy, words in italics have special meaning and are defined.