

2025

Tender for Various General Insurance Policies due for renewal on 1<sup>st</sup> April 2025 of M/s Bank of Baroda





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**Bank of Baroda reserves the right of discretion to change, modify, add to or alter any or all of the provisions of this Tender and/or the bidding process, without assigning any reasons whatsoever. Such change will be published on the Bank's Website [www.bankofbaroda.in](http://www.bankofbaroda.in) and it will become part and parcel of Tender.**

Bank of Baroda in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this Tender. Bank of Baroda reserves the right to reject any or all proposals received in response to this Tender document at any stage without assigning any reason whatsoever. The decision of Bank of Baroda shall be final, conclusive and binding on all the parties.

The bidder shall bear all the costs associated with or relating to the preparation and submission of the bid including but not limited to preparation, copying, postage, delivery fees, expenses associated with any demonstrations or presentations which may be required by the Bank or any other costs incurred in connection with or relating to the bid. All such costs and expenses will remain with the bidder and the Bank shall not be liable in any manner whatsoever for the same or for any other costs or other expenses incurred by a bidder in preparation or submission of the Bid, regardless of the conduct or outcome of the bidding process.





**TABLE OF CONTENTS:**

Sr. No.	Contents	Page No.
1	Bank Profile	4-5
2	Summary of the Various General Insurance Policies due for renewal on 1st April 2025	6
3	Section 1 - Underwriting Details for Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)	6-7
4	Special Conditions for Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)	7-12
5	Claims Data	12
6	Section 2 - Underwriting Details for Banker Indemnity Insurance Policy (International Operations)	13-16
7	Special Conditions for International Banker Indemnity Insurance Policy (International Operations)	16-18
8	Claims Data	18
9	Section 3 - Broker's Profile	19
10	Section 4 - Bid Structure	19
A	Technical Bid	19
B	Financial Bid	19
11	Section 5 - Submission of Bid	19-20
12	Section 6 - Selection of Bidder	20-21
13	Section 7 - Schedule	21-22
14	Right to Reject Bids	22-23
15	General Terms and conditions	23-28
16	Annexure 1 – Declaration of Technical Bid	29
17	Annexure 2 – Declaration of Financial Bid	30
18	Annexure 3 – Integrity Pact	31-35
19	Annexure 4 - Code of Ethics	36
20	Annexure 5 – Policy wordings of Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)	37-61
21	Annexure 6 - Policy wordings Banker Indemnity Insurance Policy (International Operations)	62-101





### Important Definitions/ Clarifications:

1. "Bank" means Bank of Baroda.
2. "Broker" means Anand Rathi Insurance Brokers Ltd.
3. "Recipient", "Respondent", "Vendor", "Agency" and "Bidder" means respondent to this RFP Document.
4. Party to the bid can be "Company", "Limited Liability Partnership firm", "Proprietor firm", "Partnership firm".
5. "Tender" means this Tender document.
6. Words "Selected Bidder" means the applicant who is declared successful after completion of the Entire process of evaluation as defined under this Tender document.
7. "ARIBL" means Anand Rathi Insurance Brokers Ltd.

### Confidentiality

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### Bank Profile

Bank of Baroda is an Indian state-owned banking and financial services Public Sector Undertaking Bank having head Office in Vadodara in Gujarat, India. It is the one of largest Public sector bank in India, has a corporate office in the Mumbai.

The bank was founded by the Maharaja of Baroda, Maharaja Sayajirao Gaekwad III on 20 July 1908. The bank, along with 13 other major commercial banks of India, was nationalized on 19 July 1969, by the Government of India and has been designated as a profit-making public sector undertaking (PSU).

#### Key Milestones

1. Bank of Baroda has opened its first overseas branch in Mombasa, Kenya in the year 1953.
2. Bank of Baroda in 1963, acquired Surat Banking Corporation in Surat, Gujarat.
3. In 1965, BOB opened a branch in Guyana.
4. In 1969, the Indian government nationalised 14 top banks including BOB. As per GOI gazette, Vijaya Bank and Dena Bank were amalgamated with BOB w.e.f. 01.04.2019

#### a) Subsidiaries as on 31.12.2024:

##### i) Domestic Banking Subsidiary:-

1. The Nainital Bank Limited

##### ii) Foreign Banking Subsidiaries:-

1. Bank of Baroda (Kenya) Limited
2. Bank of Baroda (Uganda) Limited





बैंक ऑफ़ बड़ौदा *Bank of Baroda*



3. Bank of Baroda (Guyana) Inc.
4. Bank of Baroda (UK) Limited.
5. Bank of Baroda (Tanzania) Limited
6. Bank of Baroda (New Zealand) Ltd.
7. Bank of Baroda (Botswana) Limited

**iii) Domestic Non- Banking Subsidiaries:-**

1. BOB Capital Markets Limited
2. BOB Financial Solutions Limited (formerly known as BOB Cards Ltd)
3. Baroda Global Shared Services Ltd
4. Baroda Sun Technologies Ltd.
5. Baroda BNP Paribas Asset Management India Private Limited
6. Baroda BNP Paribas Trustee India Private Limited  
(formerly known as Baroda Trustee India Private Limited)
7. IndiaFirst Life Insurance Company Limited

**b) Associates:-**

**i.) Regional Rural Banks:-**

1. Baroda U P Bank
2. Baroda Rajasthan Kshetriya Gramin Bank
3. Baroda Gujarat Gramin Bank

**ii) Foreign Non- Banking Step-down Subsidiary:-**

1. Baroda Capital Markets (Uganda) Limited. (Subsidiary of Bank of Baroda Uganda Ltd.)

**iii) Others:-**

1. Indo Zambia Bank Limited

**c) Joint Ventures:-**

1. India International Bank (Malaysia) Bhd.
2. India Infra debt Limited





**Summary of the General Insurance Policies Due for Renewal on 1<sup>st</sup> April 2025**

Sr. No	Name of the Policy	Details of the Tender
1	Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)	Section 1
2	Banker Indemnity Insurance Policy (International Operations)	Section 2

**Section 1 – Underwriting Details for Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)**

**Tender for Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)**

Name of the Insured	Bank of Baroda
Address of Insured	Head office, 7th Floor, Baroda Bhavan, R C Dutt road, Alkapuri, Vadodara, Gujarat 390007
Period of policy	01.04.2025 to 31.03.2026 /
Jurisdiction	India
Employees	74,786 as on 31.12.2024 (Including Overseas employees)
ATM Network	9170+ ATMs and 1608+ Cash re-cyclers as on 31.12.2024
Branch Network as on 31.12.2024	Domestic Branches 8356 + Overseas Branches 84 + Administrative & Other Offices 261+
Policy Period	01st April, 2025 to 31st March, 2026
Retroactive Date	01.04.2019
<b>SECTION I – Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold)</b>	
Particulars	Sum Insured's (INR Limits) in Lakh
<b>Limit of Indemnity</b>	
Basic Sum Insured (Applicable to all Insuring clauses)	1200
<b>Additional Add-On Limits for the Following Coverages</b>	
Insuring Clause 1 : Employee Dishonesty	700
Insuring Clause 2: Premises Including (Currency Chest, Pledge gold, Gold coins, Securities and Currency) & Including Business Corresponds & Cash Collectors.	500
	<b>Pledged Gold</b> AOA : 180 in Crore AOY : 600 in Crore
Insuring Clause 3: Transit (Cash in transit with Business corresponds & cash collectors)	1000





Insuring Clause 4: Forgery & Alterations	650
Insuring Clause 5: Forged Documents	200
Insuring Clause 6: Forged Securities	100
Insuring Clause 7: ATM / Cash Deposit Kiosk / Bunch Note Acceptor and its Related Fraud:	52
Insuring Clause 8: Registered Postal Sendings	2.5
Insuring Clause 9: Appraisers	800
Insuring Clause 10: Spurious Gold	
Insuring Clause 11: Mysterious /Unexplained Disappearances of Bank's Property	50
Insuring Clause 12: Loss of Key	25
Insuring Clause 13 : Cash with outsourced agency & Door-Step banking Services providers	Covered in transit
Insuring Clause 14 : Terrorist / Naxal Attack, RSMD, STFI, Earthquake & Act of God (AOG perils)	200
Insuring Clause 15 : To Cover Errors & Omissions / Negligence	400
Insuring Clause 16 : To cover losses because of inadequate or failed Internal processes, people and systems	200
<b>Deductibles</b>	<ol style="list-style-type: none"> <li>1. Deductible for All losses except for claims falling under Claim series clause : 10% of each claim applicable to above Insuring clauses but not exceeding ₹ 100,000/-</li> <li>2. Claims falling under Claim Series Clause - 10% of each claim applicable to above Insuring clauses but not exceeding ₹ 10,000/-</li> <li>3. Excess under Insuring clause 16 – Inadequate or failed internal process to be waived off.</li> <li>4. Excess for Loss of keys cover shall be ₹ 2000/- per claim.</li> </ol>

**Special Conditions under Banker Indemnity Insurance Policy - Domestic (Including Pledged Gold):**

1. All bank premises, both owned and leased, Multi-function Kiosks, Mobile office, Cash Collection Centres, ATMs (off site, on site, e-lobby and mobile) owned by the bank as well by private parties and Totally outsourced Model, Cheque Deposit Machine, Hybrid machines with cash / cheque depositing slots in the same machines, mobile or fixed ATMs and ATMs

परिचालन एवं सेवाएँ विभाग, Operations & Services Department





installed inside the train, metro rail, boats or ships and aircraft, the premises and ATMs therein shall be owned by private parties on profit sharing basis and cash is provided by bank. Hence, the cash loaded inside these ATMs shall also remain covered. All the new branches, offices, ATMs / Cash recyclers, Kiosks, E-lobbies etc. opened during the policy period should be automatically covered under the policy from the day they become operational. Seasonal Spike in ATM cover section limits during festival seasons and crisis situations up to 2 times the limits under the section up to 6 times in a year. Any emergency to be informed by the bank with an intimation to insurance co. well before 48 hours

2. Each Limit specified in respective section should not be aggregated and to be treated separately along with base cover.
3. Cash in all E-galleries, ATM's / Cash Deposit Kiosk / Bunch Note Acceptor (inclusive of Off Special Site ATM's / Cash Deposit Kiosk / Bunch Note Acceptor), Cash Recycler Machines shall be treated as Cash on Premises. There shall be no requirement of Guards in any premises occupied by Bank of Baroda to conduct its business including but not limited to ATMs / Cash Deposit Kiosk / Bunch Note Acceptor.
4. Property in Transit shall mean and include Cash in Transit either by Bank on its own employees / contracted employees or through Agencies engaged by the Bank, cash/ property in transit between currency chests, currency chest to branches, any branches of the bank /any banks, Cash Admin Cell and link branches, ATMs/similar other modes over till completion of replenishment process etc. and vice-versa. It also includes Loading and Unloading of cash at various points &/or branches &/or offices, pick up and/are delivery of cash/property from &/or to the customers of the bank and vice versa. The cover extends to losses that may arise whilst ATM/similar other modes maintenance services being carried out. Cash and property In Transit would include all but not limited to foreign currency/securities transited from/to banks branches/Offices/ATMs, other Banks including co-operative Banks, primary credit societies Post Offices, Treasuries, RBI, UC offices, any other institution or office where Bank is required to remit/collect cash/property and office/premises of customers approved by the insured, with or without specific order or with extended orders. In transit cover should also include for cash with outsourced service provider and Door Step Banking Service provider.
5. Securities coverage to extend to cover any third-party vendor/bank in case acting on behalf of the assured.
6. Retroactive Date 01.04.2019 shall be considered for all coverage, additional limits, and sub-limits for proposed limits.
7. On premises, In transit cover and coverage for cash with out-sourcing agency and Door Step Banking Services providers should be available for 24 hours x 365 days irrespective of Cash holding limit of respective Branch / Office, office hours, Business hours, lunch hours etc.
8. The policy shall covers loss due to infidelity &/or criminal acts, Negligence on the part of Appraisers.
9. Cash includes foreign currency but claim in respect of foreign currency shall be paid in Indian Rupees.
10. Cash retention shall be permitted as per branches' exigencies and claims shall not be repudiated / reduced solely on this ground.
11. Claims shall not be repudiated / reduced solely on the ground of non-functioning of installed Alarm System/CCTV and other surveillance systems on the day of the incident of Dacoity &/or burglary &/or robbery at the respective branch.







12. The movement of Property including cash may be done either by the vehicles owned by bank/hired vehicle/ employees own vehicle / public transport (Road/Rail/Air/Waterways etc.) / on foot as the case may be.
13. Online FIR/ intimation to be part of policy provision and acceptable.
14. Claims Preparation Costs - To indemnify the insured for fees and expenses incurred and paid by the insured, with the prior approval of the insurer, for independent outside accountants, solicitors or other specialists or professional person(s) to determine the amount and /or extent of loss or claim covered under this policy.
15. Claims Series Clause – Related Claims or circumstances Endorsement  
For the Purpose of this policy where a series of and/or several loss of money/securities/property, claims are attributable directly or indirectly to the same cause/person, all such losses/claims shall be added together and all such losses/claims shall be treated as one claim and such loss/claim shall be deemed to have been made the point in time when the first of the claims was made in writing.
16. Deductible will be attributable to a single cause as per the Claim Series Clause
17. Liability of appraiser will be covered under Appraiser and Spurious gold of the policy. In case of any loss due to Appraiser / Assayer, insurance claim will be payable up to total outstanding amount in borrower's accounts with interest as on date (applied or unapplied both) and all applicable charges in the account.
18. In case of Pledged Gold claims Loss value should be assessed as on the date of loss or date of settlement whichever is higher. In case of loss due to such Confiscation / Expropriation loss would settled basis submission of "Seizure Mahazar" & no other documents is required.
19. Forgery & Alterations: In case of forgery and alterations, insured and its liability as a collecting/presenting bank shall also be covered by insurance company where authorities endorse the decision of liability.
20. Forged Securities to cover actual physical possession of securities, including Demat form, any security, any documents (for e.g. loan documents such as deed of trust, mortgages upon real property and upon interests in real property and assignment of such mortgages) or similar written instruments prove to bear a forged signature or fraudulent alteration or counterfeited or lost/stolen.
21. Orders of Banking Ombudsman for the claims should be covered under the policy.
22. One Automatic reinstatement of Limit of Liability during the policy period across the base sum Insured and individual sections- Reinstated Sum Insured on payment of additional premium.
23. Dishonesty of Employee – to include financial gain to any other entity/individual or to employee intended to receive such gain by dishonest Employee.
24. Forgery & Alteration – should also allow for mechanically reproduced digital signatures
25. All Forgery and fraudulent alternation clauses (Forgery and alterations, forged documents and forged securities) must also account for documents originated by a person or entity not being the purported source.
26. Control Group Clause
27. Employee's definition to include lawyers, permanent, temporary, Part time as well as contract employees, employees of vendors, contractors and sub-contractors and agents working on behalf of Bank. New employee added during the policy period will be automatically covered under the policy from date of joining.





28. Date of Discovery: FMR should be considered as detection/discovery date.
29. The term 'Guard' for the purpose of insurance claim shall include bank's own guard / employee i.e. any person escorting the cash and protecting the asset, guards of private security agency, state police and state Home Guard / Special Protection Forces or such other forces which are raised by the Govt. or Govt. approved agencies from time to time for deployment on such duties.
30. Deploying of armed guards / unarmed guards or caretakers in branches and ATMs is entirely at the discretion of Bank hence non-deployment / non-availability of such Persons at affected site shall not be a ground for delaying / repudiation of claim.
31. All branches do not have strong room. However, in branches where strong room is not available, cash and valuables are kept in the safe thus absence of strong room in a branch shall not be a ground for non-admission of claims.
32. Risk cover includes collection and delivery of cash/property from customers premises DOOR STEP BANKING) either by Bank on its own or through Agencies engaged by the Bank (Door Step Banking Services (Collection and/or Delivery)
33. With respect to claims for employee dishonesty section the terminal dues recovery by the bank should not be insisted upon, the bank will provide an undertaking that in case recovery is being done from the employee at any given point in time the bank will have such funds transferred to the insurer.
34. Covers losses resulting wholly or partially from any negligent act of the Insured's Employee during transit (it also includes cover for agencies / banking correspondents / banking facilitators).
35. 72 Hours Clause will be applicable for AOG Perils.
36. Loss of cheques/ instruments deposited in the drop box also covered for Fraud and/or dishonesty, under the policy.
37. No FIR/police intimation is required in case of property insurance (Premises & Contents) claims.
38. Advance payment of legal fees and expenses.
39. Claims to be settled within a time period ranging from 45 days to 2 months by the insurer from the receipt of the Surveyor Report.
40. Insurers to make sure that surveyor should submit the final survey report within 30 days after receipt of all the documents from insured.
41. Multiple sections may get triggered in claim and if so claim can be bifurcated and settled by considering coverages accordingly.
42. Negligence as an insuring clause with an additional premium charged, hence claims should not be denied on the grounds of multiple or gross negligence
43. Claims should not be reduced in quantum and made non-standard under any circumstances for more than 10% under any circumstances and this reduction should only be applicable for special circumstances where there is breach of any specific condition or warranty of the policy and onus to prove the same would be on insurers.
44. Any claim lodged would first trigger in add-on sum insured available for specific section under which claim is lodged and if add-on sum insured gets exhausted even after reinstatement provision, then claim would trigger in basic sum insured which is applicable for all sections.





45. Waiver on the requirement of reimbursement proof and loss booking by the insured during final survey report. The final survey report must not be withheld for want of the document. The Insurer must review the file and share the settlement voucher.
- 46. For Burglary, Theft and Dacoity Cases:**  
In case of theft/burglary, Insurer to accept GD Diary or letter sent to Police Authority should be accepted in lieu of First Information Report.  
For Claims up to INR 25 lakh. – Waiver of FIR Clause. Online FIR/Police Intimation to be acceptable in lieu of FIR. Settlement of such cases will be made on 100% of the Claim Amount.  
For Claims of INR 25 lakh and above -Online FIR or Offline FIR or Police Intimation or Copy of Registered Postal Receipt is mandatory, but Final Police Report should not be made mandatory.  
An on account payment of 90% needs to be released by the insurer post the loss is assessed by the surveyor and remaining 10% claims amount should be released after submission of Current Status Report of incident from the Police Authority. The time frame between FIR and Current Status report from Police Authority should be 180 days.
- For Fire Cases**  
For Claims up to INR 25 lakh. – Waiver of FIR Clause. Online FIR/Police Intimation to be acceptable in lieu of FIR. Settlement of such cases should be 100% of the claim amount.  
For Claims of INR 25 lakh and above - Fire Brigade Report / Online FIR is mandatory but FIR or Police Intimation or Final Police Report should not be made mandatory and Settlement of such cases should be 100% of the claim amount.
- For Fraud and Other Claims except Card policy**  
For Claims up to INR 25 lakh – Waiver of FIR Clause. Online FIR/Police Intimation to be acceptable in lieu of FIR. Settlement of such cases will be made on 100% of the Claim Amount.  
For Claims of INR 25 lakh and above - Online FIR or Offline FIR or Police Intimation or Copy of Registered Postal Receipt is mandatory, but Final Police Report should not be made mandatory.  
An on account payment of 90% needs to be released by the insurer post the loss is assessed by the surveyor and remaining 10% claims amount should be released after submission of Current Status Report of incident from the Police Authority. The time frame between FIR and Current Status report from Police Authority should be 180 days.
47. FMR shall be waived off in the case of ATM tampering/ATM theft case.
48. FIR shall be waived off in case of key loss claims upto 1 Lakh.
49. The policy will be primary and non - contributory in nature and will supersede any other contract made by the bank for which it is not legally liable with customer, any third party vendor or entities for any act as per different Insurable clauses and the underwriter agrees to Indemnify bank for the said loss irrespective of the said agreements between the bank and other party in consideration of the premium paid under the policy.
50. If Insurer closes a claim due to non-submission of required documents, and the insured subsequently provides the necessary documents within a reasonable period, the insurance company will reopen and process the claim in accordance with the submitted documentation.
51. Coverage's for property under Premises are as under :
- a) Theft, Larceny, False pretences, burglary, robbery or hold up without forcible entry exit committed by person physically present on the premises where the property is located,





mysterious unexplained disappearance, being damaged, destroyed or misplaced howsoever or by whomsoever caused, any loss of or damage to any property whatsoever resulting directly or indirectly from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire, or standard fire and special peril or other convulsion of nature and contemporaneous or erroneous loss or damage by fire flood or looting, STFI, RSMD while the property is in insured' premises or within any recognized safe deposit or actually within the premises of any financial institutions/ Business correspondent/ Business facilitators/ Appraisers in the usual course of business.

b) Coverage under Transit-Loss damage or destruction of property from any cause while the property is in transit anywhere in the custody of the employee of the insured or any other person designated by the insured or any person designated by the insured to act as its messenger or while in the custody of any security or armoured Motors vehicle company or negligence of outsourced employee for the purpose of transportation on behalf of the insured.

**List of Surveyors**

It is agreed that a Surveyor will be appointed from the list of empanelled Surveyors suggested by the Insured for any claim. The surveyor should be instructed by the insurer to send a copy of the final surveyor report to the Broker along with the Insurer.

**List of Panel Surveyors**

1. Proclaim Insurance Surveyors & Loss adjusters
2. Puri Crawford
3. Mack Insurance Surveyors
4. Alka Gupta & associates
5. IAR Surveyors
6. Absolute Surveyors
7. S Soni & Co
8. Rahul Deshpande & Co
9. Mclarens Surveyors
10. Yogendra Sharma
11. Bhatwadekar Insurance Surveyors & Loss Assessors Pvt Ltd
12. TEAM Insurance Surveyors & Loss Assessors LLP
13. T-Three Insurance Surveyors

**Claim Status as on 20.02.2025**

(Amount ₹ in lakh)

Policy Year	Premium Paid	Lodged		Claims Settled		Rejected		Pending	
		No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
2020-21, New India	247.00	61	2290.42	25	1451.98	36	838.44	0	0
2021-22, New India	220.00	32	747.92	22	49.92	9	375.80	1	322.20
2022-23, National	2519.00	94	3406.91	44	2594.91	32	220.06	18	591.94
2023-24, New India	1875.00	100	1788.90	69	1116.47	7	39.33	24	633.10
2024-25, New India	2650.00	67	1224.90	29	234.17	1	3.57	37	987.16





**Section 2 – Underwriting Details for Banker Indemnity Insurance Policy (International Operations)**

**Products & Services**

General Banking:-	International Banking:-
• Deposits	• FGN Currency Credits
• Gen-Next	• ECB
• Loans	• FCNR (B) Loans
• Credit Cards	• Export & Import Finance
• ATM / Debit Cards	• Correspondent Banking
• Wealth Management Services	• Trade Finance
• Mobile Banking	• International Treasury
• Demat	
• Baroda E-trade	
• ASBA	
• Lockers	
• Digital Banking	
• MSME Banking	
Corporate Banking	
Wholesale Banking	

**International Operations**

Our Bank started its overseas journey by opening its first branch way back in 1953 in Mombasa, Kenya. Since then the Bank has come a long way in expanding its international network to serve NRIs / PIOs, Indian Corporates around the world and to meet the banking requirements of the local population in the country of operation. Our Bank has transformed into 'India's International Bank.'

**Key Features of Risk**

The current policy is being obtained only for covering **International Operations at Overseas Branches & IFSCBI Gandhinagar only**. Subsidiaries and JVs outside India are NOT being covered. Total number of branches being covered are as under:

Sr. No.	Territory	No. of Locations
1	UK	1
2	FIJI	9
3	Mauritius	6
4	UAE	5+9
5	Seychelles	1
6	OBU Singapore	1
7	Australia	1
8	DIFC Dubai	1
9	IFSCBI, Gandhinagar	1
	<b>TOTAL</b>	<b>35</b>





- UAE territory has 9- EBSU (Electronic Banking Service Unit) apart from 5 branches. Total no. of locations to be covered in UAE territory is 14.
- Certain branches do not have any retail banking hence the cash handling is very limited.
- The bank has Offshore Banking Units (OBU) at Singapore, Mauritius and DIFC Dubai
- The Branches in Australia are wholesale banking Branches.

The terms of cover required are as mentioned below:

Sr. No	Parameter	Description	
01	Name of Insured	Bank of Baroda	
02	Communication Address	Head Office, 7 <sup>th</sup> Floor, Baroda Bhawan, R C Dutt Road, Alkapuri, Baroda – 390 007 (Gujarat)	
03	Risk Location	35 locations of 09 Overseas territories	
04	Policy Type	Comprehensive BBB & Electronic Computer Crime Insurance Policy	
05	Policy Period	01.04.2025 to 31.03.2026 inclusive of both days at (IST)	
06	Interest	Section 1: Bankers Blanket Bond Section 2: Electronic & Computer Crime Section 3: Special Endorsements	
07	Indemnity Limit	Section 1: <b>GBP 25 lakh (for UAE GBP 40 lakh)</b> in the aggregate subject to the following conditions:  Sub Limits for each country as given in Table-1. All sub limits indicated are per event and the aggregate will be as per the Section aggregate.  Section 2: GBP 250,000/- in the aggregate for all territories except Australia. For Australia GBP 300,000/-  Section 3: GBP 100,000/- <b>(for UAE GBP 200,000 lakh)</b> in the aggregate.	
08	Deductibles	Fraud claims	All claims except fraud
	UK, Fiji & Mauritius, UAE & Oman	GBP 20,000/- for frauds other than ATM frauds.	GBP 5,000/-
	All other countries	GBP 5,000/-	GBP 2,000/-
	ATM frauds	Nil (Full amount of claim will be payable)	
09	Retroactive Date		
	29.11.2001	UK, UAE, Oman, Mauritius, Brussels, Seychelles & Fiji	
	29.11.2006	Singapore	
	12.12.2013	DIFC Dubai & Australia	
10	Jurisdiction	Worldwide excluding US & Canada	
11	Coverage	*As per standard wordings as per KFA (81)-BBB, LSW 983 (computer crime).	
12	Premium Paid (Taxes extra)	2024-25 GBP 1,88,165/- New India, New Delhi 2023-24 GBP 1,96,348/- National Insurance, Vadodara 2022-23 GBP 1,45,818/- National Insurance, Vadodara	





	2021-22	GBP 1,51,562/-	New India, Mumbai
	2020-21	GBP 1,94,500/-	New India, Mumbai
	2019-20	GBP 2,32,500/-	New India, Mumbai

**Details of Coverages Section Wise:**

**Branch Wise Limits (all sub limits are per event sub limits) Table 1-**

Country	Limit of Indemnity
<b>Aggregate – for other than UAE</b>	£25,00,000
<b>Aggregate – UAE</b>	£40,00,000
<b>Section 1</b>	
<b>Insuring Clause 1 - Fidelity</b>	
Fiji	£5,00,000
Oman	£0
Australia	£3,00,000
Other Territories	£2,50,000
<b>Insuring Clause 2 - On Premises</b>	
Fiji	£10,00,000
UAE	£33,00,000
Oman	£0
Seychelles	£5,00,000
Singapore	£2,000
Mauritius	£21,00,000
Australia	£3,00,000
Other Territories	£2,50,000
IFSCBI, Gandhinagar	No coverage required
<b>Insuring Clause 3 - In Transit</b>	
Fiji	£7,50,000
UAE	£40,00,000
Oman	£0
Singapore	£2,000
Mauritius	£7,00,000
UK	£3,75,000
Australia	£3,00,000
Other Territories	£2,50,000
IFSCBI, Gandhinagar	No coverage required
<b>Insuring Clause 4 - Forgery or Alteration</b>	
Other Territories	£2,50,000
Australia	£3,00,000
<b>Insuring Clause 5 – Securities</b>	
UK	£11,00,000
UAE	£40,00,000
Oman	£0





Australia	£3,00,000
Other Territories	£2,50,000
<b>Insuring Clause 6 - Counterfeit Currency</b>	
Other Territories	£2,50,000
Australia	No coverage required.
IFSCBI, Gandhinagar	No coverage required
<b>Insuring Clause 7 - Offices &amp; Contents</b>	
Other Territories	£20,000
Australia	£50,000
<b>Insuring Clause 8- Appraisers</b>	
Other Territories	£2,50,000
Australia	£3,00,000
Fiji	£20,000

**SECTION II – ELECTRONIC AND COMPUTER CRIME**

PARTICULARS	
Limit of Indemnity except UAE & Australia	£2,50,000
Limit of Indemnity for UAE	£10,00,000
Limit of Indemnity for Australia	£3,00,000
<b>Overages Under the Section II</b>	
Insuring Clause 1 : Computer system	
Insuring Clause 2: Electronic Computer Programmes	
Insuring Clause 3: Electronic Data & Media	
Insuring Clause 4: Computer Virus	
Insuring Clause 5: Electronic & Telefacsimile Communications	
Insuring Clause 6: Electronics Transmissions	
Insuring Clause 7: Electronics Securities	
Insuring Clause 8: Voice Initiated Transfers	

**SECTION III – SPECIAL ENDORSEMENTS (Applicable on Section I & Section II in the said Policy)**

PARTICULARS	Limit of Indemnity
<b>ENDORSEMENT NO: 1</b>	<b>For other than UAE : £1,00,000</b>
To Cover Errors & Omissions / Negligence :	For UAE : £2,00,000
<b>ENDORSEMENT NO: 2</b>	<b>For other than UAE : £1,00,000</b>
To cover losses because of inadequate or failed Internal processes, people and systems	For UAE : £2,00,000

**Special Conditions Applicable to International Operations Banker Blanket Bond Insurance Policy:**

1. Discovery: This Policy applies to loss discovered by the Assured during the Policy Period. Discovery occurs when the Assured submits the FMR 1 report to Reserve Bank of India. It is warranted that the timelines for submitting the FMR 1 to RBI should be complied with as per the RBI guidelines.
2. To Cover Errors & Omissions/ Negligence:







In consideration of the payment of an additional premium, it is hereby agreed and declared that, notwithstanding anything in the within written policy contained to the contrary, the Policy shall extend to include Losses resulting wholly or partially from any **Errors / Omissions / Negligence of the Insured employee**

- a. **Special Condition:** The policy shall extend to include losses resulting wholly or partially from any Errors/Omissions/ Negligence of insured Including losses arising out of Unintentional non - compliance of applicable RBI guidelines/circulars/rules/regulations and other statutory/compliance requirements by the Insured.
3. To cover losses Because of Inadequate or failed Internal processes, People and systems; In consideration of the payment of an additional premium, it is hereby agreed and declared that, notwithstanding anything in the within written policy contained contrary in the Policy shall extend to include any losses attributable to inadequate or failed internal processes, people and systems.
4. Notice to the Assured of an actual or potential claim by a third party which alleges that the Assured is liable under circumstances which, if true, would create a loss under this Policy constitutes such discovery.
5. Each Limit specified in respective section should not be aggregate and to be treated as an add on limit over and above the base cover limits (base cover Limit floats over section I, II & III of the policy)
6. The subject Policy covers Computer and Electronic Crime committed by the Bank Employees &/or contract employees of the agencies to whom any jobs are outsourced by the Bank.
7. Cash includes foreign currency but claim in respect of foreign currency shall be paid in Indian Rupees.
8. Claims shall not be repudiated / reduced solely on the ground of non-functioning of installed Alarm System/CCTV and other surveillance systems on the day of the incident of Dacoity &/or burglary &/or robbery at the respective branch.
9. Online FIR/ Intimation to be part of policy provision and acceptable.
10. Claims Preparation Costs - To indemnify the insured for fees and expenses incurred and paid by the insured, with the prior approval to the insurer, for independent outside accountants, solicitors or other specialists or professional person(s) to determine the amount and /or extent of loss or claim covered under this policy.
11. Claims Series Clause.
12. Deductible will be attributable to a single cause as per the claim series clause.
13. Orders of Banking Ombudsman or banking regulator for the claims should be covered under the policy.
14. Policy Covers losses resulting wholly or partially from any negligent act of the Insured's Employee during transit (it also includes cover for agencies / banking correspondents / banking facilitators) .
15. 72 Hours Clause will be applicable for AOG Perils
16. Loss of cheques/ instruments deposited in the drop box also covered for Fraud and/or dishonesty, under the policy
17. Notwithstanding anything mentioned in the policy to the contrary the subject policy covers loss to the Bank due to misappropriation, forgery, theft, robbery, dacoity, of cheques, Bankers cheques, gift cheques, Travelers cheques, travellers Letters of Credit, accounts





receivable or assignments thereof, Bills of Lading, warehouse or trust receipts, or bills or receipts serving a similar purpose, Pay orders, Demand Drafts, Securities, Deposits, Term deposits and withdrawal Slips. Also covered are dividend warrants &/or Interest Warrants &/or Refund Orders issued by the Bank against its own shares &/or securities.

18. Waiver on the requirement of reimbursement proof and loss booking by the insured during final survey report. The final survey report must not be withheld for want of the document. The Insured must review the file and share the settlement voucher.
19. New Employees during the year to be automatically covered.
20. Coverage for skimming / cloning, electronic break down of ATM.
21. Coverage for ATM Based remittances – funds transfer to India through Bank's own ATM units.
22. CTS payment system to be covered under the policy.
23. Other than handwritten and mechanically reproduced documents, electronically reproduced documents should also be covered under the policy.
24. Un-authorized access.
25. An on account payment of 75% needs to be released by the insurer post the loss is assessed by the surveyor and remaining 25% claims amount should be released after submission of Current Status Report of incident from the Police Authority. The time frame between FIR and Current Status report from Police Authority should be 180 days.
26. Premium will be paid by our UK Office in GBP only.
27. Settlement of claims will be in GBP equivalent.
28. The insurer who is selected as L1 shall convert the premium in GBP currency and share with bank at time of payment.

**Claim Status as on 20.02.2025**

(Amount ₹ in lakh)

Policy Year	Premium Paid excl. Taxes	Broker	Lodged		Settled		Rejected		Pending	
			No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
2021-22, New India	150.71	Direct	<b>No claim reported</b>							
2022-23, National	146.55	IIRM	3	119.94	1	18.26	1	33.83	1	67.85
2023-24, National	200	Anand Rathi	<b>No claim reported</b>							
2024-25, New India	198.91	Anand Rathi	<b>No claim reported</b>							





### Section 3 - Details of the Broker on these policies

Anand Rathi Insurance Brokers Ltd (ARIBL) is a part of Anand Rathi Group, a leading financial services company with PAN-India presence as empanelled broker of the Bank will be facilitating the Bank for selection of a General Insurance Company for providing insurance covers for various policies of Bank of Baroda

#### The communication address is as under

Anand Rathi Insurance Brokers Ltd. 10<sup>th</sup>Floor, Regent Chambers, Jammalal Bajaj Road, Nariman Point, Mumbai - 400021

### Section 4 – Bid Structure

Tendering process will be divided in two sections as mention below:

#### A. Technical Bid

#### B. Financial Bid

#### A. Technical Bid

**General Insurance Companies** having underwritten a premium of minimum INR 2500 Cr during the Last Financial Year and having Bankers Indemnity product and Bankers Indemnity product for international operations can participate in the tender.

Insurance Co should submit the following details to Bank:

1. Declaration for Technical Bid - (Format of the Technical Bid Declaration Attached with this Tender as **Annexure 1**). The Declaration should be submitted on the company's letter head and should bear the company's seal and the name, designation and signature of the **Authorised Signatory of the company**.
2. Bidder has to submit the Integrity Pact as per **Annexure-3** along with technical bid envelope.
3. Complete Tender Document **stamped & signed by the Authorised Signatory**.

#### B. Financial Bid

The financial bid should be submitted in the format as per **Annexure 2 (Format of the same is attached with this Tender Document)**.

### Section 5 : Submission of Bid

1. **Technical Bid** – The Technical Bid should be submitted online as per **Annexure 1, Annexure 3 and Complete Tender Document stamped & signed by the Authorised Signatory as mentioned above**.
2. **Financial Bid** – The financial Bid should be submitted online as per **Annexure 2 as mentioned above**.

#### Preparation & Submission of Bids

The bids (Pre-Qualification, Eligibility, Technical as well as Commercial) shall have to be prepared and subsequently submitted through GeM Portal only. Bids not submitted through GeM Portal or submitted by any other mean shall be summarily rejected. No other form of submission shall be permitted.

#### Do's and Don'ts for Bidder

- Registration process for new Bidders should be completed within first week of release of tender.
- Govt GeM portal is opened for upload of documents from the start of the bid submission date. Hence bidders are advised to start the process of upload of bid documents well in advance.





- Bidders have to prepare for submission of their bid documents online well in advance as
  1. The encrypt / upload process of soft copy of the bid documents large in number to GeM portal may take longer time depending upon bidder's infrastructure and connectivity.
  2. To avoid last minute rush & technical difficulties faced by bidders in uploading / submission of bids, bidders are required to start the uploading of all the required documents -01- week in advance for timely online submission of bid.
- Bidders to initiate uploading of few primary documents during the start of the tender submission and any request for help/support required for uploading the documents / understanding the system should be taken up with GeM portal service provider well in advance.
- Bidders shall not raise request for extension of time on the last day of submission due to non-submission of their bids on time as Bank will not be in a position to provide any support at the last minute as the portal is managed by GeM portal service provider.
- Bidder shall not raise request for offline submission or late submission since ONLINE submission is accepted only.
- Partly or incomplete submission of bids by the bidders will not be processed and will be summarily rejected.

#### GeM portal usage Charge:

As per Revenue Policy of the GeM, Bidder / Seller shall pay all the applicable transaction charge, annual milestone charge to GeM at the time of accepting the order and same will be payable by the bidder. Bank shall not be liable for any cost / charges applicable / related to GeM procurement.

#### Section 6 : Selection of Bidder

ARIBL shall facilitate the opening of bids by the Bank on 24-03-2025 at the address mentioned in the schedule below in front of the Bidders. The Insurance Company may depute their authorized representative (Not more than one) for a said proposal.

The selection processes consist of two stages:

- In the first stage, the Bank / broker will evaluate the technical bids for all the participants and the bidders who agree to all terms and conditions of the tender will be declared as technically qualified for financial bid. The financial bid will be opened immediately after opening of technical bid.
- In the second stage, the financial bids of technically qualified bidders will be opened and L1 (consolidated premium of all the policies) amongst them will be awarded the tender.

#### General Instruction to insurance companies participating in the tender process:

1. The Tender will be awarded to the Insurer who agrees to all the policy terms & conditions as mentioned in the technical bid declarations.
2. Offers including those received late or incomplete offers shall not be considered without assigning any reason whatsoever. Bank of Baroda reserves the right to make any change in the terms and conditions of offer before opening the price bid including the last date for submission of Bids.





3. The offer should be neatly typed and there should be no hand-written addition/alterations. Such additions/alterations will make the offer ineligible. Details must be completely filled up. Bank of Baroda may treat offers not adhering to these guidelines as unacceptable.
4. Clarifications to the tender may be sought from (with a copy to [insurance.ho@bankofbaroda.co.in](mailto:insurance.ho@bankofbaroda.co.in)):
  - a) Mr. Amarnath B Naicker, Deputy Manager, M/s Anand Rathi Insurance Brokers Ltd, he can contacted on 7202020381, 022-49093097, Email-ID- [amarnathnaicker@rathi.com](mailto:amarnathnaicker@rathi.com)
  - b) Mrs. Monali Wasnik, Assistant Vice President, M/s Anand Rathi Insurance Brokers Ltd, she can contacted on 8850924840, 022-49093097, Email-ID- [monaliwasnik@rathi.com](mailto:monaliwasnik@rathi.com)
  - c) Mr. Mayank Sharma, Assistant Vice President, M/s Anand Rathi Insurance Brokers Ltd, he can contacted on 9029867595, 022-49093029, Email-ID- [mayanksharma@rathi.com](mailto:mayanksharma@rathi.com)
  - d) Mr. Anuj Bagri, Vice President, M/s Anand Rathi Insurance Brokers Ltd, he can contacted on 8097353527, 022-49093029, Email-ID- [anujbagri@rathi.com](mailto:anujbagri@rathi.com)
  - e) Ms. Nivya Rai, Vice President, M/s Anand Rathi Insurance Brokers Ltd, she can contacted on +91-9869722668, 022-49093001, Email-ID- [nivyarai@rathi.com](mailto:nivyarai@rathi.com)
  - f) Mr. Nikhil Gajre, Senior Vice President, M/s Anand Rathi Insurance Brokers Ltd, he can be contacted on +91-7977671443, 022-4909 3023, Email-ID- [nikhilgajre@rathi.com](mailto:nikhilgajre@rathi.com)
5. Last date for seeking clarifications on the tender shall be by 11-03-2025.
6. In case the selected bidder withdraws his offer, Bank reserves right to take such action as it deems fit, including claim of damages against the Bidder.

**Section 7 : Schedule**

Sr. No.	Activity	Time line
1	Receipt of queries only through email on:  <a href="mailto:insurance.ho@bankofbaroda.co.in">insurance.ho@bankofbaroda.co.in</a> <a href="mailto:amarnathnaicker@rathi.com">amarnathnaicker@rathi.com</a> <a href="mailto:monaliwasnik@rathi.com">monaliwasnik@rathi.com</a> <a href="mailto:anujbagri@rathi.com">anujbagri@rathi.com</a> <a href="mailto:mayanksharma@rathi.com">mayanksharma@rathi.com</a> <a href="mailto:nivyarai@rathi.com">nivyarai@rathi.com</a> <a href="mailto:nikhilgajre@rathi.com">nikhilgajre@rathi.com</a>	11-03-2025
2	Pre-bid discussion	12-03-2025 at 16:00 Hours
3	Date & Time of submission of Bids	24-03-2025 upto 15:00 Hours
	Mode of submission	Online only (on GeM Portal)
4	Date and time for Technical Bid opening	24-03-2025 upto 15:30 Hours
5	Date and time for Financial Bid opening	Immediately after evaluation and acceptance of Technical Bids





6	Contact Person and details	<ol style="list-style-type: none"><li>1. Mr. Amarnath B Naicker – Deputy Manager Contact No. 7202020381, 022-4909 3097 Id : <a href="mailto:amarnathnaicker@rathi.com">amarnathnaicker@rathi.com</a></li><li>2. Ms. Monali Wasnik – Assistant Vice President Contact No. 8850924840, 022-4909 3001 Id : <a href="mailto:monaliwasnik@rathi.com">monaliwasnik@rathi.com</a></li><li>3. Mr. Anuj Bagri – Vice President Contact No. 8097353527, 022-4909 3001 Id : <a href="mailto:anujbagri@rathi.com">anujbagri@rathi.com</a></li><li>4. Mr. Mayank Sharma – Assistant Vice President Contact No. 9029867595, 022-4909 3029 Id : <a href="mailto:mayanksharma@rathi.com">mayanksharma@rathi.com</a></li><li>5. Ms. Nivya Rai – Vice President Contact No. 9869722668, 022 4909 3008 Id : <a href="mailto:nivyarai@rathi.com">nivyarai@rathi.com</a></li><li>6. Mr. Nikhil Gajre – Senior Vice President Contact No. 7977671443, 022 4909 3023 Id : <a href="mailto:nikhilgajre@rathi.com">nikhilgajre@rathi.com</a></li></ol>
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**Right to Reject Bids:**

Bank reserves the absolute and unconditional right to reject the response to this Tender document if it is not in accordance with its requirements and no correspondence will be entertained by the Bank in the matter. The bid is liable to be rejected if:

- a) It is not in conformity with the instructions mentioned in the Tender document.
- b) It is not properly or duly signed.
- c) It is received after expiry of the due date and time.
- d) It is incomplete including non- furnishing the required documents.
- e) It is evasive or contains incorrect information.
- f) There is canvassing of any kind.
- g) Submitted by related parties
- h) It is submitted anywhere other than the place mentioned in the Tender document.

**Further Bank reserves the rights to:**

- a) Reject any or all responses received in response to the Tender document.
- b) Extend the time for submission of all proposals
- c) Cancel the Tender document at any stage, without assigning any reason whatsoever.
- d) Visit the place of work of the bidder





- e) Conduct an audit of the services provided by the bidder.
- f) Ascertain information from the Banks and other institutions to which the bidders have rendered their services for execution of similar projects.
- g) Revise any part of the tender document, by providing a written addendum at any stage till the award of the contract. The Bank reserves the right to issue revisions to this tender document at any time before the award date. The addendums, if any, shall be published on Bank's website only.

**General Terms and conditions:**

- 1.1. The Tender document is not recommendation; offer to enter into a contract, agreement or any other arrangement, in respect of the services. The provision of the services is subject to observance of selection process and appropriate documentation being agreed between the Bank and any successful Bidder as identified by the Bank, after completion of the selection process as detailed in this document.
- 1.2. Information Provided: The Tender document contains statements derived from information that is believed to be true and reliable at the date obtained but does not purport to provide all of the information that may be necessary or desirable to enable an intending contracting party to determine whether or not to enter into a contract or arrangement with the Bank in relation to the provision of services. Neither the Bank nor any of its directors, officers, employees, agents, representative, contractors, or advisers gives any representation or warranty (whether oral or written), express or implied as to the accuracy, updating or completeness of any writings, information or statement given or made in this Tender document.
- 1.3. For Respondent Only: The Tender document is intended solely for the information of the party to whom it is issued ("the Recipient" or "the Respondent") and no other person or organization.
- 1.4. Costs Borne by Respondents: All costs and expenses (whether in terms of time or money) incurred by the Recipient / Respondent in any way associated with the development, preparation and submission of responses, including but not limited to attendance at meetings, discussions, demonstrations, etc. and providing any additional information required by the Bank, will be borne entirely and exclusively by the Recipient / Respondent.
- 1.5. No Legal Relationship: No binding legal relationship will exist between any of the Recipients / Respondents and the Bank until execution of a contractual agreement to the full satisfaction of the Bank.
- 1.6. Recipient Obligation to Inform Itself: The Recipient must apply its own care and conduct its own investigation and analysis regarding any information contained in the Tender document and the meaning and impact of that information.
- 1.7. Evaluation of Offers: Each Recipient acknowledges and accepts that the Bank may, in its sole and absolute discretion, apply whatever criteria it deems appropriate in the selection of Bidder, not limited to those selection criteria set out in this Tender document.
- 1.8. The issuance of Tender document is merely an invitation to offer and must not be construed as any agreement or contract or arrangement. The bidders unconditionally acknowledges by submitting its response to this Tender document that it has not relied on any idea, information, statement, representation, or warranty given in this Tender document.



- 1.9. Acceptance of Terms: the bidders will, by responding to the Bank's Tender document, be deemed to have accepted the terms as stated in this Tender document
- 1.10. Only one submission of response to Tender document by each Respondent will be permitted.
- 1.11. The Bank expects the Bidder to adhere to the terms of this tender document and would not accept any deviations to the same.
- 1.12. The Bank expects that the Bidder appointed under the tender document shall have the single point responsibility for fulfilling all obligations and providing all deliverables and services required by Bank.
- 1.13. Unless agreed to specifically by the Bank in writing for any changes to the issued tender document, the Bidder responses would not be incorporated automatically in the tender document.
- 1.14. The Bank will notify the Respondents in writing as soon as practicable after the Tender Evaluation Complete date, about the outcome of the Tender evaluation process, including whether the Respondent's Tender response has been accepted or rejected. The Bank is not obliged to provide any reasons for any such acceptance or rejection.
- 1.15. All responses received after the due date/time as mentioned in "[A] Important Dates. Last Date of Submission of Tender Response (Closing Date)" would be considered late and would be liable to be rejected. E procurement portal will not allow to lodgement of Tender response after the deadline. It should be clearly noted that the Bank has no obligation to accept or act on any reason for a late submitted response to Tender. The Bank has no liability to any Respondent who lodges a late Tender response for any reason whatsoever, including Tender responses taken to be late only because of another condition of responding.
- 1.16. The Bank has established Tender coordinators to provide a venue for managing bidder relationship and other requirements through the Bank's decision making body for contract clarification. All the queries and communication must be addressed to the Tender coordinators / contact persons from the Bank mentioned in "[A] Important Dates - Tender Coordinator"
- 1.17. Recipients are required to direct all communications for any clarification related to this Tender to Tender Coordinator.
- 1.18. All questions relating to the Tender, eligibility or otherwise, must be in writing and addressed to the addresses given in point "[A] Important Dates" above. Interpersonal communications will not be entered into and a Respondent will be disqualified if attempting to enter into such communications. The Bank will try to reply, without any obligation in respect thereof, every reasonable question raised by the Respondents in the manner specified.
- 1.19. However, the Bank may in its absolute discretion seek, but under no obligation to seek, additional information or material from any Respondents after the Tender closes and all such information and material provided must be taken to form part of that Respondent's response.
- 1.20. Respondents should invariably provide details of their email address (as) as responses to queries will only be provided to the Respondent via email. If Bank in its sole and absolute discretion deems that the originator of the query will gain an advantage by a response to a question, then Bank reserves the right to communicate such response to all Respondents.





- 1.21. The Bank may in its absolute discretion engage in discussion or negotiation with any Respondent (or simultaneously with more than one Respondent) after the Tender closes to improve or clarify any response.
- 1.22. All submissions, including any accompanying documents, will become the property of the Bank. The bidder shall be deemed to have licensed, and granted all rights to, the Bank to reproduce the whole or any portion of their submission for the purpose of evaluation, to disclose the contents of the submission to other bidders who have registered a submission and to disclose and/or use the contents of the submission as the basis for any resulting Tender process, notwithstanding any copyright or other intellectual property right of the Recipient that may subsist in the submission or accompanying documents
- 1.23. All responses should be in English language. All responses by the bidder to this tender document shall be binding on such bidder for a period of 180 days after opening of the bids.
- 1.24. The bidder may modify or withdraw its offer after submission but prior to the closing date and time as prescribed by Bank. No offer can be modified or withdrawn by the bidder subsequent to the closing date and time for submission of the offers.
- 1.25. The bidders required to quote for all the components/services mentioned in the "Project scope" and all other requirements of this Tender. In case the bidder does not quote for any of the components/services, the response would be deemed to include the quote for such unquoted components/service. It is mandatory to submit the details in the formats provided along with this document duly filled in, along with the offer. The Bank reserves the right not to allow / permit changes in the technical specifications and not to evaluate the offer in case of non-submission of the technical details in the required format or partial submission of technical details.
- 1.26. In the event the bidder has not quoted for any mandatory items as required by the Bank and forming a part of the tender document circulated to the Bidder's and responded to by the bidder, the same will be deemed to be provided by the bidder at no extra cost to the Bank.
- 1.27. The Bank is not responsible for any assumptions or judgments made by the bidder for proposing the deliverables. The Bank's interpretation will be final.
- 1.28. The Bank ascertains and concludes that everything as mentioned in the tender documents circulated to the Bidder and responded by the Bidders have been quoted for by the Bidder, and there will be no extra cost associated with the same in case the Bidder has not quoted for the same.
- 1.29. All out of pocket expenses, traveling, boarding and lodging expenses for the entire life of the contract should be a part of the financial bid submitted by the Bidder to the Bank. No extra costs on account of any items or services or by way of any out of pocket expenses, including travel, boarding and lodging etc. will be payable by the Bank. The Bidder cannot take the plea of omitting any charges or costs and later lodge a claim on the Bank for the same.
- 1.30. Responses to this Tender should not be construed as an obligation on the part of the Bank to award a contract / purchase contract for any services or combination of services. Failure of the Bank to select a bidder shall not result in any claim whatsoever against the Bank. The Bank reserves the right to reject any or all bids in part or in full, without assigning any reason whatsoever.



- 1.31. By submitting a proposal, the bidder agrees to contract with the Bank within the time period proscribed by the bank. Failure on the part of the successful bidder to execute an agreement with the Bank will relieve the Bank of any obligation to the bidder, and a different bidder may be selected based on the selection process.
- 1.32. The terms and conditions as specified in the Tender and addendums (if any) thereafter are final and binding on the bidders. In the event the bidders not willing to accept the terms and conditions of the Bank, the bidder may be disqualified. Any additional or different terms and conditions proposed by the bidder would be rejected unless expressly assented to in writing by the Bank and accepted by the Bank in writing
- 1.33. The bidder shall represent and acknowledge to the Bank that it possesses necessary experience, expertise and ability to undertake and fulfill its obligations, involved in the performance of the provisions of this tender. The bidder represents that the proposal to be submitted in response to this tender shall meet the proposed tender requirement. If any services, functions or responsibilities not specifically described in this tender are an inherent, necessary or customary part of the deliverables or services and are required for proper performance or provision of the deliverables or services in accordance with this tender, they shall be deemed to be included within the scope of the deliverables or services, as if such services, functions or responsibilities were specifically required and described in this tender and shall be provided by the bidder at no additional cost to the Bank. The bidder also acknowledges that the Bank relies on this statement of fact, therefore neither accepting responsibility for, nor relieving the bidder of responsibility for the performance of all provisions and terms and conditions of this tender, the Bank expects the bidder to fulfil all the terms and conditions of this tender.
- 1.34. The bidder covenants and represents to the Bank the following:
- ▶ It is duly incorporated, validly existing and in good standing under as per the laws of the state in which the entity is incorporated.
  - ▶ It has the corporate power and authority to enter into Agreements and perform its obligations there under.
- 1.35. The execution, delivery and performance under an Agreement by bidder :
- ▶ Will not violate or contravene any provision of its documents of incorporation;
  - ▶ Will not violate or contravene any law, statute, rule, regulation, licensing requirement, order, writ, injunction or decree of any court, governmental instrumentality or other regulatory, governmental or public body, agency or authority by which it is bound or by which any of its properties or assets are bound;
  - ▶ Except to the extent that the same have been duly and properly completed or obtained, will not require any filing with, or permit, consent or approval of or license from, or the giving of any notice to, any court, governmental instrumentality or other regulatory, governmental or public body, agency or authority, joint venture party, or any other entity or person whatsoever;
- 1.36. The bidder shall undertake to provide appropriate human as well as other resources required, to execute the various tasks assigned as part of the project, from time to time.
- 1.37. The Bank would not assume any expenses incurred by the bidder in preparation of the response to this tender and also would not return the bid documents to the Bidders



- 1.38. The Bank will not bear any costs incurred by the bidder for any discussion, presentation, demonstrations etc. on proposals or proposed contract or for any work performed in connection therewith.
- 1.39. Preliminary Scrutiny – The Bank will scrutinize the offers to determine whether they are complete, whether any errors have been made in the offer, whether required documentation has been furnished, whether the documents have been properly signed, and whether items are quoted as per the schedule. The Bank may, at its discretion, waive any minor non-conformity or any minor deficiency in an offer. This shall be binding on all bidders and the Bank reserves the right for such waivers and the Bank's decision in the matter will be final.
- 1.40. Clarification of Offers – To assist in the scrutiny, evaluation and comparison of offers, the Bank may, at its discretion, ask some or all bidders for clarification of their offer. The Bank has the right to disqualify the bidder whose clarification is found not suitable to the proposed project.
- 1.41. No Commitment to Accept Lowest bid or Any Tender – The Bank shall be under no obligation to accept the lowest price bid or any other offer received in response to this Tender notice and shall be entitled to reject any or all offers including those received late or incomplete offers without assigning any reason whatsoever.
- 1.42. Erasures or Alterations – The offers containing erasures or alterations will not be considered. There should be no hand-written material, corrections or alterations in the offer. Technical details must be completely filled up. Correct information of the services being offered must be filled in. Filling up of the information using terms such as "OK", "accepted", "noted", "as given in brochure / manual" is not acceptable. The Bank may treat the offers not adhering to these guidelines as unacceptable.
- 1.43. Price Discussion – It is absolutely essential for the Bidders to quote the lowest price at the time of making the offer in their own interest. The Bank reserves the right to do price discovery and engage the successful bidder in discussions on the prices quoted.
- 1.44. If the Bank is not satisfied with the specifications as specified in the tender document and observes major deviations, the bids of such bidders will not be short-listed for further evaluation. No further discussions shall be entertained with such bidders in respect of the subject bid.
- 1.45. The Bidder shall perform its obligations under this Tender as an independent contractor, and shall not engage subcontractors to perform any of the Deliverables or Services without the prior permission from Bank. Neither this Tender nor the Bidder's performance of obligations under this Tender shall create an association, partnership, joint venture, or relationship of principal and agent, master and servant, or employer and employee, between the Bank and the Bidder or its employees, subcontractor; and neither Party shall have the right, power or authority (whether expressed or implied) to enter into or assume any duty or obligation on behalf of the other Party.
- 1.46. The Bidder shall solely be responsible for all payments (including any statutory payments) to its employees and / or sub-contractors and shall ensure that at no time shall its employees, personnel or agents hold themselves out as employees or agents of the Bank, nor seek to be treated as employees of the Bank for any purpose, including claims of entitlement to fringe benefits provided by the Bank, or for any kind of income or benefits. The Bidder alone shall file all applicable tax returns for all of its personnel assigned hereunder in a manner consistent with its status as an independent contractor of services; and the Bidder will make all required payments and deposits of taxes in a timely manner.



- 1.47. Tender responses received after the deadline for lodgment of tenders may be registered by the Bank and may be considered and evaluated by the evaluation team at the absolute discretion of the Bank. Respondents are to provide detailed evidence to substantiate the reasons for a late tender submission. It should be clearly noted that the Bank has no obligation to accept or act on any reason for a late submitted response to tender. The Bank has no liability to any Respondent who lodges a late tender response for any reason whatsoever.



बैंक ऑफ़ बड़ौदा Bank of Baroda



Annexure – 1

Date:

Assistant General Manager,  
Head Office,  
Bank of Baroda, 7<sup>th</sup> Floor, Baroda Bhavan,  
R C Dutta, Alkapuri, Vadodara – 390 007

**Declaration for Technical Bid**

Dear Sir,

This is with reference to the tender dated \_\_\_\_\_ for Various General Insurance Policy of M/s Bank of Baroda. We hereby agree to the all the terms and conditions of the proposal as stated in the tender document. The Quotes submitted to the Bank are after getting the required approvals from the Competent Authorities of our company.

*In case of any deviations in the said proposal, it should come as a separate document attached with this declaration so that the evaluation of the same is easy. The Technical bid should be submitted on the company's letter head and should bear the company's seal and the name, designation and signature of the Authorised Signatory of the company along with stamped & signed tender document by the Authorised Signatory.*



Date:  
Assistant General Manager,  
Head Office,  
Bank of Baroda, 7<sup>th</sup> Floor, Baroda Bhavan,  
R C Dutta, Alkapuri, Vadodara – 390 007

**Declaration for Financial Bid**

Dear Sir,

This is with reference to the tender dated -----for Various General Insurance Policy of M/s Bank of Baroda. We hereby agree to the all the terms and conditions of the proposal as stated in the tender document. This Financial bid submitted to the Bank is after getting the required approvals from the Competent Authorities of our company.

Name of the Policy	Net Premium	GST	Total Premium
Banker Indemnity Insurance Policy (incl. Pledged Gold) in INR			
Bankers Indemnity Policy (International Operations) in GBP			

Note - Premium for Banker Indemnity Insurance (incl. Pledged Gold) to be quoted in INR whereas for Bankers Indemnity Policy (International Operations), premium to be quoted in GBP.

***The financial bid should be submitted on the company's letter head and should bear the company's seal and the name, designation and signature of the Authorised Signatory of the company.***



**PRE CONTRACT INTEGRITY PACT**  
**(TO BE STAMPED AS AN AGREEMENT)**

Between

**BANK OF BARODA**, a body corporate constituted under the provisions of Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 and having its Corporate Office at Baroda Corporate Centre, C-26, G-Block, Bandra-Kurla Complex, Bandra East, Mumbai 400051 (hereinafter referred to as "**BOB**"; which expression shall, unless it be repugnant to the meaning or context thereof, be deemed to mean and include its successors and assigns);

And

....., a company incorporated under the (Indian) Companies Act, 1956 / 2013 and whose registered office is at \_\_\_\_\_ through its authorized representative Mr. \_\_\_\_\_ hereinafter referred to as "Bidder", which expression shall, unless it be repugnant to the meaning or context thereof, be deemed to mean and include its successors and permitted assigns)

**Preamble**

BOB is a one of the nationalized PSU Bank having its presence throughout India and \_\_\_\_\_ overseas territories. BOB is committed to fair and transparent procedure in appointing of its outsource service providers.

The BOB intends to appoint/ select, under laid down organizational procedures, contract/ s for.....

BOB values full compliance with all relevant laws of the land, rules, regulations, economic use of resources and of fairness / transparency in its relations with its Bidder(s) and / or Contractor(s).

In order to achieve these goals, the BOB will appoint Independent External Monitors (IEM) who will monitor the Tender process and the execution of the contract for compliance with the principles mentioned above.

**Section 1 - Commitments of BOB**

- (1) The BOB commits itself to take all measures necessary to prevent corruption and to observe the following principles:-
  - a. No employee of the BOB, personally or through its family members, will in connection with the Tender for, or the execution of a contract, demand; take a promise for or accept, for self or third person, any monetary or non-monetary benefit which the person is not legally entitled to.
  - b. The BOB will, during the Tender process treat all Bidder(s) with equity and reason. The BOB will in particular, before and during the Tender process, provide to all Bidder(s) the same information and will not provide to any Bidder(s) confidential / additional information through which the Bidder(s) could obtain an advantage in relation to the Tender process or the contract execution.





- c. The BOB will make endeavor to exclude from the selection process all known prejudiced persons.
- (2) If the BOB obtains information on the conduct of any of its employees which is a criminal offence under the IPC/PC Act, or if there be a substantive suspicion in this regard, the BOB will inform the Chief Vigilance Officer and in addition can initiate disciplinary actions.

## Section 2 - Commitments of the Bidder(s)/ Contractor(s)

- (1) The Bidder(s) / Contractor(s) commit themselves to take all measures necessary to prevent corruption. The Bidder(s) / Contractor(s) commit themselves to observe the following principles during participation in the Tender process and during the contract execution.
- The Bidder(s) / Contractor(s) will not, directly or through any other person or firm, offer, promise or give to any of the BOB employees involved in the Tender process or the execution of the contract or to any third person any material or other benefit which he/ she is not legally entitled to, in order to obtain in exchange any advantage of any kind whatsoever during the Tender process or during the execution of the contract
  - The Bidder(s) / Contractor(s) will not enter with other Bidders into any undisclosed agreement or understanding, whether formal or informal. This applies in particular to prices, specifications, certifications, subsidiary contracts, submission or non-submission of bids or any other actions to restrict competitiveness or to introduce cartelization in the bidding process.
  - The Bidder(s)/ Contractor(s) will not commit any offence under the relevant IPC/PC Act; further the Bidder(s) / Contractor(s) will not use improperly, for purposes of competition or personal gain, or pass on to others, any information or document provided by the BOB as part of the business relationship, regarding plans, technical proposals and business details, including information contained or transmitted electronically.
  - The Bidder(s) / Contractors(s) of foreign origin shall disclose the name and address of the Agents/ representatives in India, if any, Similarly the Bidder(s) /Contractors(s) of Indian Nationality shall furnish the name and address of the foreign principals, if any.
  - The Bidder(s) / Contractor(s) will, when presenting their bid, disclose any and all payments made, is committed to or intends to make to agents, brokers or any other intermediaries in connection with the award of the contract.
  - Bidder(s) / Contractor(s) who have signed the Integrity Pact shall not approach the Courts while representing the matter to IEMs and shall wait for their decision in the matter.
  - The Bidder(s) / Contractor(s) will not instigate third persons to commit offences outlined above or be an accessory to such offences.







### Section 3 - Disqualification from Tender process and exclusion from future contracts

If the Bidder(s) /Contractor(s), before award or during execution has committed a transgression through a violation of Section 2, above or in any other form such as to put their reliability or credibility in question, the BOB is entitled to disqualify the Bidder(s) / Contractor(s) from the Tender process or take action as per law in force (

### Section 4 - Compensation for Damages

- (1) If the BOB has disqualified the Bidder(s) from the Tender process prior to the award according to Section 3, the BOB is entitled to demand and recover the damages equivalent to Earnest Money Deposit/ Bid Security.
- (2) If the BOB has terminated the contract according to Section 3, or if the BOB is entitled to terminate the contract according to Section 3, the BOB shall be entitled to demand and recover from the Contractor liquidated damages of the Contract value or the amount equivalent to Performance Bank Guarantee.

### Section 5 - Previous transgression

- (1) The Bidder declares that no previous transgressions occurred in the last three years with any other Company in any country conforming to the anti-corruption approach or with any Public Sector Enterprise in India that could justify his exclusion from the Tender process.
- (2) If the Bidder makes incorrect statement on this subject, he can be disqualified from the Tender process.

### Section 6 - Equal treatment of all Bidders / Contractors / Subcontractors

- (1) In case of Sub-contracting, the Principal Contractor shall take the responsibility of the adoption of Integrity Pact by the Sub-contractor.
- (2) The BOB will enter into agreements with identical conditions as this one with all Bidders and Contractors.
- (3) The BOB will disqualify from the Tender process all bidders who do not sign this Pact or violate its provisions.

### Section 7 - Criminal charges against violating Bidder(s) / Contractor(s) Subcontractor(s)

If the BOB obtains knowledge of conduct of a Bidder, Contractor or Subcontractor, or of an employee or a representative or an associate of a Bidder, Contractor or Subcontractor which constitutes corruption, or if the BOB has substantive suspicion in this regard, the BOB will inform the same to the Chief Vigilance Officer.





### Section 8 - Independent External Monitor

- (1) The BOB appoints competent and credible Independent External Monitor, Shri Umesh Kumar (email id- umeshkumar84@rediffmail.com) and Dr. Sandeep Tripathi(email id: sandeeptrip.ifs@gmail.com) for this Pact after approval of Central Vigilance Commission. The task of the Monitor is to review independently and objectively, whether and to what extent the parties comply with the obligations under this agreement.
- (2) The Monitor is not subject to instructions by the representatives of the parties and performs his/her functions neutrally and independently. The Monitor would have access to all Contract documents, whenever required. It will be obligatory for him / her to treat the information and documents of the Bidders/Contractors as confidential.
- (3) The Bidder(s) / Contractor(s) accepts that the Monitor has the right to access without restriction to all Project documentation of the BOB including that provided by the bidder/ Contractor. The bidder/ Contractor will also grant the Monitor, upon his/ her request and demonstration of a valid interest, unrestricted and unconditional access to their project documentation. The same is applicable to Sub-contractors.
- (4) The Monitor is under contractual obligation to treat the information and documents of the Bidder(s) / Contractor(s) / Sub-contractor(s) with confidentiality. The Monitor has also signed 'Non-Disclosure of Confidential Information'. In case of any conflict of interest arising during the selection period or at a later date, the IEM shall inform BOB and recuse himself / herself from that case.
- (5) The BOB will provide to the Monitor sufficient information about all meetings among the parties related to the Project provided such meetings could have an impact on the contractual relations between the BOB and the Contractor. The parties offer to the Monitor the option to participate in such meetings.
- (6) As soon as the Monitor notices, or believes to notice, a violation of this agreement, he/ she will so inform the Management of the BOB and request the Management to discontinue or take corrective action, or to take other relevant action. The monitor can in this regard submit non-binding recommendations. Beyond this, the Monitor has no right to demand from the parties that they act in a specific manner, refrain from action or tolerate action.
- (7) The Monitor will submit a written report to the BOB officials within 15 days from the date of reference or intimation to him by the BOB and, should the occasion arise, submit proposals for correcting problematic situations.
- (8) If the Monitor has reported to the BOB, a substantiated suspicion of an offence under relevant IPC/ PC Act, and the BOB has not, within the reasonable time taken visible action to proceed against such offence or





reported it to the Chief Vigilance Officer, the Monitor may also transmit this information directly to the Central Vigilance Commissioner.

(9) The word 'Monitor' would include both singular and plural.

### Section 9 - Pact Duration

This Pact shall be effective from the date of its execution, and shall expires for the selected Contractor till the contract period, and for all other Bidders 6 months after the contract has been awarded. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

### Section 10 Other provisions

- (1) This agreement is subject to Indian Law and court of Mumbai shall have exclusive jurisdiction to entertain any matter arising out of this pact.
- (2) Changes and supplements as well as termination notices need to be made in writing.
- (3) If the Contractor is a partnership or a consortium, this agreement must be signed by all partners or consortium members.
- (4) Should one or several provisions of this agreement turn out to be invalid, the remainder of this agreement remains valid. In this case, the parties will strive to come to an agreement to their original intentions.
- (5) Issues like scope of work, Warranty / Guarantee etc. shall be outside the purview of IEMs.
- (6) In the event of any contradiction between the Integrity Pact and RFP/ RFQ/ Tender documents and its Annexure, the Clause in the Integrity Pact will prevail.

The parties hereby sign this Integrity Pact at \_\_\_\_\_ on \_\_\_\_\_

BOB

BIDDER

Name of the Officer:

Chief Executive Officer

Designation:

Department:

Date:

Date:

Place:

Place:

Witness

Witness

1. \_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

2. \_\_\_\_\_





बैंक ऑफ़ बड़ौदा *Bank of Baroda*



ANNEXURE-4

(To be given on the Company's Letter Head)

Code of Ethics

M/s \_\_\_\_\_ (Vendor/Service Provider/ Supplier/ Consultant/ Contractor) agree to comply with the Bank's Code of Ethics, available on the Bank's website>Shareholder's Corner>Policies/Codes>Our Code of Ethics, during the validity period of this agreement/contract.

Date:

Signature with Seal \_\_\_\_\_

Name & Designation \_\_\_\_\_





**ANNEXURE-5 – POLICY WORDINGS OF BANKER INDEMNITY INSURANCE POLICY - DOMESTIC (INCLUDING PLEDGED GOLD)**

**SECTION I – BANKERS BLANKET BOND**

**INSURING CLAUSE 1**

**Employee**

**Dishonesty:** By reason of:

**Loss** resulting solely and directly from dishonest, fraudulent or malicious acts or omission by any **Employee** of the **Insured** (including causing the insured not being in compliance of applicable RBI guidelines/circulars/rules/regulations and other statutory/compliance requirements) wherever committed and whether committed alone or in collusion with others, including loss of **Property** through any such acts by **Employee** with the intension either to cause the **Insured** to sustain such loss or to obtain any improper personal financial gain to said **Employee**.

**Special**

**Conditions:** Notwithstanding the foregoing, it is agreed that concerning **Loans** or **Trading** this Insuring Clause covers only such direct financial loss that results from dishonest or fraudulent acts committed by an **Employee** whereby an improper personal financial gain is obtained by such **Employee**.

Salary, fees, commissions, bonuses, salary increases, promotions, profit sharing and other emoluments or benefits including business entertainment do not constitute improper personal financial gain.

Policy to cover financial gain to any other entity/individual or to employee intended to receive such gain by dishonest Employee.

The terminal dues recovery by the bank should not be insisted upon, the bank will provide an undertaking that in case recovery is being done from the employee at any given point in time the bank will have such funds transferred to the insurer.

**INSURING CLAUSE 2**

**Premises:** By Reason of:

a. **Property** within the Premises being lost through:

- i. theft, attempted theft, larceny, false pretences, burglary, robbery or hold-up without forcible entry / exit committed by persons physically present on the premises where the **Property** is located, or
- ii. mysterious unexplainable disappearance, or
- iii. being damaged, destroyed or misplaced howsoever or by whosoever caused,
- iv. Any loss of or damage to any property whatsoever resulting directly or indirectly from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire





or Standard Fire and special perils or other convulsion of nature and contemporaneous or ensuing loss or damage by Fire, Flood or Looting .

v. Storm, Tempest & Flood.

vi. Riots, Strike & Malicious Damage, Terrorism , Naxalite , Moist attack

While such **Property** is within the **Insured's Premises**, or actually within any recognized place of safe deposit or is actually within the premises of any **Financial Organization / Business Correspondence / Business Facilitators/ Appraisers** in the usual course of business.

- b. Loss of **Property**, through any of the perils specified in the preceding paragraph, in the possession of any client or customer of the **Insured**, or of any representative of such client or customer, within the premises of the **Insured** for the purpose of transacting banking business with the **Insured**, whether or not the **Insured** is legally liable for the loss thereof subject always to General Condition 1, and excluding in any event loss caused by such client or customer or representative.
- c. Notwithstanding anything said to the contrary in the policy , it is agreed that this policy indemnifies the cost of restoration of electronics records of securities or assets which are represented by the book entries in electronic form in an ordinary course of business as a depository participants.

**Pledged / Hypothecated Goods:** By reason of:

Fraud and/or Dishonesty by the employee(s) of the Insured in respect of any goods / properties and/or commodities pledged or hypothecated to the Insured and under the Insured's control.

**Special Condition**

Fraud or stolen gold pledged by customer to insured which is then confiscated/ recovered by police &/or in cases where police demands cash / DD against the fraud or stolen gold which has been auctioned by insured due to default in payment by customer, loss to insured due to such scenarios stands covered under the policy . In case of loss due to such Confiscation / Expropriation loss would settled basis submission of "Seizure Mahzar" & no other documents is required.

### INSURING CLAUSE 3

**Transit:** By reason of:

- (a) Loss, damage or destruction of **Property** from any cause while the **Property** is in transit anywhere in the custody of an **Employee** of the **Insured** or any person designated by the **Insured** to act as its messenger or while in the custody of any **Security** or Armored Motor Vehicle Company or negligence of **Outsourced Employee** for the purpose of transportation on behalf of the **Insured**.
- (b) Any non-negotiable instruments being lost or damaged from any cause while in transit anywhere in the custody of any **Security Company**.

Special Conditions –

परिचालन एवं सेवाएँ विभाग, Operations & Services Department





Transit shall be deemed to commence from the time the transporting person receives such items from or on behalf of the Insured and shall be deemed to end immediately upon delivery to the designated recipient or its agent. Property in Transit can be made by any Mode but not limited to road, rail, air, private vehicles, personal vehicles of the employee and on foot.

#### INSURING CLAUSE 4

##### Forgery or

Alteration: By reason of:

- i. Forgery or Fraudulent Alteration of, on, or in any Cheques, Bills of Exchange, Acceptances, Drafts, Certificates of Deposit, Transfer Orders, Letters of Credit, Money Orders, Order upon Public Treasuries, Stock Redemption forms, Stock Transfer forms, Promissory Notes, Withdrawal Receipts for the withdrawal of funds and / or any other negotiable and non-negotiable instruments.
- ii. The Insured, or any Financial Organization acting on behalf of the Insured, having acted or relied upon any written instructions or advices addressed to the Insured and authorizing or acknowledging the transfer, payment, delivery or receipt of any funds or property which instructions or advices either bear a Forged Signature or have been Fraudulently Altered. Those instructions or advices which are transmitted to the Insured by electronic medium, telegram, cablegram, texted telex, Letter, Email, Fax or other similar tested instructions by a person other than the said customer, client or Financial Organization purporting to send such instructions or advices and which are received by the Insured in written form shall be deemed to bear a Forged Signature.
- iii. The Payment by the Insured of Forged or Fraudulently Altered promissory notes or of promissory notes bearing forged endorsements.

##### Special

Condition: The foregoing instruments must be in written characters and of a nature with which the Employee acting thereupon is conversant. The Insured must have relied upon the Forged Signature or the Fraudulent Alteration, either of which shall have been material and shall have caused the loss.

#### INSURING CLAUSE 5

##### Forged

Documents: By reason of:

The Insured or any Financial Organization or other authorized representative acting on behalf of the Insured having in good faith and in the ordinary course of business acted upon any KYC Documents or Similar Written Instruments which prove to be:

- i. bear a Forged Signature, or
- ii. bear a Fraudulent Alteration, or
- iii. are Counterfeit, or





iv. are lost or stolen.

Causing loss to the Bank as a liability for others (customers or institutions or regulatory authorities) will be indemnified by the insurer.

**INSURING CLAUSE 6**

**Forged**

**Securities:**

By reason of:

The **Insured** or any **Financial Organization** or other authorized representative acting on behalf of the **Insured** having in good faith and in the ordinary course of business acted upon any original **Security, Documents** or **Similar Written Instruments** which prove to be:

- i. bear a **Forged Signature**, or
- ii. bear a **Fraudulent Alteration**, or
- iii. are **Counterfeit**, or
- iv. are lost or stolen.

**Special**

**Conditions:**

- a. Actual physical possession of **Securities or Similar Written Instruments** by the **Insured** or, with respect to **Loans** in which the **Insured** participates, by the **Insured's** correspondent bank, at the time the **Insured** acts upon said items is condition precedent to recovery under this Policy. Concerning **Loans**, such physical possession must be continuous, up to and including the time that any loss by reason of such **Securities or Similar Written Instruments** is discovered.
- b. **Securities or Similar Written Instruments** which are either lodged or deposited with another Banking Institution or recognized Depository for safekeeping purposes by the **Insured** (or its correspondent bank), or are placed in the custody of a transfer or registration agent by the **Insured** (or its correspondent bank) for the purpose of exchange, conversion, registration or transfer in the usual course of business, shall be deemed to be in continuous physical possession.
- c. The foregoing **Securities or Similar Written Instruments** must be in written characters and of a nature with which the **Employee** acting thereupon is conversant. The **Insured** must have relied upon the **Forged Signature** or the **Fraudulent Alteration**, either of which shall have been material and shall have caused the loss.

**Special**

**Definitions:**

**"Securities or Similar Written Instruments"** as used herein means only the original (including original counterparts) negotiable or non-negotiable agreements in writing, having value which value is, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment; or

- (a) Share certificates, bearer stock, certificates of stock, warrants or rights to subscribe, allotment letters, bonds, debentures or coupons issued by limited companies or corporations, or
- (b) Bonds similar in form to corporate bonds issued by partnerships, which bonds are secured by mortgages, deeds of trust or collateral trust agreements, or







- (c) Government or Government Guaranteed and Local Authority stocks, certificates of indebtedness, bonds, coupons or warrants issued by the Government of any Country or by any of its respective Agencies, States, Provinces, Counties, Cities, Towns or Municipalities, or
- (d) Deeds of trust, mortgages upon real property and upon interests in real property and assignments of such mortgages, or
- (e) **Promissory Notes** except:
- (i) those issued or purporting to have been issued for use as currency, or
  - (ii) those secured or purporting to be secured directly or indirectly by assigned accounts or what purport to be assigned accounts, or
  - (iii) when payable at and paid by the **Insured**, or
- (f) **Certificates of Deposit** when pledged to the **Insured** as security for a **Loan** except **Certificates of Deposit** issued by the **Insured**, or
- (g) **Letters of Credit**.

"Counterfeit", as used herein, means the reproduction of an authentic **Security or Similar Written Instrument**, as set forth above, such that the **Insured** is deceived on the basis of the quality of the imitation so as to believe that said item is the authentic original instrument. Fictitious instruments which merely contain fraudulent misrepresentations of fact are not counterfeit.

#### INSURING CLAUSE 7

**E-Galleries / ATM / Cash Deposit Kiosk / Cash Recycle Machine/ Cah Deposit Machine/Bunch Note Acceptor and its Related Fraud:**

In consideration of the Insured having paid additional premium it is hereby declared and agreed that subject to the terms, conditions, exceptions, and limitations specified in this endorsement, the Company agrees to make good to the Insured such direct financial loss as stated hereunder, sustained by the Insured at any time and discovered by the Insured during the Policy Period and subject always to the limits of Indemnity and deductibles as stated in the within mentioned endorsement.

**i. Loss of Cash and / or items for deposit:**

By reason of any cash and/or items for deposit being lost, damaged or destroyed due to any cause, including but not limited to mysterious unexplainable disappearance, while such cash and/or items are (or are supposed to be) within any Automated Teller Machine /Cash Deposit Kiosk / Bunch Note Acceptor owned &/or operated by the Insured.

**ii. Unauthorized taking of cash and/or items for deposit**

By reason of the unauthorized taking of cash from Automated Teller Machine / Cash Deposit Kiosk / Bunch Note Acceptor as a direct result of a person either





- a. Fabricating an access or identification card or using a fabricated access or identification card.
- b. Altering an access or identification card or using an altered access or identification card.
- c. Using an access or identification card which has been lost by or stolen from the Bank or their printer or the person to whom the card was issued (including while in transit between the foregoing).

**Special**

**Definitions:** The Company shall not be liable under this Endorsement in respect of:

- i. Loss not discovered during the period of the Policy.
- ii. Loss of cash and/or items of deposit while being loaded into or being unloaded from any E-Galleries, or Automated Teller Machine /Cash Deposit Kiosk / Bunch Note Acceptor owned, rented or leased by the Insured.
- iii. Loss caused by taking of cash from an Automated Teller machine /Cash Deposit Kiosk / Bunch Note Acceptor using an access or identification card, whether issued by or on behalf of the Insured or not, unless such loss is covered under Insuring Clause 2.
- iv. Loss resulting from the complete or partial non-payment of or default upon any loan or transaction in the nature of, or amounting to, a loan made by or obtained from the Insured whether procured in good faith or trick, artifice, fraud or false pretences unless such loss is covered by Insuring Clause No. 2, in which event the amount of such loss shall be determined to be the amount of monies paid out, advanced or withdrawn less all monies received from any source whatsoever, including payments and receipts of interest, commissions and the like.
- v. Loss of potential income, including but not limited to interest and dividends.
- vi. Indirect or consequential losses of any nature or damages of any type for which the Insured may be held legally liable except direct compensatory damages arising from a loss covered under this Policy.
- vii. Loss of or damage to any property whatsoever by reason of wear and tear gradual deterioration moth vermin.
- viii. Loss or Damage by machinery breakdown or mechanical failure.
- ix. All exceptions specified in the Bankers Indemnity Policy are applicable to this Endorsement in so far as they are relevant.

**INSURING CLAUSE 8**

**Registered Postal Sendings:**

By reason of:

Loss by Robbery, Theft, or by other causes not herein excepted whilst in direct transit or intended to be dispatched by Registered Insured Post from the Office of the Insured to the Consignee provided that each post parcel shall be insured with the Post Office.

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**INSURING CLAUSE 9**

**Infidelity of Bank Appointed Valuers / Appraisers:** By reason of:

Loss due to Infidelity or Criminal Acts as well as Negligence on part of the Appraisers provided that such Appraisers are on the approved list of Appraisers maintained by the Insured

Special

**Definitions:** The term "Appraisers "as used in the policy shall be deemed to mean any professional / establishment appointed by the Insured to ascertain and arrive at numerical figure of any tangible assets against which the Insured provides funds.  
Salvage value should be deducted based on the salvage certificate issued by the assayer. If the assayer is unable to determine the percentage of original gold and an FIR is also unavailable, the salvage deduction shall be limited to a maximum of 5%

**INSURING CLAUSE 10**

**Spurious Gold:** By Reason of: Loss arising of Insured relying upon the Pledged Gold /Ornaments/ Jewelleries having kept by insured's customer as a security towards loan availed and it being spurious, fake, counterfeit, and/or sham

**Special Definitions:** Liability of appraiser will be covered under Appraiser and Spurious gold of the policy. In case of any loss due to Appraiser / Assayer, insurance claim will be payable up to total outstanding amount in borrower's accounts with interest as on date (applied or unapplied both) and all applicable charges in the account.  
Salvage value should be deducted based on the salvage certificate issued by the assayer. If the assayer is unable to determine the percentage of original gold and an FIR is also unavailable, the salvage deduction shall be limited to a maximum of 5%.

**INSURING CLAUSE 11**

**Mysterious / Unexplainable Disappearances Of Bank's Property:**

By reason of:

It is agreed that: Mysterious Disappearance &/Or unexplainable losses are limited to Theft losses of cash and /or Valuables only in the premise, not discovered or cognized immediately. However the same should be discovered within 30 days and notified immediately. A police FIR is a must in case of such losses. However this shall not include losses caused by employees

Insuring Clause 12:

**Loss of Key**

By reason of

Loss or misplaced or stolen keys, cost of keys including the cost of locksmith charges, new locks and replacement and /or associated repairs cost. The salvage in such Losses to be considered as NIL.

Insuring Clause 13:

**Cash with outsourced agency & Door-Step banking Services providers**





By reason of

Any Claim arising due to Outsource Agency with respect to Cash Handling and Door-step banking services with are been provided by the Bank to the customers covered under the Policy.

Risk cover includes Collection and delivery of cash/property from customers premises (DOOR STEP BANKING) either by Bank on its own or through Agencies engaged by the Bank

Insuring Clause 14:

Terrorist / Naxal Attack, RSMD, STFI, Earthquake & Act of God (AOG perils)

Insuring Clause 15:

To Cover Errors  
& Omissions  
/ Negligence:

In consideration of the payment of an additional premium, it is hereby agreed and declared that, notwithstanding anything in the within written policy contained to the contrary, the Policy shall extend to include Losses resulting wholly or partially from any **Errors / Omissions / Negligence of the Insured employee**

Special  
Condition

The policy shall extend to include losses resulting wholly or partially from any Errors/Omissions/ Negligence of insured Including losses arising out of Unintentional non-compliance of applicable RBI guidelines/circulars/rules/regulations and other statutory/compliance requirements by the Insured.

Insuring clause 16:

To cover losses Because of Inadequate or failed internal processes, People and systems

In consideration of the payment of an additional premium, it is hereby agreed and declared that, notwithstanding anything in the within written policy contained to the contrary, the Policy shall extend to include any losses attributable to inadequate or failed internal processes, people and systems

The "General Definitions", "General Exclusions" and "General Conditions" are applicable to the entire Policy; any "Special Definitions", "Special Exclusions" and "Special Conditions" appearing in this Policy are in addition thereto.

## General Definitions

As used throughout this policy:

1. "Automated Teller Machine" means an unmanned electronic terminal installed at the premises of the **Insured** (including stand-alone terminals), and bearing the **Insured's** designated logo or insignia, which can read the magnetic encoding of a **24 Hour Banking Card** and permits a 24 Hour banking cardholder of the **Insured** to perform certain basic financial transactions including the ability





to deposit or receive money or **Property** and to send electronic instructions to a data centre authorizing the processing of debit and credit entries to the cardholders accounts. This definition also includes cash deposit machines

2. "Bankers Acceptance" means a bill of exchange upon which is signified by the drawee his assent to the order of the drawer.
3. "Bankers Draft" means a draft payable on demand drawn by or on behalf of a bank upon itself whether payable at the Head Office or other office of the **Insured**.
4. "Bill of Exchange" means an unconditional order in writing, address by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.
5. "Contents" means furnishings, fixtures, equipment, stationery, or safes and vaults, either owned by the **Insured** or for which the **Insured** is liable including, but not limited to computers, computer programs, computer tapes, disks and other media, computer data and any other computer or computer related equipment.
6. "Certificate of Deposit" means a written acknowledgement by a bank of a deposit of funds with promise to pay to depositor to his order, or to some other person or to his order said deposit with interest on a specified date.
7. "Cheque" means a **Bill of Exchange**, drawn on a bank directing it to pay the sum specified on demand.
8. "Counterfeited" means the imitation of an instrument that is authentic such that the **Insured** is deceived on the basis of the quality of the imitation to believe that the imitation is the authentic original instrument. Fictitious instruments which merely contain fraudulent misrepresentations of fact and are genuinely signed or endorsed are not counterfeit.

For the purpose of Insuring Clause 6 (Forged Securities), **Counterfeit** shall be deemed to mean as "**Counterfeit**", as used herein, means the reproduction of an authentic **Security or Similar Written Instrument**, as set forth above, such that the **Insured** is deceived on the basis of the quality of the imitation so as to believe that said item is the authentic original instrument. Fictitious instruments which merely contain fraudulent misrepresentations of fact are not counterfeit.

9. "Custodian" means:
  - a. any party with which the **Insured** has a written or electronic agreement for the provision of purchasing services, safekeeping, registration and entitlement records for the **Insured** in connection with securities;
  - b. any regulated central securities depository or international central securities depository.

Custodian shall also include a sub-custodian, being a person or organisation involved in the provision of custodial services in relation to securities and subject to regulation and supervision by a regulatory body or agency or government, with which the custodian detailed in (a) or (b) above has a written or electronic agreement for the provision of such services.

10. "Draft" means **Bills of Exchange** payable on demand drawn by or on behalf of the bank upon itself whether payable at the head office or other offices of the **insured**.





11. "Discovered" or "Discovery" means when any Responsible Officer first becomes aware of or has any knowledge of any facts which could reasonably be foreseen to give rise to a Loss covered by this policy, even though the exact amount or details of such Loss are not known at the time of such discovery.
12. "Evidences of Debt" means instruments executed by a customer of the Insured and held by the Insured which in the regular course of business are treated as evidencing the customer's debt to the Insured including records of charges and accounts receivable.
13. "Excess" means the applicable amount specified in Item 7 of the Schedule.
14. "Extended Reporting Period" means the period immediately following the expiration of the Policy Period during which written notice may be given to the Underwriters of any Loss Discovered during such period or the Policy Period which resulted from any matter set out in the Insuring Clauses of Section A of this Policy taking place prior to the expiration of the Policy Period.
15. "Employee" or "Employees" means
  - a. The **Insured's** officers and other full and part-time staff compensated by salary or wages and whom the **Insured** has the right to govern and direct in the performance of their duties (including a Director of the **Insured** who is employed as a salaried officer or employee) while acting in the course of their employment by the **Insured** at or from the **Premises** of the **Insured**,
  - b. a Director of the **Insured** (other than one who is employed as a salaried officer or employee) but only while performing acts coming within the scope of the usual duties of an employee by resolution of the Board of Directors of the **Insured** while acting at or from the **Premises** of the **Insured**,
  - c. one or more persons, **Business Correspondence/Business Facilitators** provided by an employment contractor to perform employee duties for the **Insured** under the **Insured's** supervision; at or from any of the premises of the **Insured & Business correspondence /Business Facilitators**.
  - d. one or more of the **Insured's** retired officers or employees who have been retained by them as consultants, other than consultants involved in the **Insured's** Data Processing activities, while acting in their capacities as such consultants; and
  - e. one or more persons engaged by the **Insured** as consultants, other than consultants involved in the **Insured's** Data Processing activities, while acting in their capacity as such, and
  - f. a guest student, volunteers, work experience participants pursuing studies or duties in any of the **Insured's** premises,
  - g. contractors or special visitors expressly authorised by the **Insured** to be on the **Insured's** premises and whilst under the supervision of the **Insured**,
  - h. employees of security and maintenance contractors while such contractors are temporarily performing services for the **Insured** whilst under the **Insured's** supervision,
  - i. a person on secondment to the **Insured** from his or her employer to perform employee duties for the **Insured** under the **Insured's** supervision.
16. "Forgery" or "Forged Signature" or "Forged as to the Signature" means the handwritten signing or endorsing of the name of another person without authority or with the intent to deceive. It does not include the signing or endorsing of one's own name, with or without authority in any capacity, for any





- purpose. Mechanically or electronically produced or reproduced copies of another person's signature shall be treated the same as a handwritten signature.
17. "Fraudulent Alteration" means a material alteration to an instrument for a fraudulent purpose by a person other than the person who prepared the instrument.
18. "Financial Organization" means:
- Any bank, credit institution, financial institution, undertaking for collective investment in securities, investment firm, asset management company, building society, friendly society or similar organisation;
  - Recognized investment exchange, recognized clearing house, designated investment exchange or designated clearing house, overseas investment exchange, overseas clearing house;
  - Any regulated investment exchange or clearing house of the same type and nature as described in (b) above operating in any other country worldwide; and
  - Any **Custodian**.
19. "Instruction" means a written order to the issuer of an Uncertificated Security signed by or appearing to have been signed by the registered owner, the registered pledge or a person acting in a fiduciary capacity for the registered owner requesting that the transfer, pledge or release from pledge of the Uncertificated Security specified therein be registered.
20. "Insured" means the Insured named and stated in the Schedule of this Policy and any **Subsidiaries**
21. "Limit of Indemnity" means the Aggregate Limit of Indemnity set forth in Item 6 of the Schedule.
22. "Letter of Credit" means an engagement in writing by a bank, made at the request of a customer, that the issuer will honour drafts or other demands for payment upon compliance with the conditions specified in such Letter of Credit.
23. "Loss" means:
- The direct financial loss sustained by the Insured (or by any person or organisation following the loss of **Securities** or other property under the care, custody and control of the **Insured** or for which the **Insured** is legally liable).
  - Direct compensatory damages (but not multiples thereof) awarded to a third party or settlements negotiated with the Underwriters' consent to reimburse a third party for their direct financial loss suffered as a result of an act, omission or event covered by Section A of this Policy;
  - Interest Receivable or Payable;**
  - Claims Expenses incurred in accordance with Insuring Clause 15 (Claims Expenses);
  - Verification Costs incurred in accordance with Insuring Clause 18 (Verification Costs);
  - Legal fees, costs and expenses incurred in accordance with Condition 4 (Legal Fees, Costs and Expenses).
24. "Mysterious and unexplainable Disappearance" means Mysterious Disappearance &/Or unexplainable losses are limited to Theft losses of cash and /or Valuables only in the premise, not discovered or cognized immediately. However the same should be discovered within 15 days and notified immediately. A police FIR is a must in case of such losses. However this shall not include losses caused by employees.
25. "Premises" means the **Insured's** office at the Principal Address stated in the Schedule and any permanent or temporary or rented or leased office occupied by the **Insured**, from which the **Insured**





- conducts its business and which are included in the Proposal Form, the office of another Banking Institution or recognized Depository having custody of **Property** for safekeeping purposes or the office of a transfer or registration agent having custody of **Property** for the purpose of exchange, conversion, registration or transfer in the usual course of business.
26. "Promissory Note" means an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money to, or to the order of, a specified person or to bearer.
27. "Payment" of a promissory note means the discharge by the **Insured** of said promissory note and DOES NOT include the purchase, discount, sale, loan or advance of or on said promissory note.
28. "Payment Instruction" means a written or printed instructions addressed and sent directly to the **Insured** authorizing or acknowledging the transfer, payment or delivery of said funds or **Property**.
29. "Policy Period" means the period of time specified in Item 2 of the Schedule, or such amended period as may apply because Section A of this Policy is:
- cancelled or terminated before the expiry date; or
  - extended by endorsement.
30. "Policy" means:
- the Schedule, insuring clause(s), definitions, exclusions, conditions, and other terms contained herein, and
  - any endorsement attaching to and forming part of the Policy either at inception or during the Policy Period; and
  - the proposal.
31. "Property" means only the following tangible items: paper currency, coins, bullion, pledged gold, precious metals of all kinds and in any tangible form and articles made therefrom, gems (including uncut gemstones), precious and semi-precious stones, stamps, insurance policies, travellers cheques, **Cheques**, certificates of stock, bonds, coupons, and all other types of securities, bills of lading, warehouse receipts, trust receipts, **Bills of Exchange, Bankers Acceptances, Bankers Drafts, Certificates of Deposit, Letters of Credit, Promissory Notes**, money orders, orders upon public treasuries, title deeds, certificates of title and all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) or representing interests in money or other property (real or personal) and other valuable papers, including books of accounts and other written records used by the **Insured** in the conduct of its business in which the **Insured** has and interest, or which are held by the **Insured** for any purpose or in any capacity and whether so held gratuitously or otherwise and whether legally liable therefore or not. **Property** does not mean any electronically recorded data in any form or debits and credits to accounts.
32. "Security Company" means a company licensed by a governmental authority to transport valuable goods as a security company.
33. Securities, Documents or Similar Written Instruments shall be deemed to mean:
- original (including original counterparts) negotiable or non-negotiable agreements in writing, other than as set forth in (ii), (iii) and (iv) below, having value which value is, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment; or







- ii. original corporate, partnership or personal guarantees; or
- iii. a **Certificated Security** or a **Statement of Uncertificated Security**; or
- iv. an Instruction; or
- v. an assignment, transfer, power of attorney, stock power, or guarantee presented in connection with the transfer, pledge or release from pledge of an **Uncertificated Security** and which transfers, pledges or releases from pledge or purports to transfer, pledge or release from pledge such **Uncertificated Security**

For the purpose of Insuring Clause 6 "**Forged Securities**", the definition of "**Securities or Similar Written Instruments**" means only the original (including original counterparts) negotiable or non-negotiable agreements in writing, having value which value is, in the ordinary course of business, transferable by delivery of such agreements with any necessary endorsement or assignment; or:

- (a) Share certificates, bearer stock, certificates of stock, warrants or rights to subscribe, allotment letters, bonds, debentures or coupons issued by limited companies or corporations, or
  - (b) Bonds similar in form to corporate bonds issued by partnerships, which bonds are secured by mortgages, deeds of trust or collateral trust agreements, or
  - (c) Government or Government Guaranteed and Local Authority stocks, certificates of indebtedness, bonds, coupons or warrants issued by the Government of any Country or by any of its respective Agencies, States, Provinces, Counties, Cities, Towns or Municipalities, or
  - (d) Deeds of trust, mortgages upon real property and upon interests in real property and assignments of such mortgages, or
  - (e) **Promissory Notes** except:
    - (i) Those issued or purporting to have been issued for use as currency, or
    - (ii) Those secured or purporting to be secured directly or indirectly by assigned accounts or what purport to be assigned accounts, or
    - (iii) When payable at and paid by the **Insured**, or
  - (f) **Certificates of Deposit** when pledged to the **Insured** as security for a **Loan** except **Certificates of Deposit** issued by the **Insured**, or
  - (g) **Letters of Credit**.
34. "Theft" means burglary, robbery, hold-up, theft or larceny, and/or the dishonest physical taking and carrying away of **Property** with the intention of permanently depriving the **Assured** of the **Property**.
35. "Trading" means any dealings in securities, metals, commodities, futures, options, funds, currencies, foreign exchange, and any other instruments traded through an established securities or commodities exchange.
36. "Transaction" means:
- (a) the Policyholder consolidates with or merges into or sells all or a majority of its assets to any other person or entity or group of persons and/or entities acting in concert, resulting in the extinction of the Policyholder as an independent legal entity;
  - (b) any person or entity, or persons or entities acting in concert (other than a Subsidiary or Subsidiaries) becomes entitled to cast, or control the casting of, more than fifty percent (50%) of





- the rights to vote at general meetings of the Policyholder or control the appointment of directors who are able to exercise a majority of votes at meetings of the board of directors of the Policyholder;
- (c) the receivership, liquidation or administration of the Policyholder

37. "Withdrawal Receipt" means a written instrument acknowledging receipt of funds from an account maintained with the **Insured** by a depositor including but not limited to withdrawal slips.

WHENEVER ANY OF THE ABOVE TERMS, 1 TO 37 INCLUSIVE, APPEAR IN THIS POLICY, THE WORDS "AS DEFINED" SHALL BE DEEMED TO BE INCORPORATED IN THE TEXT IMMEDIATELY FOLLOWING EACH OF THE SAID TERMS

## General Exclusions

This Policy DOES NOT cover:

1. Any loss:
  - a. sustained prior to the Retroactive Date or any loss involving any act, transaction, or event which occurred or commenced prior to the Retroactive Date, or
  - b. discovered prior to the inception date of the Policy Period stated in the Schedule, or
  - c. discovered subsequent to the termination of this Policy, or
  - d. Notified to a prior insurer.
2. Any loss resulting wholly or partially from any act or omission of any Director of the **Insured** except to the extent that the Director is deemed to be an **Employee** within the meaning of General Definition No.14(a) or (b).
3. Any loss resulting directly or indirectly from any dishonest or fraudulent act of any **Employee** except to the extent that such loss is covered by Insuring Clause No. 1.
4. Any loss resulting wholly or partially from the complete or partial non-payment of or default upon any **Loan**, whether authorised or unauthorised, actual or fictitious and whether procured in good faith or through trick, artifice, false pretences or any other fraud, except to the extent that such loss is covered by Insuring Clause Nos. 1, 4, 5 or 6.
5. Any loss resulting wholly or partially from payments or withdrawals involving items received by the insured which are not finally paid for any reason including but not limited to forgery, Trick, artifice, false pretences or any other fraud, except to the extent that such loss is covered by Insuring Clause Employee Dishonesty and Insuring Cause Forgery & Alterations, Forged Documents and Forged Securities -clubbed together and Insuring Clause Fraudulent Mortgages or Loans. Any loss resulting from payments or withdrawals involving funds which have been transferred, paid, delivered or otherwise credited to or by the **Insured** due to error, except to the extent that such loss is covered by Insuring Clause No. 1.
6. Any loss of or damage to any item (including **Property**)
  - a. contained in customers' safe deposit boxes, or





- b. held by the **Insured** in safe custody on behalf of customers other than identifiable securities actually held by the **Insured** for said customers,

Except to the extent that such loss or damage is covered by Insuring Clause No. 1.

7. Any loss through the surrender of property as a result of a threat to do bodily harm to any person or to do damage to any property whatsoever of the **Insured** or otherwise except when:
- such threat is perpetrated by an **Employee** with the intention to obtain an improper personal financial gain to such **Employee** and such loss is covered by Insuring Clause No. 1, or
  - surrender of property occurs within the **Premises** as a direct result of a threat by a person within the **Premises** to do bodily harm to a person physically present within the **Premises** and such loss is covered by Insuring Clause No. 2, or
  - Surrender of property occurs during Transit as a direct result of a threat to do bodily harm to the transporting person or persons PROVIDED THAT when the transit was initiated, there was no knowledge by the **Insured** of any such threat and such loss is covered by Insuring Clause No. 3.
8. Any loss resulting directly or indirectly from forgery, counterfeiting or alteration, except to the extent that such loss is covered by Insuring Clause Nos. 1, 4, 5, 6 or 7.
9. Any loss resulting directly or indirectly from forgery, counterfeiting or alteration of any travellers cheques or travellers letters of credit, except to the extent that such loss is covered by Insuring Clause No. 1.
10. Any loss of unsold travellers cheques placed in the custody of the **Insured** with authority to sell except to the extent that such loss is covered by Insuring Clause Nos. 1, 2 or 3 and provided also that such cheques are later paid or honoured by the Issuer thereof and the **Insured** is legally liable for such loss.
11. Any loss of Property while in the custody of any governmental postal service except when covered under Insuring Clause No. 1.
12. Any loss of Property while in the custody of a carrier for hire (except a Security Company) except when covered under Insuring Clause No. 1.
13. Any loss resulting from any shortage in any teller's cash due to error, regardless of the amount of such shortage; and any shortage in teller's cash which is not in excess of the normal shortage in the teller's cash in the office where such shortage shall occur shall be assumed to be due to error.
14. Any loss resulting directly or indirectly from the use of credit, debit, charge, access, convenience, identification or other cards:
- in obtaining credit, or
  - in gaining access to automated mechanical devices which, on behalf of the **Insured**, disburse money, accept deposits, cash cheques, drafts or similar written instruments or make credit card loans, or
  - in gaining access to point of sale terminals, customer-bank communication terminals or similar electronic terminals of electronic funds transfer systems,





whether such cards were issued, or purport to have been issued by the **Insured** or by anyone other than the **Insured**, except when covered under Insuring Clause No. 1.

15. Any loss or deprivation of income or profits, including but not limited to loss or deprivation of interest, dividends, fees, commissions and the like.
16. Any and all damages of any description (whether fines, penalties, punitive, exemplary or other) for which the **Insured** is legally liable, other than direct compensatory damages (but not multiples thereof) awarded to a third party to reimburse said party for funds or property actually lost which represent direct financial loss covered by this Policy.
17. Indirect or consequential loss of any nature.

This Exclusion shall not apply to that part of Loss consisting of interest due on deposit(s) which have been stolen, provided always that:

- i. such deposits are held (or should have been held) in a deposit account with the **Insured**;
  - ii. If the deposit had not been stolen, such interest would in the normal course of business and under the **Insured**'s normal written terms and conditions applying to the deposit account, have accrued to such deposit; and
  - iii. there is a covered loss under this policy.
18. Costs, fees other expenses incurred by the **Insured** in defending any claim except legal fees and legal expenses of outside counsel to the extent recoverable as indicated in General Condition No. 10.
  19. Any loss of or damage to any property whatsoever by reason of wear, tear, gradual deterioration, moth or vermin.
  20. Any loss of or damage to any property whatsoever resulting directly or indirectly from typhoon, hurricane, cyclone, volcanic eruption, earthquake, subterranean fire or other convulsion of nature and contemporaneous or ensuing loss or damage by fire, flood or looting.
  21. Any loss or damage which arises directly indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power, martial law, riot or the act of any lawfully constituted Authority. IN ANY CLAIM, and in any action, suit or other proceeding to enforce a claim under this Policy for loss or damage, the BURDEN OF PROVING that such loss or damage does not fall within this General Exclusion shall be upon the **Insured**.
  22. Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising there from or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
    - a. ionising radiation 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.
  23. Any loss resulting from the input, modification or destruction of electronic data, including programs, except to the extent that such loss is covered under Insuring Clause No. 1.





24. Any loss resulting from instructions or messages sent to the **Insured** and received by or input by the **Insured** into its computer systems or into any teletype terminal, teleprinter, video display terminal or the like except to the extent that such loss is covered under Insuring Clause No. 1.
25. Any loss of **Property** while in the custody of any governmental postal service except when covered under Insuring Clause No. 1.
26. Costs, fees and other expenses incurred by the **Insured** in establishing, or attempting to establish, the existence of or amount of loss covered by this Policy.
27. Any loss resulting directly or indirectly from any items which are or purport to be bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable, or any other bills, documents or receipts similar in nature or effect or serving a similar purpose, except to the extent that such loss is covered by Insuring Clause No. 1, or except for the physical loss of any such item to the extent that such physical loss is covered by insuring Clause Nos. 2 or 3.
28. Any loss resulting wholly or partially from the failure of a financial or depository institution (or its receiver or liquidator)
- a. to pay, return or deliver funds or property held by it in any capacity, or
  - b. to reimburse the **Insured** for any loss for which the financial or depository institution or its employees are liable,
- except to the extent that such loss is covered by Insuring Clause No. 1.
29. Any loss resulting directly or indirectly from **Trading**, except to the extent that such loss is covered by Insuring Clause Nos. 1, 4, 5 or 6.
30. Any loss resulting directly or indirectly by reason of the **Insured** having arranged (or having failed to arrange) any item which is or purports to be a policy, contract or binder of insurance or reinsurance or any liability arising out of the **Insured's** involvement whether as agent or principal with respect to insurance or reinsurance of any kind, including having issued (or failed to issue) any item which is, or purports to be, a policy, certificate, cover note, contract or binder of insurance or reinsurance policy, annuity or endorsement or agreement or treaty of insurance, reinsurance or suretyship, EXCEPT, however, that this General Exclusion shall not apply to loss of premium payments or the proceeds of claims payments when such loss is directly caused by the embezzlement of such payments by **Employee** when covered under Insuring Clause No. 1.
31. **Safe Deposit Boxes**
- Any loss of or damage to any item (including **Property**):
- a. contained in customers' safe deposit boxes; or
  - b. held by the **Insured** in safe custody on behalf of customers other than identifiable securities actually held by the **Insured** for said customers,
- except to the extent that such loss or damage is covered by Insuring Clause Nos. 1 or No. 9.





## General Conditions

### 1. EXCLUSIVE POLICY BENEFIT

It is agreed that the Insurance granted hereunder shall be for the exclusive benefit only of the first named Insured in Item No. 1 of the schedule, and that in no event shall anyone other than the said Insured have any right of action under this Policy.

In the event of a claim involving more than one named **Insured**, it is agreed that not more than one of said named **Insured's** shall have a right to benefit hereunder on behalf of all **Insured's** involved in such claim.

### 2. NOTIFICATION AND DISCOVERY OF LOSS

As a condition precedent to its right to be indemnified under this Policy, the **Insured** shall, as soon as possible and in any event within thirty (30) days after discovery by the **Insured** of any loss hereunder, give written notice thereof to the Underwriters.

For the purposes of this Policy, discovery is deemed to occur at the time when the **Insured** first becomes aware of facts which would cause a reasonable person to believe that a loss of the kind covered by this Policy has been or will be incurred, regardless of when the acts, transactions or events causing or contributing to such loss occurred, and regardless of whether the **Insured's** knowledge is sufficient at such time to prove that such loss meets the terms and conditions of this Policy, and even though the amount or details of loss may not then be known.

Discovery is also deemed to occur when the **Insured** receives notice of an actual or potential claim in which it is alleged that the **Insured** is liable to a third party under circumstances which, if true, might constitute a loss of a type covered by this Policy, even though the amount or details of loss may not then be known.

All loss or losses discovered by the **Insured** which are attributable to the acts or omissions of one person, whether or not an **Employee**, or in which such person is concerned or implicated, shall be deemed to be one loss.

### 3. PROOF OF LOSS

The **Insured** shall also, within 6 months (or at an agreed time with the Underwriters) after such notification, furnish to the Underwriters affirmative proof of loss in writing together with full particulars Underwriters shall assess the claim and proof of loss promptly and in good faith.

(a) a loss for which claim is made under Insuring Clause No. 1, to identify the person responsible for the loss; to identify the specific dishonest or fraudulent acts involved in each transaction or item constituting such loss; to identify the improper personal financial gain obtained for each loan or trading transaction; and to establish that the resultant loss was directly caused by such dishonest or fraudulent acts, or

(b) a loss for which claim is made under Insuring Clause Nos. 4, 5 OR 6, involving an item which bears a **Forged Signature**, is **Counterfeit** or bears a **Fraudulent Alteration**, to establish that if such item were genuine and did not bear a **Forged Signature**, or were not **Counterfeit** or did not bear a **Fraudulent Alteration**, the **Insured** would not have sustained the loss claimed, or





- (c) a loss for which claim is made under any Insuring Clause, to establish that such loss directly resulted from the insured peril and not from economic conditions or other contributing causes.

#### 4. LEGAL PROCEEDINGS FOR RECOVERY OF LOSS

If the Underwriters, after completing their investigation, do not pay a loss for which the Insured believes the terms, conditions and other provision of this Policy entitle it to recovery hereunder, the Underwriters at the request of the Insured shall submit to the jurisdiction of any court of competent jurisdiction of the India.

Service of process in any such legal proceedings shall be made upon the person(s) named in the Schedule who are duly authorized to accept Service of Process on behalf of the underwriters. In such legal proceedings instituted against any one of the Underwriters, the other Underwriters hereon shall abide by the final judgments of such Court or of any Appellate Court in the event of appeal.

Legal proceedings for recovery of loss hereunder shall not be brought until after three months from the Insured furnishing proof of loss, as stated in General Condition No. 3, nor after the expiration of two years from the discovery of such loss.

If the said two year limitation is prohibited by any law controlling the construction of this Policy, such limitation shall be deemed to be amended so as to equal the minimum period of limitation permitted by such law.

#### 5. INTERPRETATION

The construction, interpretation and meaning of the terms, exclusions, limitations and conditions of this Policy shall be determined in accordance with the common law of India and in accordance with the English text as it appears in this Policy.

#### 6. BASIS OF VALUATION

- a. In determining the amount collectible under this Policy for any loss, all money received from any source whatsoever in connection with any matter from which a claimed loss has arisen, including payments and receipts of principal, interest, dividends, commissions and the like, whenever received, shall be deducted from the amount actually paid out, advanced, taken or otherwise lost. The value of all property received from any source whatsoever in connection with any matter from which a claimed loss has arisen, whenever received, shall likewise be deducted from the Insured's claimed loss.
- b. The value of any securities, foreign funds, currencies or precious metals for the loss of which a claim shall be made, shall be determined by their closing market value on the last business day prior to the date of discovery of the loss.

If there is no market price or value for the same on such day, then the value shall be as agreed between the Insured and the Underwriters or in default thereof by arbitration. If, however, such securities, foreign funds, currencies or precious metals are replaceable, then the Insured, subject to General Condition 14, may replace said items with the approval of the Underwriters and the value shall be the actual cost of replacement.

If this Policy is subject to a Deductible, or the Policy Limit of the Schedule remaining for the payment of any loss or losses is not sufficient in amount to identify the Insured in full for the loss of securities for which claim is made hereunder, the liability of the Underwriters under





this Policy is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount collectible under the applicable Insuring Clause of this Policy.

- c. In the case of loss of or damage to property consisting of books of accounts or other records used by the **Insured** in the conduct of its business, the Underwriters 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 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.

#### 7. LOST SECURITIES, DOCUMENTS OR SIMILAR WRITTEN INSTRUMENTS

- a. If **Securities, Documents or Similar Written Instruments** are able to be reissued then the **Insured** may reissue them, or arrange for them to be reissued, with the prior approval of the Underwriter (such approval shall not be unreasonably denied, delayed or withheld) and the value of those **Securities, Documents or Similar Written Instruments** shall be the actual cost of their reissue plus any interest charges incurred in doing so.
- b. To the extent that the Limit of Indemnity is not exhausted by the **Insured** in the reissuing of **Securities, Documents or Similar Written Instruments** in accordance with sub-clause (i) above, the direct financial loss shall also include any premium required to be paid by the **Insured** to purchase lost instrument bonds for the reissuing of duplicate **Securities, Documents or Similar Written Instruments** without reference to their total face value.
- c. The direct financial loss shall also include any sums which the **Insured** may be required to pay either during the period of the policy or any time thereafter by reason of any lost instrument bonds issued or purchased by the **Insured** as referred to in sub-clause (ii) above.
- d. The **Insured** shall pay the cost of obtaining such lost instrument bond referred to in sub-clause (iii) above for that portion of the direct financial loss which falls within the applicable retention or which is in excess of the Limit of Indemnity remaining available for the payment of direct financial loss.
- e. The Underwriter shall reimburse the **Insured** for the cost of obtaining such lost instrument bond referred to in sub-clause (iii) above for that direct financial loss which exceeds the applicable retention and is within the Limit of Indemnity.
- f. If for any reason it is not possible to re-issue **Securities, Documents or Similar Written Instruments** the value of such **Securities, Documents or Similar Written Instruments** shall be determined by the closing market value of such **Securities, Documents or Similar Written Instruments** on the day of **Discovery** of the direct financial loss (or if **Discovered** during a weekend or national holiday, on the next **Business Day** thereafter). The basis of valuation shall include any accrued interest (including coupons), dividends and privileges up to the date of **Discovery** of the direct financial loss.
- g. The valuation of **Securities, Documents or Similar Written Instruments** shall include external interest or interest charges up to the date of **Discovery** of the direct financial loss necessarily incurred by the **Insured**, or for which the **Insured** is legally liable, as the direct result of a loss of **Securities, Documents or Similar Written Instruments** covered under this Policy.







- h. In relation to **Securities, Documents or Similar Written Instruments**, the valuation of **Securities, Documents or Similar Written Instruments** shall include any loss of subscription, conversion, redemption or other similar privileges the value of such privileges shall be the closing market value of such privileges immediately preceding the expiration thereof.

#### 8. SUBROGATION, SALVAGE AND RECOVERY

It is agreed that the Underwriters upon payment of any loss hereunder shall become subrogated to all rights, title, interest and causes of action of the **Insured** in respect of such loss. At the request of Underwriters the **Insured** shall execute such documents as are necessary to transfer the **Insured's** rights, title and interest as against any person or entity.

In the case of recovery after payment of any loss hereunder, the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the **Insured's** own labour or establishment costs, shall be applied in the following order:

- to reimburse the **Insured** in full for the part, if any, of such loss which exceeds the amount of loss paid under this Policy (disregarding the amount of any Deductible applicable),
- the balance, if any, or the entire net recovery if no part of such loss exceeds the amount of loss paid under this Policy, to the reimbursement of the Underwriters,
- Finally, to that part of such loss sustained by the **Insured** by reason of the Deductible specified in the Schedule and/or to that part of such loss covered by any policy (ies) of Insurance of which this Policy is excess.

#### 9. CO-OPERATION

As a condition precedent to its right to be indemnified under this Policy, the **Insured** shall co-operate fully with the Underwriters and their appointed representatives in all matters pertaining to any loss notified hereunder. The **Insured** shall, upon request and at times and places designated by the Underwriters, provide for examination all pertinent records including audit records of its accountants and provide for interview any of its **Employees** or other persons, to the best of its ability and power. The **Insured** agrees to execute all papers and render all assistance to secure all rights, title, interest and causes of action as it may have against any person or entity in connection with any loss notified hereunder, and to do nothing to prejudice such rights or causes of action.

#### 10. LEGAL FEES AND LEGAL EXPENSES

The Underwriters shall indemnify the **Insured** against reasonable legal fees and legal expenses incurred and paid by the **Insured** with the prior approval of the Underwriters in the defence of any suit or legal proceeding brought against the **Insured**, with respect to which the **Insured** establishes that the act or acts which have been committed, or the events which have occurred, would entitle the **Insured** to recover under this Policy. Legal fees and legal expenses paid by the Underwriters in defending any suit or legal proceeding shall be applied subject to General Condition No. 6 to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.





The **Insured** shall promptly give notice to the Underwriters of the institution of any suit or legal proceeding referred to above and at the request of the Underwriters shall furnish them with copies of all pleadings and other papers therein.

If multiple causes of action are alleged in any such suit or legal proceeding some of which causes of action, if established against the **Insured**, would not constitute a collectible loss under this Policy, including without limitation claims for punitive, consequential or other non-compensatory damages then the **Insured** shall bear for its own expense the legal fees and legal expenses incurred in the defence of such alleged causes of action.

If the amount of the **Insured's** loss is greater than the amount recoverable under this Policy, or if a Deductible is applicable, or both, the liability of the Underwriters under the first paragraph of this General Condition is limited to the proportion of the legal fees and legal expenses incurred and paid by the **Insured** or by the Underwriters that the amount recoverable under this Policy bears to the total of such amount plus the amount which is not so recoverable. Such prorated amount shall be applied in reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

The Underwriters shall not be liable to indemnify the **Insured** for legal fees and legal expenses until after final judgement or settlement of any suit or legal proceeding.

The Underwriters may but are not obligated to conduct the defence of such suit or legal proceeding referred to in the first paragraph of this General Condition. At the Underwriters' election the **Insured** shall permit the Underwriters to conduct the defence of such suit or legal proceeding, in the **Insured's** name, through legal representatives of the Underwriters' selection. The **Insured** shall give all reasonable information and assistance that the Underwriters shall deem necessary to the defence of such suit or legal proceeding.

Legal fees and legal expenses paid by the Underwriters in defending any suit or legal proceeding shall be applied to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

If having elected to defend the Underwriters pay legal fees and legal expenses in excess of their proportionate share of such fees and expenses the **Insured** shall promptly reimburse the Underwriters for such excess.

The **Insured** shall not unreasonably withhold consent to a settlement by the Underwriters of any suit or legal proceeding.

## 11. LIMIT OF INDEMNITY

- (a) The total liability of the Underwriters for all loss or losses discovered during the Policy Period set forth in of the Schedule of this Policy and including legal fees and legal expenses is limited to the Aggregate Limit of Indemnity stated in the Schedule of this Policy irrespective of the total amount of such loss or losses. The Sub-Limit of any applicable Insuring Clause is in addition to the Aggregate Limit of Indemnity and the total liability of the Underwriters for all losses, including legal fees and legal expenses, concerning any such Insuring Clause with a Sub-Limit is limited to the amount of the Sub-Limit, irrespective of the total amount of such loss or losses.

The Aggregate Limit of Indemnity shall be reduced by the amount of any payment made under this Policy. Upon exhaustion of the Aggregate Limit of Indemnity by such payments the Underwriters shall have no further liability:





- (i) to indemnify the **Insured** under any Insuring Clause(s) of this Policy for any loss or losses, and
  - (ii) to indemnify the **Insured** for any legal fees and legal expenses, and
  - (iii) to continue the defence of the **Insured** in the event that the Underwriters elected to conduct the defence of any suit or legal proceedings. Upon notice by the Underwriters to the **Insured** that the Aggregate Limit of Indemnity has been exhausted, the **Insured** shall assume all responsibility for its defence at its own cost.
- (b) In addition to the Aggregate Limit of Indemnity being reduced, the Sub-Limit of any applicable Insuring Clause(s) stated in the Schedule shall be reduced by the amount of any payment made in connection with said Insuring Clause(s). Upon exhaustion of the Sub-Limit applicable to said Insuring Clause(s) by such payments the Underwriters shall have no further liability:
- (i) to indemnify the **Insured** under said Insuring Clause(s) of this Policy for any loss or losses, and
  - (ii) to indemnify the **Insured** for any legal fees and legal expenses incurred in connection with said loss or losses or in connection with said Insuring Clause(s), and
  - (iii) to continue the defence of the **Insured** in the event of the Underwriters' election to conduct the defence of any suit or legal proceeding in connection with said loss or losses. Upon notice by the Underwriters to the **Insured** that the Sub-Limit has been exhausted, the **Insured** shall assume all responsibility for its defence at its own cost.

If by reason of payments made under this policy the Aggregate Limit of Indemnity is reduced to an amount less than the amount stated for any Sub-Limit in the Schedule of this Policy, then the amount of any such Sub-Limit shall be reduced accordingly so that the total amount available under any Sub-Limit for any loss or losses, including legal fees and legal expenses, does not exceed the reduced amount remaining available under the Aggregate Limit of Indemnity.

The Aggregate Limit of Indemnity and any Sub-Limit shall not be reinstated in whole or in part by any recovery effected subsequent to any payment made under this Policy, unless such recovery is actually received by Underwriters during the period stated in the Schedule or within twelve (12) calendar months thereafter.

If a loss is covered under more than one Insuring Clause the maximum amount payable with respect to such loss shall not exceed the largest amount remaining available under any one applicable Insuring Clause.

- (c) **Lost Securities:** In the event that a loss of a security is settled through the use of lost securities bond or indemnity agreement pursuant to General Condition 7, such loss, to the extent that during the Policy Period the Underwriters are not called upon to pay under said lost securities bond or indemnity agreement, shall not reduce the Aggregate Limit of Indemnity or any Sub-Limit remaining for the payment of any loss or losses. However, any payment by the Underwriters of such loss or under such lost securities bond or indemnity agreement shall be deemed to be a payment under this Policy.

The exhaustion or reduction of the Aggregate Limit of Indemnity or any Sub-Limit shall not affect the Underwriters' obligations in connection with any lost securities bond or indemnity





agreement issued prior to the exhaustion or reduction of the Aggregate Limit of Indemnity or any applicable Sub-Limit.

## 12. MERGER OR CHANGE IN OWNERSHIP OR CONTROL OF THE BUSINESS

- a. This Policy shall immediately cease to afford any cover of any kind in the event of the liquidation (voluntary or compulsory) of the **Insured**, or the appointment of a receiver or manager, or the entering into of any scheme of arrangement or composition with creditors.
- b. The **Insured** shall immediately advise the Underwriters of:
  - i. any consolidation or merger with another business or any purchase, assignment, transfer, pledge or sale of assets or shares occasioning any change in ownership or control, whether financial or otherwise, of the business;  
or
  - ii. control of the **Insured** being taken over by any government or by officials appointed by any government or local authority.

As a condition of continuation of the Policy the **Insured** shall promptly provide the Underwriters with such further information as the Underwriters shall require and then the **Insured** shall pay such additional premium as the Underwriters may require consequent upon such change.

However, failure to report such transactions within THIRTY DAYS of the date of such transaction shall be an election by the **Insured** to terminate this Policy as of the commencement of the thirty day period. Reporting of the transaction shall not have been accomplished by the **Insured** unless acknowledged in writing by the Underwriters.

## 13. CANCELLATION OR TERMINATION

This Policy (and the Policy Period stated in the Schedule) shall terminate with or without the tender of unearned premium:

- a. Immediately in the event of the:
  - i. Underwriters refusing to continue cover following change in ownership or control of the business as set forth in General Condition 12 above; or
  - ii. **Insured** failing to report any consolidation, merger or change in ownership or control of the business or of the **Insured** as set forth in General Condition 12 above within the time required under General Condition 12 above.
- b. Immediately as to any **Employee** of the **Insured**, as soon as the **Responsible Officer** not in collusion with such **Employee** **Discovers** the commission by the **Employee** of any dishonest or fraudulent act or omission in the service of the **Insured** or otherwise, whether such act be committed before or after the date of employment by the **Insured** but without prejudice to any claim for loss of **Property** then in transit in the custody of such **Employee** before or after the date of employment by the **Insured**.
- c. 30 days after written receipt by the Underwriters of a written request from the **Insured** to terminate this Policy.
- d. Sixty days after receipt by the **Insured** of notice in writing from the Underwriters of their decision to terminate this Policy. Such notice shall be deemed to be duly received in the course of post if sent by prepaid registered post properly addressed to the Principal Address of the **Insured**.
- e. Immediately upon exhaustion of the Limit of Indemnity by one or more payments hereunder.





The Underwriters shall refund any unearned premium computed at short rate of the annual premium if terminated by the **Insured** or pro rata of the Annual premium if terminated by the Underwriters or cancelled as provided in subparagraphs (i) and (iv) aforesaid.

In the event that this Policy is terminated as provided in sub-paragraph (v) the premium charged for this Policy is deemed fully earned.

#### 14. DEDUCTIBLE

The Underwriters shall be liable only in excess of the Deductible of the applicable Insuring Clause stated in the Schedule. In the event that more than one Insuring Clause shall be applicable then the largest Deductible relating to any applicable Insuring Clause shall apply.

The Deductible shall apply to each and every loss, irrespective of the number of such losses during the Policy Period.

#### 15. RETROACTIVE PERIOD OF COVER :

The Company shall not be liable for losses not sustained within a retroactive period, Provided that in such retroactive period the insurance was continuously in force but in no event the Company shall be liable to pay any claim in respect of a loss or damage sustained prior to the retroactive date. Further provided that losses which become payable under this clause shall be subject to the terms conditions exceptions of the Policy currently in force on the date of discovery.

#### 16. REINSTATEMENT :

At all times during the period of insurance the insurance cover shall be maintained to the full extent of the respective Sum Insured, in consideration of which, upon the settlement of any loss under this Policy prorata premium at the basic rate for the unexpired period for the amount of such loss paid (not exceeding the respective Sum Insured) shall be payable by the Insured to the Company. The additional premium referred to above shall be deducted from the net claim amount payable under the Policy. Thus continuous cover to the full extent will be available, notwithstanding any previous loss for which the Company may have paid hereunder and irrespective of the fact whether additional premium as mentioned above has been actually paid or not following discovery of a loss. The intention of this clause is to ensure continuity of cover to the Insured subject only to the right of the Company for deduction from the claim amount when settled, of prorata premium to be calculated from the date of discovery of each independent loss till the expiry of the Policy under which the loss falls. Provided that the liability of the Company will be limited to twice the respective Sum Insured during the entire period of the Policy in respect of any loss or losses caused by acts and/or omission of any person(s).





**Annexure 6 - Policy wordings Banker Indemnity Insurance Policy (International Operations)**

**SECTION - 1**

**FORM K.F.A. (1981)  
BANKERS POLICY**

Whereas the Assured, named in the Schedule, has made to Us, who have hereunto subscribed our Names (hereinafter called "the Underwriters") a written Proposal which it is agreed shall form the basis of this Insurance and has paid or promised to pay the premium specified in the Schedule, all provisions of the said Schedule and the written Proposal being hereby incorporated in and forming part of this Policy.

Now We the Underwriters hereby undertake and agree, subject to the following terms, exclusions, limitations and conditions, to make good to the Assured, as stated in the Insuring Clauses, or in any amendatory endorsements attached thereto, in excess of the amounts of the deductibles stated to be applicable, such direct financial loss sustained by the Assured on or subsequent to the Retroactive Date and discovered by the Assured during the Policy Period and subject always to the Policy Limits as stated in the Schedule or in any amendatory endorsements attached thereto.

The Assured is requested to read this Policy and, if it is incorrect, return it immediately for correction.

The attention of the Assured is particularly drawn to each of the Insuring Clauses, Definitions, Exclusions and Conditions, and any amendatory endorsements of this Insurance.

In all communications the Policy Number appearing in line one of the Schedules should be quoted.

**1. Fidelity**

Loss resulting solely and directly from dishonest or fraudulent acts by Employees of the Assured committed with the manifest intent to cause the Assured to sustain such loss or to obtain a financial gain for themselves wherever committed and whether committed alone or in collusion with others, including loss of Property through any such acts by Employees.

Notwithstanding the foregoing, it is agreed that with regard to trading or other dealings in securities, commodities, futures, options, currencies, foreign exchange and the like, and loans, transactions in the nature of a loan or other extensions of credit this Policy covers only loss resulting solely and directly from the dishonest or fraudulent acts by Employees of the Assured committed with the manifest intent to make and which results in improper financial gain for themselves other than salary, fees, commissions, promotions and other similar emoluments.

**2. on Premises**

Loss of Property resulting directly from

- (a) theft, larceny, false pretences, burglary, robbery or hold-up committed by persons physically present on the premises where the Property is located, or
- (b) mysterious unexplainable disappearance, or
- (c) being damaged, destroyed or misplaced howsoever or by whomsoever caused,

while such Property is within any of the Assured's premises or actually within any recognised place of safe deposit within the countries of operations as defined in the schedule or is actually within the





premises of any of the Assured's correspondent banks or is actually within the premises of any transfer or registration agent for the purpose of exchange, conversion, registration or transfer in the usual course of business.

Loss of Property, through any of the perils specified in the preceding paragraph, in the possession of any customer of the Assured, or of any representative of such customer, within the premises of the Assured for the purpose of transacting banking business with the Assured, whether or not the Assured is legally liable for the loss thereof subject always to General Condition 1, and excluding in any event loss caused by such customer or representative.

### 3. In Transit

Loss of Property from any cause while the Property is in transit anywhere in the custody of an Employee of the Assured or any person designated by the Assured to act as its messenger or while in the custody of any Security or Armoured Motor Vehicle Company for the purpose of transportation on behalf of the Assured such transit to begin immediately upon receipt of such Property by the transporting person or persons and to end immediately upon delivery to the designated recipient or its agent.

### 4. Forgery or Alteration

Loss resulting directly from

- Forgery or Fraudulent Alteration of, on, or in any cheques, bills of exchange, acceptances, drafts, certificates of deposit, letters of credit, withdrawal receipts for the withdrawal of funds, money orders, orders upon public treasuries; or
- Having transferred, paid or delivered any funds or property or established any credit or given any value on the faith of any telegraphic, cable, or teletype instructions directed to the Assured authorising or acknowledging the transfer, payment, delivery or receipt of funds or property which instructions purport to have been sent by a customer of the Assured or by any banking institution but which instructions were sent by a person other than the said customer or banking institution purporting to send such instructions (which purported instructions shall be deemed to bear a forged signature) or have been altered without the knowledge and consent of such customer or banking institution\*.
- the Payment by the Assured of forged or fraudulently altered promissory notes or of promissory notes bearing forged endorsements.

The foregoing instruments must be in a script with which the Employee, acting upon such instrument, is conversant. Mechanically reproduced facsimile signatures shall be treated the same as handwritten signatures.

### 5. Securities

Loss resulting directly from the Assured having, in good faith and in the ordinary course of business, acted upon any original

- Share certificates, bearer stock, certificates of stock, warrants or rights to subscribe, allotment letters, bonds, debentures or coupons issued by limited companies or corporations; or
- Bonds similar in form to corporate bonds issued by partnerships which are secured by mortgages, deeds of trust or collateral trust agreements; or
- British Government and British Government Guaranteed and United Kingdom Local Authority or similar in any jurisdiction that the bank is operating as indicated in the schedule stocks.





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certificates of indebtedness, bonds, coupons or warrants issued by the Government of any country or by any of its respective Agencies, States, Provinces, Counties, Cities, Towns or Municipalities; or

- (d) Promissory notes except (i) those issued or purporting to have been issued for use as currency, (ii) those secured or purporting to be secured directly or indirectly by assigned accounts or what purport to be assigned accounts and (iii) those covered under Insuring Clause 4(c).
- (e) Deeds of trust, mortgages upon real property and upon interests in real property and assignments of such mortgages.
- (f) Certificates of deposit and letters of credit except when covered under Insuring Clause 4(a) and bills of lading subject always to General Definitions.

which prove to have been

- (i) counterfeited, or
- (ii) forged as to the signature of any maker, drawer, issuer, endorser, assignor, lessee, transfer agent or registrar, acceptor, surety or guarantor, or
- (iii) fraudulently altered, or
- (iv) lost or stolen

Actual physical possession of such securities by an Employee of the Assured is a condition precedent to the Assured's having acted upon such securities.

The foregoing instruments must be in a script with which the Employee, acting upon such instrument, is conversant. Mechanically reproduced facsimile signatures shall be treated the same as handwritten signatures.

#### 6. Counterfeit Currency

Loss by reason of the receipt by the Assured in good faith of any counterfeited or altered paper currency or coin issued or purporting to have been issued:

- (a) by the Bank of England, the Dominion of Canada, the United States of America and any Western European country; or
- b) by any country in which the Assured's office sustaining the loss is located.

#### 7. Legal Fees

The Underwriters shall indemnify the Assured for all such reasonable legal fees, costs and expenses incurred and paid by the Assured in the defence of any demand, claim, suit, or legal proceeding with respect to which the Assured establishes that the act or acts which were committed would entitle the Assured to recovery under this Policy if any loss resulted therefrom. Such indemnity shall be within the Limits specified in Item 6 of the Schedule of the Policy.

It is understood, however, that if such loss, claim or damage does not exceed the applicable deductible under item 7 of the Schedule, Underwriters are not liable for such legal fees, costs, and expenses. However, if such loss, claim or damage exceeds the deductible, or if the Assured's liability or alleged liability is greater than the amount recoverable under the Policy, then Underwriters are liable for the proportion of such legal fees, costs and expenses that the amount

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64







of such loss, claim or damage recoverable under this Policy bears to the total of such amount plus the amount which is not so recoverable including the deductible.

It is further understood that Underwriters shall not indemnify the Assured for fees, costs or other expenses (whether such fees, costs and expenses be for legal, accounting or other services) incurred by the Assured in establishing the existence of or amount of loss covered by the Policy.

The Underwriters shall be entitled at any time to take over and conduct in the name of the Assured the defence of any such demand, claim, suit or legal proceeding made against the Assured, it being understood, however, that the Assured shall not be required to contest any legal proceedings unless a Counsel (to be mutually agreed upon by the Assured and the Underwriters) shall advise that such proceedings should be contested.

#### 8. Appraiser

Cover is hereby extended to include losses arising by reason of infidelity or criminal acts on part of the appraisers provided that such appraisers are on the approved list of Appraisers maintained by the insured and further provided that the insured shall exercise reasonable precaution and safeguards in the selection and appointment of such appraisers

#### 9. Unauthorized Access

Unauthorized access means access to the Insured's computer system without authorization or exceeding authorization

### GENERAL DEFINITIONS

1. "Acceptance" means a bill of exchange upon which is signified by the drawee his assent to the order of the drawer.
2. "Assured" means the Assured named and stated in the Schedule of this Policy and any Banking Subsidiary Companies in which the Assured have a controlling interest and which are listed in the Proposal Form.
3. "Bill of Exchange" means an unconditional order in writing, addressed by one person to another, signed by the person giving it, requiring the person to whom it is addressed to pay on demand or at a fixed or determinable future time a sum certain in money to or to the order of a specified person, or to bearer.
4. "Bill of Lading" means a document of title issued by a carrier to the order of a shipper and is transferable to another person by endorsement and delivery.
5. "Certificate of Deposit" means a written acknowledgement by a bank of a deposit with promise to pay to depositor, to his order, or to some other person or to his order said deposit with interest on a specified date.
6. "Cheque" means a bill of exchange, drawn on a bank, directing it to pay the sum specified on demand.
7. "Counterfeited" means the imitation of an instrument that is authentic such that the Assured is deceived on the basis of the quality of the imitation to believe that the imitation is the authentic original instrument. Fictitious instruments which merely contain fraudulent misrepresentations of fact and are genuinely signed or endorsed are not counterfeit.
8. "Draft" means a draft payable on demand drawn by or on behalf of a bank upon itself whether payable at the Head Office or other office of the Assured.





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9. "Employee" means respectively:
- one or more of the Assured's officers, clerks, servants and other employees while employed by the Assured;  
Permanent/Temporary/ Employees on probation /Whole time/Part time/ On Rolls & Off Rolls /Vendor's employees/Contractor Employees/Sub Contractor Employees
  - one or more persons provided by an employment contractor to perform employee duties for the Assured under the Assured's supervision;
  - one or more of the Assured's retired officers or employees who have been retained by them as consultants, other than consultants involved in the Assured's Data Processing activities, while acting in their capacities as such consultants; and
  - one or more persons engaged by the Assured as consultants, other than consultants involved in the Assured's Data Processing activities, while acting in their capacity as such, and
  - a guest student pursuing studies or duties in any of the Assured's premises.
10. "Forgery" or "Forged Signature" or "Forged as to the Signature" means the signing of the name of another with intent to deceive; it does not include the signing of one's own name with or without authority, in any capacity, for any purpose.
11. "Letter of Credit" means an engagement in writing by a bank made at the request of a customer that the issuer will honour drafts or other demands for payment upon compliance with the conditions specified in the Letter of Credit.
12. "Payment" of a promissory note means the discharge by the Assured of said promissory note and DOES NOT include the purchase, discount, sale, loan or advance of or on said promissory note.
13. "Promissory Note" means an unconditional promise in writing made by one person to another signed by the maker, engaging to pay, on demand or at a fixed or determinable future time, a sum certain in money to or to the order of, a specified person or to bearer.
14. "Property" means cash (i.e. currency, coins and Bank Notes), bullion, precious metals of all kinds and in whatsoever form and articles made therefrom, gems (including uncut gem stones), precious and semi- precious stones, certificates of stock, bonds, coupons and all other types of securities, bills of lading, warehouse receipts, cheques, bills of exchange, acceptances, drafts, certificates of deposit, letters of credit, promissory notes, money orders, orders upon public treasuries, stamps, insurance policies, title deeds, certificates of title and all other negotiable and non-negotiable instruments or contracts representing money or other property (real or personal) or interests therein, and other valuable papers, including books of accounts and other records (but excluding records recorded electronically) used by the Assured in the conduct of their business, in which the Assured has an interest, or which are held by the Assured for any purpose or in any capacity and whether so held gratuitously or otherwise and whether legally liable therefore or not.
15. "Withdrawal receipts for the withdrawal of funds" means a written instrument completed on a form provided to depositors by the Assured acknowledging receipt of funds from a savings account maintained with the Assured by a depositor.

WHENEVER THE ABOVE TERMS (1 TO 15 INCLUSIVE) APPEAR IN THIS POLICY, THE WORDS "AS DEFINED" SHALL BE DEEMED TO BE INCORPORATED IN THE TEXT IMMEDIATELY FOLLOWING EACH OF THE SAID TERMS.

#### EXCLUSIONS

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This Policy DOES NOT cover:

1. Any loss not discovered AND NOTIFIED during the Policy Period and any loss sustained prior to the Retroactive Date stated in the Schedule.
2. Any loss resulting wholly or partially from any act or default of any Director of the Assured except when such Director is an Employee of the Assured and then only while such Director is performing acts coming within the scope of the usual duties of an Employee of the Assured.
3. Any loss resulting directly or indirectly from any one or more dishonest or fraudulent acts of any of the Employees of the Assured unless such loss is covered by Insuring Clause No. 1.
4. Any loss resulting directly or indirectly from the complete or partial non-payment of or default upon
  - (a) any loan or transaction in the nature of, or amounting to, a loan or extension of credit made by or obtained from the Assured, or
  - (b) any note, account, agreement or other evidence of debt assigned or sold to, or discounted or otherwise acquired by the Assured including the purchase discounting or other acquisition of false or genuine accounts or invoiceswhether procured in good faith or through trick, artifice, fraud or false pretences unless such loss is covered by Insuring Clause No. 1, No. 4 or No. 5, in which event the amount of such loss shall be determined to be the amount of monies paid out, advanced or withdrawn less all monies received from any source whatsoever, including payments and receipts of principal, interest, commissions and the like.
5. Any loss resulting directly or indirectly from payments made or withdrawals from any depositor's account against items of deposit which are not finally paid for any reason including without limiting the generality of the foregoing, cheque kiting and crossfiring, whether such payments or withdrawals were procured in good faith or through forgery, trick, artifice, fraud or false pretences or through any other means, unless such loss is covered under Insuring Clause No. 1.
6. Any loss resulting from payments made or withdrawals from any depositor's account by reason of funds having been credited erroneously by the Assured to such account, unless such loss is covered by Insuring Clause No. 1.
7. Any loss of or damage to any property whatsoever (including Property) either contained in safe deposit boxes obtained by customers from the Assured or held in safe custody for customers by the Assured unless such loss or damage is covered by Insuring Clause No. 1.
8. Any loss through the surrender of Property away from Premises of the Assured as the result of a threat
  - (a) to do bodily harm to a Director or Employee of the Assured or to any other person, except loss of Property in transit in the custody of any Employee PROVIDED THAT when such transit was initiated, there was no knowledge by the Assured of any such threat, or
  - (b) to do damage to the Assured's premises or to any property whatsoever (including Property) of the Assured or of any other person.
9. Any loss resulting directly or indirectly by reason of forgery or fraudulent alteration unless such loss is covered by Insuring Clause No. 1, No. 4, No. 5 or No. 6.
10. Any loss resulting directly or indirectly by reason of the forgery or fraudulent alteration of, on or in, any travellers cheques, travellers letters of credit, accounts receivable or assignments





thereof, warehouse or trust receipts, or receipts serving a similar purpose unless such loss is covered by Insuring Clause No. 1.

11. Any loss of unsold travellers cheques placed in the custody of the Assured with authority to sell unless the Assured is legally liable for such loss and such cheques are later paid or honoured by the Issuer thereof.
12. Any loss of Property while in the custody of any governmental postal service except when covered under Insuring Clause No. 1.
13. Any loss of Property while in the custody of a carrier for hire (except a Security or Armoured Motor Vehicle Company) except when covered under Insuring Clause No. 1.
14. Any loss resulting from any shortage in any teller's cash due to error, regardless of the amount of such shortage; and any shortage in teller's cash which is not in excess of the normal shortage in the teller's cash in the office where such shortage shall occur shall be assumed to be due to error.
15. Loss resulting directly or indirectly from the use of credit, debit, charge, access, convenience, identification or other cards
  - (a) in obtaining credit, or
  - (b) in gaining access to automated mechanical devices which, on behalf of the Assured, disburse Money, accepts deposits, cash cheques, drafts or similar written instruments or make credit card loans, or
  - (c) in gaining access to point of sale terminals, customer-bank communication terminals or similar electronic terminals of electronic funds transfer systems,

whether such cards were issued, or purport to have been issued by the Assured or by anyone other than the Assured, except when covered under Insuring Clause No. 1.

16. Loss involving automated mechanical devices which, on behalf of the Assured, disburse Money, accept deposits, cash cheques, drafts or similar written instruments or make credit card loans, unless such automated mechanical devices are situated within an office of the Assured which is permanently staffed by an Employee whose duties are those usually assigned to a bank teller, even though public access is from outside the confines of such office, but in no event shall Underwriters be liable for loss (including loss of Property)
  - (a) as a result of damage to such automated mechanical devices from vandalism or malicious mischief perpetrated from outside such office, or
  - (b) as a result of failure of such automated mechanical devices to function properly, or
  - (c) through misplacement or mysterious unexplainable disappearance while such Property is located within any such automated mechanical devices,

except when covered under Insuring Clause No. 1.

17. Any loss by reason of the Assured having acted upon any securities or written instruments (i) by reason of or in connection with any merger, consolidation or similar acquisition with, into or by the Assured or (ii) by reason of or in connection with any purchase or sale of assets or shares occasioning any change in ownership or control, whether financial or otherwise, of another business by the Assured.
18. Any and all damages of any type (whether punitive, exemplary or other) for which the Assured is legally liable, except damages representing reimbursement for direct financial loss covered





by this Policy.

19. Any loss or deprivation of potential income including but not limited to interest and dividends because of a loss covered under this Policy.
20. Costs, fees and other expenses incurred by the Assured in establishing the existence of or amount of loss covered under this Policy.
21. Indirect or consequential loss of any nature.
22. Any loss of or damage to any property whatsoever (including Property) by reason of wear, tear, gradual deterioration, moth or vermin.
23. Any loss or damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power, martial law, riot or the act of any lawfully constituted Authority. IN ANY CLAIM, and in any action, suit or other proceeding to enforce a claim under this Insurance for loss or damage, the BURDEN OF PROVING that such loss or damage does not fall within this Exclusion shall be upon the Assured.
24. (a) Any loss or destruction of or damage to any property whatsoever (including Property) or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or  
(b) Any legal liability 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.
25. Loss resulting from the input, modification or destruction of electronic data except when covered under Insuring Clause No. 1.
26. Loss resulting from instructions directed to the Assured and received by the Assured by a teletype or teleprinter terminal which is part of the Assured's computer systems.
27. Loss resulting directly or indirectly from trading or other dealings including but not limited to transactions involving the purchase, sale or exchange of securities, commodities, currencies, foreign exchange, foreign funds, futures, options and the like, whether conducted or effected by any dishonest or fraudulent act or otherwise, with or without the knowledge of the Assured, in the name of the Assured or otherwise, whether or not represented by any indebtedness or balance shown to be due the Assured on any customer's account, actual or fictitious, and notwithstanding any act or omission on the part of any Employee in connection with any account relating to such trading, indebtedness or balance, except when covered under Insuring Clause No. 4 or Insuring Clause No. 1.

#### GENERAL CONDITIONS

##### 1. Exclusive Policy Benefit

It is agreed that the Insurance granted hereunder shall be for the exclusive benefit only of the first

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named Assured in item No. 1 of the Schedule, and that in no event shall anyone other than the said Assured have any right of action under this Policy.

## 2. Discovery

This Policy applies to loss discovered by the Assured during the Policy Period. Discovery occurs when the Assured submits the FMR 1 report to Reserve Bank of India. It is warranted that the timelines for submitting the FMR 1 to RBI should be complied with as per the RBI guidelines.

Notice to the Assured of an actual or potential claim by a third party which alleges that the Assured is liable under circumstances which, if true, would create a loss under this Policy constitutes such discovery.

## 3. Notification of Loss; Proof of Loss; Legal Proceedings

As a condition precedent to their right to be indemnified under this Policy, the Assured shall, as soon as possible and in any event within 30 days after discovery by the Assured of any loss hereunder, give written notice thereof to the Underwriters.

The Assured shall also, within 6 months after such discovery, furnish to the Underwriters affirmative proof of loss in writing together with full particulars.

Legal proceedings for recovery of any loss hereunder shall not be brought after the expiration of 2 years from the discovery of such loss, except that any action or proceeding to recover hereunder on account of any judgement against the Assured in any suit shall be commenced within 2 years from the date upon which the judgement in such suit shall become final.

If the said 2 years' limitations are prohibited by any law controlling the construction of this Policy, such limitation shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

## 4. Interpretation; Forum Selection; Service of Process

The construction, interpretation and meaning of the terms, exclusions, limitations and conditions of this Policy shall be determined in accordance with the law(s) of India.

In the event that the Underwriters hereon do not pay the amount claimed by the Assured to be due hereunder, the Underwriters hereon, and the Assured shall bring suit in a Court of competent jurisdiction of England and Wales. Service of Process in any such legal proceedings shall be made upon the Person(s) named in the Schedule who are duly authorised to accept Service of Process on behalf of the Underwriters hereon. In such legal proceedings instituted against any one of the Underwriters hereon, the other Underwriters hereon shall abide by the final judgement of such Court or of any Appellate Court in the event of appeal.

## 5. Basis of Valuation

### (a) Valuation of Securities and Foreign Currencies

The value of any securities for the loss of which a claim shall be made, shall be determined by their closing market value on the last business day prior to the date of discovery of the loss or in the event of the discovery of the loss after the close of the market, by their closing market value on the day of discovery of the loss.

The value of foreign funds or currencies for the loss of which a claim shall be made, shall be determined by their mid-spot rate on the last business day prior to the date of discovery of the





loss or in the event of the discovery of the loss after the close of the market, by their mid-spot rate on the day of discovery of the loss.

If there is no market value for securities or foreign funds or currencies on the day as stated in the preceding paragraphs then the value shall be as agreed between the Assured and the Underwriters or in default thereof by arbitration. If, however, such securities or foreign funds or currencies shall be replaced by the Assured with the approval of the Underwriters, the value shall be the actual cost of replacement.

If the applicable coverage of this Policy is subject to a Deductible Amount and/or is not sufficient in amount to indemnify the Assured in full for the loss of Securities for which claim is made hereunder, the liability of the Underwriters under this Policy is limited to the payment for, or the duplication of, so much of such Securities as has a value equal to the amount of such applicable coverage.

**(b) Books of Accounts and Other Records**

In the case of loss of or damage to Property consisting of books of accounts or other records used by the Assured in the conduct of their business, the Underwriters 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 Assured in order to reproduce such books and other records.

**(c) Property other than Foreign currencies, Securities or Books of Accounts and Other Records**

In case of loss of, or damage to, any Property other than Foreign currencies, Securities, books of account or other records, or damage covered under Insuring Clause 7, the Underwriters shall not be liable for more than the actual cash value of such Property, or of items covered under Insuring Clause 7. The Underwriters may, at their election, pay the actual cash value of, replace or repair such property.

**6. Lost Instruments**

IT IS AGREED that in the event of a valid claim hereunder in respect of the loss of securities, the Assured may file a Lost Instruments Bond for the purpose of obtaining the issuance of duplicate securities.

IT IS FURTHER AGREED that subject to Underwriters' prior consent being obtained to the filing of such Lost Instruments Bond, they will indemnify the Assured for such sum or sums, not exceeding however the limits of liability expressed in this Policy which the Assured may be required to pay either during the Policy Period or any time thereafter by reason of any indemnifying agreement delivered by the Assured to the Company issuing the Lost Instrument Bond.

**7. Salvage and Recovery**

In the case of recovery on account of any loss covered under this Policy the amount recovered, after deducting the actual cost of obtaining or making such recovery but excluding the Assured's own labour and/or establishment costs, shall be applied in the following order:

- (i) To reimburse the Assured in full for the part, if any, of such loss which exceeds the amount of coverage provided by this Policy (disregarding the amount of any excess or deductible applicable).
- (ii) The balance, if any, or the entire net recovery if no part of such loss exceeds the amount of coverage provided by this Policy, to reduction of that part of such loss covered by this

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Policy, or if payment thereof shall have been made, to the reimbursement of the Underwriters.

- (iii) Finally, to that part of such loss sustained by the Assured by reason of any excess or deductible clause as specified in the Schedule and/or to that part of such loss covered by any policy(ies) of Insurance of which this Policy is excess.

#### 8. Co-operation

At Underwriters' request and at reasonable times and places designated by the Underwriters the Assured after giving notice of any loss shall

1. submit to examination by Underwriters and subscribe to the same under oath; and
2. produce for Underwriters' examination all pertinent records;
3. co-operate with Underwriters in all matters pertaining to the loss; and
4. cause all persons interested in the matter, so far as it is within the Assured's power, including employees, to submit to examination by Underwriters and subscribe to the same under oath.

The Assured shall execute all papers and render assistance to secure to Underwriters the rights and causes of action provided for herein. The Assured shall do nothing after discovery of loss to prejudice such rights or causes of action.

#### 9. Subrogation

It is agreed that the Underwriters upon payment of any loss hereunder shall become subrogated to all rights and remedies of the Assured in respect of such loss. At the request of Underwriters the Assured shall execute such documents as are necessary to transfer the Assured's rights, title and interest as against any person or entity.

#### 10. Limit of Liability

- (a) **Payment of loss under this Policy shall not reduce** the liability of the Underwriters for other losses covered by this Policy (except in respect of those Insuring Clauses which limit the Underwriters total liability for all losses during the Policy Period to the annual aggregate) PROVIDED ALWAYS (irrespective of the total amount of loss or losses or series of losses and subject always to the Policy Limits) as follows:

- (i) That the total liability of the Underwriters on account of any loss or losses or series of losses caused by acts or omissions of any person whether one of the Employees of the Assured or not, or acts or omissions in which such person is concerned or implicated (and treating all such losses up to discovery as one event), shall not exceed the Limit of Indemnity of the applicable Insuring Clause stated in the Schedule and
- (ii) that if, and only if, there be directly or indirectly no such acts or omissions, the total liability of the Underwriters on account of any loss or losses or series of losses arising out of the same event shall not exceed the Limit of Indemnity of the applicable Insuring Clause stated in the Schedule and
- (iii) that, should more than one Insuring Clause apply, the total liability of the Underwriters shall not exceed the Limit of Indemnity under one of the applicable Insuring Clauses stated in the Schedule and in no event shall each Limit of Indemnity under separate Insuring Clauses be aggregated.

- (b) **Non Cumulative Liability:** Regardless of the number of years this Insurance has been in force or may continue to be in force and of the premiums paid or payable in respect thereof the







liability of the Underwriters shall not be cumulative in amount from year to year or from period to period and in no case shall exceed the Limits stated in the Schedule.

- (c) **Deductible:** The Underwriters shall be liable only in excess of the deductible of the applicable Insuring Clause stated in Item 7 of the Schedule. In the event that more than one Insuring Clause shall be applicable then the largest deductible relating to the applicable Insuring Clause shall apply.

The deductible shall apply to the Ultimate Net Loss sustained by the Assured on or subsequent to the Retroactive Date.

- (d) **"Ultimate Net Loss"** shall mean the actual net loss to the Assured after making proper deduction for all recoveries including but not limited to payments against principal, interest and commissions and salvages (but deduction shall not be made for the amount of the deductibles which may be recoverable on specific insurance) and shall exclude all expenses for salaried Employees of the Assured incurred in the investigation or adjustment of claims, actions or proceedings, unless specially agreed by the Underwriters but nothing in this Policy shall be construed to mean that a claim is not recoverable hereunder until the Ultimate Net Loss has been ascertained.

#### 11. Merger or Change in Ownership or Control of the Business

- (a) This Policy shall immediately cease to afford any cover of any kind in the event of the liquidation (voluntary or compulsory) of the Assured, or the appointment of a Receiver or Manager, or the entering into of any Scheme of Arrangement or composition with creditors.
- (b) The Assured shall immediately advise the Underwriters of
- (i) any consolidation or merger with another business or any purchase, assignment, transfer, pledge or sale of assets or shares occasioning any change in ownership or control, whether financial or otherwise, of the business
- or
- (ii) control of the Assured being taken over by any Government or by officials appointed by any Government or Local Authority.

As a condition of continuation of the Policy the Assured shall promptly provide the Underwriters with such further information as the Underwriters shall require and then the Assured shall pay such additional premium as the Underwriters may require consequent upon such change.

However, failure to report such transactions within THIRTY DAYS of the date of such transaction shall be an election by the Assured to terminate this Policy as of the commencement of the thirty day period. Reporting of the transaction shall not have been accomplished by the Assured unless acknowledged in writing by the Underwriters.

#### 12. Cancellation or Termination

This Policy (and the Policy Period stated in the Schedule) shall terminate with or without the tender of unearned premium

- (i) Immediately in the event of the
- (a) Underwriters refusing to continue cover following change in ownership or control of the business as set forth in General Condition 11 above

or

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- (b) Assured failing to report any consolidation, merger or change in ownership or control of the business or of the Assured as set forth in General Condition 11 above within the time required under General Condition 11 above.
- (ii) Immediately as to any Employee of the Assured, as soon as the Assured or any partner, director or officer thereof not in collusion with such Employee shall have knowledge or information that such Employee has committed any dishonest or fraudulent act in the service of the Assured or otherwise, whether such act be committed before or after the date of employment by the Assured but without prejudice to any claim for loss of Property then in transit in the custody of such Employee before or after the date of employment by the Assured.
- (iii) Upon receipt by the Underwriters of a written request from the Assured to terminate this Policy.
- (iv) Sixty days after receipt by the Assured of notice in writing from the Underwriters of their decision to terminate this Policy. Such notice shall be deemed to be duly received in the course of post if sent by prepaid registered post properly addressed to the Head Office of the Assured.

The Underwriters shall refund any unearned premium computed at short rate of the Annual premium if terminated by the Assured or pro rata of the Annual premium if terminated by the Underwriters or cancelled as provided in subparagraphs (i) and (iv) aforesaid.

### 13. Rights After Termination or Cancellation

At any time prior to the termination or cancellation of this Policy as an entirety by Underwriters, the Assured may notify Underwriters that it desires under this Policy an additional period of 90 (ninety) days within which to discover loss sustained by the Assured prior to the effective date of such termination or cancellation and shall pay an additional premium therefor.

In the event that the Assured terminates or cancels this Policy as an entirety then upon receipt of such notice from the Assured, Underwriters in their sole discretion shall determine whether they shall give such additional period of time. If given such additional period of time shall terminate immediately

- (a) on the effective date of any other insurance obtained by the Assured, its successor in business or any other party, replacing in whole or in part the insurance afforded by this Policy, whether or not such other insurance provides coverage for loss sustained prior to its effective date, or
- (b) upon any takeover of the Assured's business by any Governmental official or agency, or by any receiver or liquidator, acting or appointed for this purpose

without the necessity of Underwriters giving notice of such termination.

In the event that Underwriters terminate or cancel this Policy as an entirety then upon receipt of such notice from the Assured Underwriters shall give their written consent thereto, provided however that such additional period of time shall terminate immediately as stated in paragraphs (a) and (b) above without the necessity of Underwriters giving notice of such termination. In the event that such additional period of time is terminated, as provided above Underwriters shall refund any unearned premium.

The right to purchase such additional period for the discovery of loss may not be exercised by any Governmental official or agency, or by any receiver or liquidator, acting or appointed to take over the Assured's business for the operation or for the liquidation thereof or for any other purpose.





#### 14. Other Insurance or Indemnity

This Insurance does not cover any loss which at the time when such loss is discovered is insured by or would but for the existence of this Policy, be insured by any other existing policy or policies except in respect of any excess (not exceeding the Limits of this Policy) beyond the amount which would have been payable under such other policy or policies including any deductible applicable thereunder had this Insurance not been effected.

This Insurance shall apply only as excess over any insurance, whether such other insurance is stated to be primary, contributing, excess or contingent, and/or indemnity obtained by the Assured or by a Security or Armoured Motor Vehicle Company or by another entity on whose premises the loss occurred or which employed the person causing the loss or the messenger conveying the Property involved.

#### 15. Superseded Cover

With respect to any loss set forth in General Condition (10) (a) Limit of Liability of this Policy which is recoverable or recovered in whole or in part under any other bonds or policies issued by Underwriters to the Assured or to any predecessor in interest of the Assured and terminated or cancelled or allowed to expire and in which the period for discovery has not expired at the time any such loss thereunder is discovered, the total liability of the Underwriters under this Policy and under such other bonds or policies shall not exceed, in the aggregate, the amount carried hereunder on such loss or the amount available to the Assured under such other policies, as limited by the terms and conditions thereof, for any such loss if the latter amount be the larger.

If the coverage of this Policy supersedes in whole or in part the coverage of any other bonds or policies of insurance issued by an Insurer other than the Underwriters and terminated, cancelled or allowed to expire, the Underwriters, with respect to any loss sustained prior to such termination, cancellation or expiration and discovered within the period permitted under such other bonds or policies for the discovery of loss thereunder, shall not be liable under this Policy for any such loss sustained prior to inception of this Policy anything to the contrary in such other bonds or policies notwithstanding.

#### 16. Fraud

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

### SECTION - 2

#### LLOYD'S ELECTRONIC AND COMPUTER CRIME POLICY

(WORLDWIDE 1998 FORM)

**WHEREAS** the Assured, named in the Schedule, has made to Us, who have hereunto subscribed our Names (hereinafter called "the Underwriters"), a written proposal which written proposal and any attachments thereto or any information submitted in connection therewith (hereinafter collectively called the "Proposal Form") it is agreed shall form the basis of this Insurance, and has paid or promised to pay the premium stated in the Schedule, all provisions of the Proposal Form and said Schedule being hereby incorporated in and forming part of this Policy.

**NOW WE THE UNDERWRITERS** hereby undertake and agree, subject to the following terms, exclusions, limitations and conditions or any amendatory endorsements annexed hereto, to make good to the Assured, as stated in the Schedule, such direct financial loss sustained by the Assured subsequent to the Retroactive Date and discovered by the Assured during the Policy Period and subject





always to the Aggregate Limit of Indemnity, Sub-Limits and Deductibles as stated in said Schedule.

The Assured is requested to read this Policy and, if it is incorrect, return it immediately for correction.

The attention of the Assured is drawn particularly to each of the Insuring Clauses, Definitions, Exclusions, General Conditions and amendatory endorsements of this Insurance.

In all communications the Policy Number appearing in the Schedule should be quoted.

### INSURING CLAUSES

#### 1. COMPUTER SYSTEMS

By reason of the Assured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of

- (a) the fraudulent input of Electronic Data directly into:
- (1) the Assured's Computer System; or
  - (2) a Service Bureau's Computer System; or
  - (3) any Electronic Funds Transfer System; or
  - (4) a Customer Communication System; or
- (b) the fraudulent modification or the fraudulent destruction of Electronic Data stored within or being run within any of the above systems or during Electronic Transmission to the Assured's Computer System or a Service Bureau's Computer System; or
- (c) the fraudulent input of Electronic Data through a Telephone Banking System directly into the Assured's Computer System

which fraudulent acts were instructed by or committed by a person who intended to cause the Assured to sustain a loss or to obtain financial gain for himself or any other person.

#### 2. ELECTRONIC COMPUTER PROGRAMS

By reason of the Assured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of the fraudulent preparation or the fraudulent modification of Electronic Computer Programs which fraudulent acts were instructed by or committed by a person who intended to cause the Assured to sustain a loss or to obtain financial gain for himself or any other person.

#### 3. ELECTRONIC DATA AND MEDIA

By reason of

- A. malicious alteration or destruction or attempt thereof of Electronic Data by any person while the Electronic Data are stored within the Assured's Computer System or a Service Bureau's Computer System or while recorded upon Electronic Data Processing Media within the offices or premises of the Assured or in the custody of a person designated by the Assured to act as its messenger (or a person acting as messenger or custodian during an emergency arising from the incapacity of such designated messenger) while the Electronic Data Processing Media upon which such Electronic Data are recorded is in transit anywhere, such transit to begin immediately upon receipt of such Electronic Data Processing Media by said messenger and to end immediately upon delivery to the





designated recipient or its agent, provided that the Assured is the owner of such Electronic Data Processing Media or is legally liable for such loss or damage;

- B. Electronic Data Processing Media being lost, damaged or destroyed as the direct result of robbery, burglary, larceny, theft, misplacement or mysterious unexplainable disappearance or malicious act while the Electronic Data Processing Media is lodged or deposited within offices or premises located anywhere, or in the custody of a person designated by the Assured to act as its messenger (or a person acting as a messenger or custodian during an emergency arising from the incapacity of such designated messenger) while the Electronic Data Processing Media is in transit anywhere, such transit to begin immediately upon receipt of such Electronic Data Processing Media by said messenger and to end immediately upon delivery to the designated recipient or its agent, provided that the Assured is the owner of such Electronic Data Processing Media or is legally liable for such loss or damage; and
- C. Malicious alteration or destruction of Electronic Computer Programs while stored within the Assured's Computer System, provided that the Assured is the owner of such Electronic Computer Programs or is legally liable for such loss or damage.

#### 4. COMPUTER VIRUS

By reason of

- A. the Assured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value as the direct result of the destruction or attempt thereof of the Assured's Electronic Data due to a Computer Virus caused by any person while such Electronic Data are stored within the Assured's Computer System or a Service Bureau's Computer System; and
- B. the destruction or attempt thereof of the Assured's Electronic Data as the result of a Computer Virus caused by any person while such Electronic Data are stored within the Assured's Computer System or a Service Bureau's Computer System,

#### 5. ELECTRONIC AND TELEFACSIMILE COMMUNICATIONS

By reason of the Assured having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value on the faith of any electronic communications directed to the Assured authorising or acknowledging the transfer, payment, delivery, or receipt of funds or property which communications were transmitted or appear to have been transmitted

- (1) through an Electronic Communication System, or  
(2) by Telefacsimile, telex, TWX or similar means of communication

directly into the Assured's Computer System or to the Assured's Communications Terminal and fraudulently purport to have been sent by a customer, Automated Clearing House, an office of the Assured, or another financial institution but which communications were either not sent by said customer, Automated Clearing House, an office of the Assured, or another financial institution or were fraudulently modified during the physical transit of Electronic Data Processing Media to the Assured or during Electronic Transmission to the Assured's Computer System or to the Assured's Communications Terminal.

#### Special Condition

All Telefacsimile, telex, TWX or similar means of communication referred to in paragraph (2) above must be Tested or subject to a call-back to an authorised person other than the individual

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initiating the transfer request and any such Telefacsimile must also bear a Forged Signature or Fraudulent Alteration.

#### 6. ELECTRONIC TRANSMISSIONS

By reason of a customer of the Assured, an Automated Clearing House or another financial institution having transferred, paid or delivered any funds or property, established any credit, debited any account or given any value

- (a) on the faith of any electronic communications purporting to have been directed by the Assured to its customer, an Automated Clearing House or a financial institution authorising or acknowledging the transfer, payment, delivery or receipt of funds or property which communications were transmitted or appear to have been transmitted
- (1) through an Electronic Communication System, or
  - (2) by Tested Telefacsimile, Tested telex, Tested TWX or similar means of Tested communication

directly into a Computer System or a Communications Terminal of said customer, Automated Clearing House or financial institution and fraudulently purport to have been sent by the Assured or were the direct result of fraudulent modification of Electronic Data during physical transit of Electronic Data Processing Media from the Assured or during Electronic Transmission from the Assured's Computer System or the Assured's Communications Terminal; or

- (b) as the direct result of the fraudulent input the fraudulent modification or the fraudulent destruction of Electronic Data stored within or being run within the Assured's Computer System or during Electronic Transmission from the Assured's Computer System into the customer's Computer System while the Assured is acting as a Service Bureau for the said customer; and

for which loss the Assured is legally liable to the customer, the Automated Clearing House or the financial institution,

#### 7. ELECTRONIC SECURITIES

By reason of a Central Depository having transferred, paid or delivered any funds or property or debited any account of the Assured on the faith of any electronic communications purporting to have been directed by the Assured to the Central Depository authorising the transfer, payment or delivery of said funds or property or the debiting of the Assured's account in connection with the purchase, sale, transfer or pledge of an Electronic Security which communications were transmitted or appear to have been transmitted

- (1) through an Electronic Communication System, or
- (2) by Tested Facsimile, Tested telex, Tested TWX or similar means of Tested communication

directly into a Computer System or a Communications Terminal of said Central Depository and fraudulently purport to have been sent by the Assured to the Central Depository but which communications were either not sent by the Assured to the Central Depository or were fraudulently modified during physical transit of Electronic Data Processing Media from the Assured or during Electronic Transmission from the Assured's Computer System or the Assured's Communications Terminal to the Central Depository and for which loss the Assured is





legally liable to the Central Depository.

#### B. VOICE INITIATED TRANSFERS

By reason of

- A. the Assured having transferred any funds or delivered any property on the faith of any voice initiated instructions directed to the Assured authorising the transfer of funds or delivery of any property in a Customer's account to other banks for the credit to persons allegedly designated by the Customer and which instructions were made over the telephone to those employees of the Assured specifically authorised to receive said instructions at the Assured's offices and fraudulently purport to have been made by a person authorised and appointed by a Customer to request by telephone the transfer of such funds or delivery of such property but which instructions were not made by said Customer or by any officer, director, partner or employee of said Customer or were fraudulently made by an officer, director, partner or employee of said Customer whose duty, responsibility or authority did not permit him to make, initiate, authorise, validate or authenticate Customer voice initiated instructions, which fraudulent acts were committed by said person who intended to cause the Assured or the Customer to sustain a loss or to obtain financial gain for himself or any other person.
- B. the Assured having transferred any funds or delivered any property on the faith of any voice initiated instructions purportedly communicated between the Assured's offices authorising the transfer of funds or delivery of property in a Customer's account between the Assured's offices for the credit to persons allegedly designated by the Customer and which instructions were purportedly made over the telephone between the Assured's offices by those employees of the Assured specifically authorised to receive said inter-office instructions by telephone, and fraudulently purport to have been made by an employee of the Assured authorised to request by telephone such transfer of funds or delivery of property, but which fraudulent acts were committed by a person other than an employee of the Assured who intended to cause the Assured or the Customer to sustain a loss or to obtain financial gain for himself or any other person.

#### SPECIAL DEFINITION

"Customer" as used in this Insuring Clause means any corporate, partnership or trust customer or similar business entity which has a written agreement with the Assured for customer voice initiated funds transfers, which agreement shall be in the form of a corporate resolution containing a list of individuals authorised to initiate and authenticate voice initiated funds transfers, which list must specify the telephone numbers as well as monetary limits for all initiators/authenticators. Such written agreement shall also outline the terms and conditions under which the service is provided including a limitation of liability by the Assured.

#### SPECIAL CONDITION

All voice initiated instructions purportedly received from a customer for the transfer of funds or property must be Tested or subject to a call-back to an authorised person other than the individual initiating the transfer request.

#### DEFINITIONS

- 1) "Assured" means the Assured first named in the Schedule and any wholly owned companies engaged in banking that are named in the Proposal Form and Schedule. It does not mean or include any
- (a) non-wholly owned banking subsidiary company, or

परिचालन एवं सेवाएँ विभाग, Operations & Services Department





- (b) non-banking subsidiary company unless such subsidiary company is named in the Proposal Form and Schedule with its principal business activity and the first named Assured's shareholding interest so indicated
- (2) "Assured's Computer Systems" means those Computer Systems operated by the Assured and which are either owned or leased by the Assured.
- (3) "Automated Clearing House" means any corporation or association which operates an electronic clearing and transfer mechanism for the transfer of preauthorized recurring debits and credits between financial institutions on behalf of the financial institutions' customers.
- (4) "Central Depository" means any clearing corporation, including any Federal Reserve Bank of the United States, where as the direct result of an electronic clearing and transfer mechanism entries are made on the books reducing the account of the transferor, pledgor or pledgee and increasing the account of the transferee, pledgee or pledgor by the amount of the obligation or the number of shares or rights transferred, pledged or released, which clearing corporation is declared in the Proposal Form.
- (5) "Communications Terminal" means any teletype, teleprinter, video display terminal, or telefacsimile machine or similar device capable of sending and/or receiving information electronically, whether or not equipped with a keyboard or mouse.
- (6) "Computer System" means a computer suitable for multi-use applications that is capable of directing hardware, software and data resources according to Electronic Computer Programs formulated and introduced to the computer's operating system by the user. All input, output, processing, storage and communication facilities including related communication or open systems networks which are physically connected to such a device, as well as the device's off-line media libraries, are deemed to be part of said computer system. It does not include those computers suitable solely for single use applications.
- (7) "Computer Virus" means a set of unauthorised instructions, programmatic or otherwise, that propagate themselves through the Assured's Computer System and/or networks which instructions were maliciously introduced by a person other than by an identifiable employee.
- (8) "Customer Communication System" means all communications systems as declared in the Proposal Form which provide customers of the Assured with direct access to the Assured's Computer System.
- (9) "Electronic Communication System" means electronic communication operations by Fedwire, Clearing House Interbank Payment System (CHIPS), Society for Worldwide Interbank Financial Telecommunication (SWIFT), Clearing House Automated Payment System (CHAPS), the funds transfer system for the transfer of preauthorized recurring debits and credits of an Automated Clearing House Association which is a member of the National Automated Clearing House Association and similar automated communication systems as declared in the Proposal Form.
- (10) "Electronic Computer Programs" means computer programs, i.e., facts or statements converted to a form usable in a Computer System to act upon Electronic Data.
- (11) "Electronic Data" means facts or information converted to a form usable in a Computer System and which is stored on Electronic Data Processing Media for use by computer programs.







- (12) "Electronic Data Processing Media" means tapes or discs or other bulk media, whether magnetic or optical, on which Electronic Data are recorded.
- (13) "Electronic Funds Transfer Systems" means those systems which operate automated teller machines or point of sale terminals and include any shared networks or facilities for said system in which the Assured participates.
- (14) "Electronic Security" means a share, participation or other interest in property of or an enterprise of the issuer or an obligation of the issuer which
- (1) is a type commonly dealt in upon securities exchanges or markets; and
  - (2) is either one of a class or series or by its terms is divisible into a class or series of shares, participations, interests or obligations; and
  - (3) (a) is not represented by an instrument, or  
(b) is part of a master or global certificate, or  
(c) represents a paper certificate that has been surrendered by a financial institution and which paper certificate has been combined into a master depository note and the paper certificates are immobilised
- and such security is shown as an electronic entry on the account of the transferor, pledgor or pledgee on the books of a Central Depository.
- (15) "Electronic Transmission" means the transmission of Electronic Data through data communication lines including by satellite links, radio frequency, infrared links or similar means used for the transmission of Electronic Data.
- (16) "Evidences of Debt" means instruments executed by a customer of the Assured and held by the Assured which in the regular course of business are treated as evidencing the customer's debt to the Assured including records of charges and accounts receivable.
- (17) "Forged Signature" means the handwritten signing of the name of another genuine person or a copy of said person's signature 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.
- (18) "Fraudulent Alteration" means the material alteration to a Telefacsimile for a fraudulent purpose by a person other than the person who signed and prepared the instrument.
- (19) "Service Bureau" means a natural person, partnership or corporation authorised by written agreement to perform data processing services using Computer Systems.
- (20) "Service Bureau's Computer System" means those Computer Systems operated by a Service Bureau and which are either owned by or leased to a Service Bureau.
- (21) "Telefacsimile" means a system for transmitting written documents by means of electronic signals over telephone lines to equipment maintained by the Assured within a specially secured area for the purpose of reproducing a copy of said document.
- (22) "Telephone Banking System" means a telephone banking system as declared in the proposal form which provides customers of the Assured with direct access to the Assured's Computer System via an automated touch tone telephone service and which requires the use of a Tested code in order to effect any banking transactions but does





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not mean a private branch exchange, voice mail processor, automated call attendant or a computer system with a similar capacity used for the direction or routing of telephone calls in a voice communications network.

- (23) "Tested" means a method of authenticating the contents of a communication by affixing thereto a valid test key which has been exchanged between the Assured and a customer, Automated Clearing House, Central Depository, another financial institution or between the offices of the Assured for the purpose of protecting the integrity of the communication in the ordinary course of business.

WHENEVER ANY OF THE ABOVE TERMS, (1) TO (23) INCLUSIVE, APPEAR IN THIS POLICY, THE WORDS "AS DEFINED HEREIN" SHALL BE DEEMED TO BE INCORPORATED IN THE TEXT IMMEDIATELY FOLLOWING EACH OF THE SAID TERMS.

### EXCLUSIONS

This Policy does not cover:

- (1) Loss resulting from any of the perils covered by the Assured's Financial Institution Bond.
- (2) Loss caused by an identifiable director or employee of the Assured or by a person or persons in collusion with said director or employee of the Assured.  
Prior knowledge by any employee that a fraudulent act by a person or persons, not in the employ of the Assured, has been or will be perpetrated, shall for the intent and purpose of this Policy be deemed to be collusion should said employee wilfully or deliberately withhold this knowledge from the Assured. The withholding of knowledge from the Assured by an employee because of a threat to do bodily harm to any person or to do damage to the premises or property of the Assured shall not be deemed to be or to constitute collusion.
- (3) Loss of potential income, including but not limited to interest and dividends.
- (4) Indirect or consequential loss of any nature.
- (5) Liability assumed by the Assured by agreement under any contract unless such liability would have attached to the Assured even in the absence of such agreement.
- (6) All fees, costs and expenses incurred by Assured
  - (a) in establishing the existence of or amount of loss covered under this Policy; or
  - (b) as a party to any legal proceeding except as provided by General Condition 6.
- (7) Any loss or damage which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities or warlike operations (whether war has been declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power, martial law, riot or the act of any lawfully constituted Authority. IN ANY CLAIM, and in any action, suit or other proceeding to enforce a claim under this Policy for loss or damage, the BURDEN OF PROVING that such loss or damage does not fall within this Exclusion shall be upon the Assured.
- (8) Any loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

परिचालन एवं सेवाएँ विभाग, Operations & Services Department

82





- (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.
- (9) Loss as a result of a threat
- (a) to do bodily harm to any person, except loss of Electronic Data Processing Media or Electronic Data in transit in the custody of any person acting as messenger provided that when such transit was initiated there was no knowledge by the Assured of any such threat, or
- (b) to do damage to the premises or property of the Assured.
- (10) Loss of Electronic Data Processing Media or Electronic Data while in the mail or with a carrier for hire other than an armoured motor vehicle company.
- (11) Loss of Electronic Data, Electronic Data Processing Media or Electronic Computer Programs except as provided for under General Condition 11.
- (12) Loss resulting directly or indirectly from
- (a) written instructions or advices, or
- (b) telegraphic or cable instructions or advices, or
- (c) instructions or advices by voice over telephone, unless such instructions are covered under Insuring Clause 8, or
- (d) Telefacsimile instructions or advices unless said Telefacsimile instructions or advices are covered under Insuring Clause 5, 6 or 7.
- (13) Loss resulting directly or indirectly from forged, altered or fraudulent negotiable instruments, securities, documents or written instruments used as source documentation in the preparation of Electronic Data or manually keyed in a data terminal.
- (14) Loss of negotiable instruments, securities, documents or written instruments except as converted to Electronic Data and then only in that converted form.
- (15) Loss resulting directly or indirectly from the accessing of any confidential information including but not limited to trade secret information, computer programs or customer information.
- (16) Loss resulting from mechanical failure, faulty construction, error in design, latent defect, wear or tear, gradual deterioration, electrical disturbance, Electronic Data Processing Media failure or breakdown or any malfunction or error in programming or errors or omissions in processing.
- (17) Loss resulting directly or indirectly from the fraudulent preparation, fraudulent modification or destruction of Electronic Computer Programs unless covered under Insuring Clause 2, 3 or 4.
- (18) Loss by reason of the input of Electronic Data at an authorised electronic terminal of an Electronic Funds Transfer System or a Customer Communication System by a customer or other person who had authorised access to the customer's authentication mechanism.
- (19) Loss resulting from fraudulent features contained in Electronic Computer Programs developed for sale to or that are sold to multiple customers at the time of their acquisition





- from a vendor or consultant.
- (20) Loss resulting directly or indirectly from any Computer Virus unless covered under Insuring Clause 4.
- (21) Any loss
- (a) sustained prior to the Retroactive Date or any loss involving any act, transaction, or event which occurred or commenced prior to the Retroactive Date, or
  - (b) discovered prior to the inception date of the Policy Period stated in the Schedule, or
  - (c) discovered subsequent to the termination of the Policy, or
  - (d) notified to a prior insurer.
- (22) Loss resulting directly or indirectly from a Telephone Banking System or from or arising out of the authorised or unauthorised use of a private branch exchange, voice mail processor, automated call attendant or a computer system with a similar capacity used for the direction or routing of telephone calls in a voice communications network or a cellular phone system, unless covered under Insuring Clause 1(c).

#### GENERAL CONDITIONS

##### 1. COMPANION POLICY

The Lloyd's Electronic and Computer Crime Policy is designed to be a companion policy to the Assured's Financial Institution Bond and is intended to provide coverage for computer related crime as defined in the Insuring Clauses which is not covered under the Assured's Financial Institution Bond. Since certain Underwriters who are underwriting the Lloyd's Electronic and Computer Crime Policy may also be underwriting the Assured's Financial Institution Bond by either primary insurance, excess insurance or other contributing insurance or reinsurance and since it is their intention not to increase or double their coverage to the Assured it is agreed that this Policy will not be deemed to be excess or co-insuring coverage.

##### 2. NOMINEES

Loss sustained by any nominee organised by the Assured for the purpose of handling certain of its business transactions and composed exclusively of its officers, clerks or other employees shall, for all the purposes of this Policy, be deemed to be loss sustained by the Assured.

##### 3. ADDITIONAL OFFICES, COMPUTER SYSTEMS - CONSOLIDATION, MERGER OR PURCHASE BY THE ASSURED OF ANOTHER BUSINESS

If the Assured shall, during the Policy Period establish any new branch offices or add to the Assured's Computer System, other than by merger or consolidation with, or purchase or other acquisition of the assets of another business, such branch offices or addition to the Assured's Computer System shall be automatically covered hereunder from the dates of their establishment, without the requirement of notice to the Underwriters or the payment of additional premium for the remainder of the Policy Period.

In the event that the Assured shall during the Policy Period merge or consolidate with, or purchase, or otherwise acquire, the assets of another business, this Policy shall not afford any coverage of any kind for loss which either





- (a) has occurred or may subsequently occur in any office or premises; or
- (b) has arisen or may arise out of the assets or liabilities or other exposures

acquired by the Assured, as the result of such merger, consolidation, purchase or acquisition, unless the Assured shall

- (i) give written notice to the Underwriters, prior to the effective date, of such merger, consolidation, purchase or acquisition, and
- (ii) promptly provide the Underwriters with all such further information as the Underwriters may require, and
- (iii) obtain the written consent of the Underwriters to extend the coverage provided by this Policy in respect of such merger, consolidation, purchase or acquisition, and
- (iv) give written notice to the Underwriters of its agreement to the terms and conditions of coverage which are required by the Underwriters consequent upon such merger, consolidation, purchase or acquisition, and
- (v) pay to the Underwriters any additional premium.

Failure to give notice to the Underwriters in accordance with paragraph (i) above or failure of the Assured to notify the Underwriters of its agreement in accordance with paragraph (iv) above shall be an election by the Assured not to continue coverage.

Notification to the Underwriters, as herein required, shall not have been accomplished unless provided by the Assured in writing and acknowledged in writing by the Underwriters.

#### 4. CHANGE OF CONTROL OF THE ASSURED

- (a) Liquidation, Etc.

In the event of the liquidation of the Assured, either voluntary or compulsory, or the appointment of a Receiver or Manager, or the entering into of any Scheme of Arrangement or composition with creditors, or the control of the Assured being taken over by any Government or by officials appointed by any Government or Governmental Authority or Agency, then this Policy shall immediately cease to afford any coverage of any kind for loss subsequently discovered and notified to the Underwriters.

In the event of the liquidation, etc., as aforesaid, of any subsidiary of the Assured named in the Proposal Form and the Schedule, then this Policy shall immediately cease to afford any coverage of any kind for loss subsequently discovered and notified to the Underwriters which arose in any manner from such subsidiary.

- (b) Change of Assets or Share Ownership

The Assured shall immediately advise the Underwriters of any consolidation or merger with another business entity or any purchase, assignment, transfer, pledge or sale of assets or shares occasioning any change in ownership or control. As used in this General Condition, control means the power to determine the management or policy of a controlling holding company of the Assured by virtue of voting share ownership. A change in ownership of voting shares which results in direct or indirect ownership by a





shareholder or an affiliated group of shareholders of ten percent (10%) or more of such shares shall be presumed to result in a change of control for the purposes of the required notice.

As a condition to continuation of this Policy, the Assured shall

- (i) give written notice to the Underwriters within thirty (30) days of the event, and
- (ii) promptly provide the Underwriters with all such further information as the Underwriters may require, and
- (iii) obtain the written consent of the Underwriters to continue some or all of the coverage provided by this Policy, and
- (iv) give written notice within ten (10) days to the Underwriters of its agreement to the terms and conditions which are required by the Underwriters consequent upon such change, and
- (v) pay to the Underwriters any additional premium.

Failure to give notice to the Underwriters in accordance with paragraph (b)(i) above or failure of the Assured to notify the Underwriters of its agreement in accordance with paragraph (b)(iv) above shall be an election by the Assured not to continue coverage.

Notification to the Underwriters, as herein required, shall not have been accomplished unless provided by the Assured in writing and acknowledged in writing by the Underwriters.

#### 5. JOINT ASSURED

- (a) If two or more Assureds are covered under this Policy, the first named Assured shall act for all Assureds. Payment by Underwriters to the first named Assured of loss sustained by any Assured shall fully release Underwriters on account of such loss. If the first named Assured ceases to be covered under this Policy, the Assured next named shall thereafter be considered as the first named Assured.
- (b) Knowledge possessed or discovery made by any Assured shall constitute knowledge or discovery by all Assureds for all purposes of this Policy.
- (c) The liability of Underwriters for loss or losses sustained by all Assureds shall not exceed the amount for which Underwriters would have been liable had all such loss or losses been sustained by one Assured.
- (d) Underwriters shall not be liable for loss sustained by one Assured to the advantage of any other Assured.
- (e) It is agreed that the Insurance granted herein shall be for the exclusive benefit only of the first named Assured herein, and that in no event shall anyone other than said Assured have any right of action under this Policy.

#### 6. LEGAL FEES AND LEGAL EXPENSES

The Underwriters shall indemnify the Assured against reasonable legal fees and legal expenses incurred and paid by the Assured with the prior approval of the Underwriters in the defence of any suit or legal proceeding brought against the Assured, with respect to which the Assured establishes that the act or acts which have been committed, or the events which have occurred, would entitle the Assured to recovery under this Policy. Legal fees and legal expenses paid by the Underwriters in defending any suit or legal proceeding shall be applied, subject to General





Condition 8, to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

The Assured shall promptly give notice to the Underwriters of the institution of any suit or legal proceeding referred to above and at the request of the Underwriters shall furnish them with copies of all pleadings and other papers therein.

If multiple causes of action are alleged in any such suit or legal proceeding some of which causes of action, if established against the Assured, would not constitute a collectible loss under the Policy, including without limitation claims for punitive, consequential or other non-compensatory damages then the Assured shall bear for its own expense the legal fees and legal expenses incurred in the defence of such alleged causes of action.

If the amount of the Assured's loss is greater than the amount recoverable under this Policy, or if a Deductible is applicable, or both, the liability of the Underwriters under the first paragraph of this Condition is limited to the proportion of the legal fees and legal expenses incurred and paid by the Assured or by the Underwriters that the amount recoverable under this Policy bears to the total of such amount plus the amount which is not so recoverable. Such prorated amount shall be applied in reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

The Underwriters shall not be liable to indemnify the Assured for legal fees and legal expenses until after final judgement or settlement of any suit or legal proceeding.

The Underwriters are not obligated to conduct the defence of such suit or legal proceeding referred to in the first paragraph of this General Condition. At the Underwriters' election the Assured shall permit the Underwriters to

conduct the defence of such suit or legal proceeding, in the Assured's name, through legal representatives of the Underwriters' selection. The Assured shall give all reasonable information and assistance that the Underwriters shall deem necessary to the defence of such suit or legal proceeding. Legal fees and legal expenses paid by the Underwriters in defending any suit or legal proceeding shall be applied to the reduction of the Aggregate Limit of Indemnity and the Sub-Limit for the applicable Insuring Clause.

If having elected to defend the Underwriters pay legal fees and legal expenses in excess of their proportionate share of such fees and expenses the Assured shall promptly reimburse the Underwriters for such excess.

The Assured shall not unreasonably withhold consent to a settlement by the Underwriters of any suit or legal proceeding.

#### **7. NOTIFICATION AND DISCOVERY OF LOSS**

As a condition precedent to their right to be indemnified under this Policy, the Assured shall, as soon as possible and in any event within thirty (30) days after discovery by the Assured of any loss hereunder, give written notice thereof to the Underwriters.

For the purposes of this Policy, discoveries is deemed to occur at the time when the Assured first becomes aware of facts which would cause a reasonable person to believe that a loss of the kind covered by the Policy has been or will be incurred, regardless of when the act, transaction or event causing or contributing to such loss occurred, and regardless of whether the Assured's knowledge is sufficient at such time to prove that such loss meets the terms and conditions of the Policy, and even though the amount or details of loss may not then be known.

Discovery is also deemed to occur when the Assured receives notice of an actual or potential claim in which it is alleged that the Assured is liable to a third party under circumstances which, if true, might constitute a loss of a type covered by this Policy, even though the amount or details of loss may not then be known.





All loss or losses discovered by the Assured which are attributable to the acts or omissions of one person, whether or not an Employee, or in which such person is concerned or implicated, shall be deemed to be one loss.

**8. LIMIT OF INDEMNITY**

- (a) The total liability of the Underwriters for all loss or losses discovered during the Policy Period set forth in Item 3 of the Schedule of this Policy and including legal fees and legal expenses is limited to the Aggregate Limit of Indemnity stated in Item 7 of the Schedule of this Policy irrespective of the total amount of such loss or losses. The Sub-Limit of any applicable Insuring Clause is part of and not in addition to the Aggregate Limit of Indemnity and the total liability of the Underwriters for all losses, including legal fees and legal expenses, concerning any such Insuring Clause with a Sub-Limit is limited to the amount of the Sub-Limit, irrespective of the total amount of such loss or losses.

The Aggregate Limit of Indemnity shall be reduced by the amount of any payment made under this Policy. Upon exhaustion of the Aggregate Limit of Indemnity by such payments the Underwriters shall have no further liability

- (i) to indemnify the Assured under any Insuring Clause(s) of this Policy for any loss or losses, and
- (ii) to indemnify the Assured for any legal fees and legal expenses, and
- (iii) to continue the defence of the Assured in the event of the Underwriters' election to conduct the defence of any suit or legal proceedings. Upon notice by the Underwriters to the Assured that the Aggregate Limit of Indemnity has been exhausted, the Assured shall assume all responsibility for its defence at its own cost.

- (b) In addition to the Aggregate Limit of Indemnity being reduced, the Sub-Limit of any applicable Insuring Clause(s) stated in Item 7 of the Schedule shall be reduced by the amount of any payment made in connection with said Insuring Clause(s). Upon exhaustion of the Sub-Limit applicable to said Insuring Clause(s) by such payments the Underwriters shall have no further liability

- (i) to indemnify the Assured under said Insuring Clause(s) of this Policy for any loss or losses, and
- (ii) to indemnify the Assured for any legal fees and legal expenses incurred in connection with said loss or losses or in connection with said Insuring Clause(s), and
- (iii) to continue the defence of the Assured in the event of the Underwriters' election to conduct the defence of any suit or legal proceeding in connection with said loss or losses. Upon notice by the Underwriters to the Assured that the Sub-Limit has been exhausted, the Assured shall assume all responsibility for its defence at its own cost.

If by reason of payments made under this Policy the Aggregate Limit of Indemnity is reduced to an amount less than the amount stated for any Sub-Limit in Item 7 of the Schedule of this Policy, then the amount of any such Sub-Limit shall be reduced accordingly so that the total amount available under any Sub-Limit for any loss or losses, including legal fees and legal expenses, does not exceed the reduced amount remaining available under the Aggregate Limit of Indemnity.

The Aggregate Limit of Indemnity and any Sub-Limit shall not be reinstated in whole or in part by any recovery effected subsequent to any payment made under this Policy, unless such recovery is actually received by Underwriters during the period stated in Item







3 of the Schedule or within twelve (12) calendar months thereafter.

If a loss is covered under more than one Insuring Clause the maximum amount payable with respect to such loss shall not exceed the largest amount remaining available under any one applicable Insuring Clause.

- (c) **Lost Securities:** In the event that a loss of a security is settled through the use of a lost securities bond or indemnity agreement pursuant to General condition 11(d), such loss, to the extent that during the Policy Period the Underwriters are not called upon to pay under said lost securities bond or indemnity agreement, shall not reduce the Aggregate Limit of Indemnity or any Sub-Limit remaining for the payment of any loss or losses. However, any payment by the Underwriters of such loss or under such lost securities bond or indemnity agreement shall be deemed to be a payment under this Policy.

The exhaustion or reduction of the Aggregate Limit of Indemnity or any Sub-Limit shall not affect the Underwriters' obligations in connection with any lost securities bond or indemnity agreement issued prior to the exhaustion or reduction of the Aggregate Limit of Indemnity or any applicable Sub-Limit.

#### 9. PROOF OF LOSS

Within six months of discovery of loss, the Assured shall furnish affirmative proof of loss to the Underwriters, in writing, duly sworn to by the chief financial officer of the Assured together with full particulars. The onus of proof is upon the Assured in preparing its proof of loss with respect to a loss for which claim is made under any Insuring Clause to establish that such loss directly resulted from the insured peril and not from economic conditions or other contributing causes.

#### 10. LEGAL PROCEEDINGS FOR RECOVERY OF LOSS

If the Underwriters after completing their investigation, do not pay for a loss for which the Assured believes the terms, conditions and other provisions of the Policy entitle it to recovery hereunder, the Underwriters hereon, at the request of the Assured, shall submit to the jurisdiction of any court of competent jurisdiction of the United Kingdom.

Service of process in any such legal proceedings shall be made upon the person(s) named in the Schedule who are duly authorised to accept Service of Process on behalf of the Underwriters hereon. In such legal proceedings instituted against any one of the Underwriters hereon, the other Underwriters hereon shall abide by the final judgement of such Court or of any Appellate Court in the event of appeal.

Legal Proceedings for recovery of loss hereunder shall not be brought until after three months from the Assured furnishing proof of loss, as stated in General Condition 9, nor after the expiration of two years from the discovery of such loss.

If the said two year limitation is prohibited by any law controlling the construction of this Policy, such limitation shall be deemed to be amended so as to equal the minimum period of limitation permitted by such law.

#### 11. VALUATION

- (a) **Computation**

In determining the amount collectible under this Policy for any loss, all money received from any source whatsoever in connection with any matter from which a claimed loss has arisen, including payments and receipts of principal, interest, dividends, commissions and the like, whenever received, shall be deducted from the amount actually paid out, advanced, taken or otherwise lost. The value of all property received from any source whatsoever in connection with any matter from which a claimed loss has arisen, whenever received, shall likewise be deducted from the Assured's claimed loss.





(b) Funds

The value of any foreign funds or currencies for the loss of which a claim shall be made, shall be determined by their closing market value on the last business day prior to the date of discovery of the loss. If there is no market price or value for the same on such day, then the value shall be as agreed between the Assured and then Underwriters or in default thereof by arbitration.

(c) Deductible

If this Policy is subject to a Deductible, or the aggregate Policy Limit in item 7 of the Schedule remaining for the payment of any loss or losses is not sufficient in amount to indemnify the Assured in full for the loss of securities for which claim is made hereunder, the liability of the Underwriters under this Policy is limited to the payment for, or the duplication of, so much of such securities as has a value equal to the amount collectible under the applicable Insuring Clause of this Policy.

(d) Lost Securities

In the event of a claim in respect of a loss covered under this Policy of securities, the Assured shall, subject to the conditions stated below, first attempt to replace the lost securities by use of a letter of indemnity issued by it. In the event that it is unable to replace the lost securities by a letter of indemnity, the Assured shall, subject to the Underwriters' prior consent, secure a lost securities bond for the purpose of obtaining the issuance of duplicate securities.

(e) Electronic Data Processing Media

In case of loss of, or damage to, Electronic Data Processing Media used by the Assured in its business, Underwriters shall be liable under this Policy only if such items are actually reproduced by other Electronic Data Processing Media of the same kind or quality and then for not more than the cost of the blank media plus the cost of labour for the actual transcription or copying of data which shall have been furnished by the Assured in order to reproduce such Electronic Data Processing Media, subject, of course, to the applicable Limit of Indemnity.

(f) Other Property

In case of loss of, or damage to, any Property other than foreign funds, securities or Electronic Data Processing Media, Underwriters shall not be liable for more than the actual cash value of such property. Underwriters may, at their election, pay the actual cash value of, replace or repair such property. Disagreement between Underwriters and the Assured as to the cash value or as to the adequacy of repair or replacement shall be resolved by arbitration.

(g) Electronic Data/ Computer Programs

In case of loss of Electronic Data or Electronic Computer Programs, Underwriters shall be liable under this Policy only if such Electronic Data or Electronic Computer Programs are actually reproduced by other Electronic Data or Electronic Computer Programs of the same kind or quality and then for not more than the cost of labour for the actual transcription or copying of data or programs which shall have been furnished by the Assured in order to reproduce such Electronic Data or Electronic Computer Programs subject, of course, to the applicable Limit of Indemnity.

However, if such Electronic Data cannot be reproduced and said Electronic Data represents securities, or financial instruments having a value, including Evidences of Debt, then the loss will be valued as indicated in the Securities and Other Property

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paragraphs of this Section.

**12. CO-OPERATION**

As a condition precedent to its right to be indemnified under this Policy, the Assured shall co-operate fully with the Underwriters and their appointed representatives in all matters pertaining to any loss notified hereunder. The Assured shall, upon request and at times and places designated by the Underwriters, provide for examination all pertinent records including audit records of its accountants and provide for interview any of its Employees or other persons, to the best of its ability and power. The Assured agrees to execute all papers and render all assistance to secure all rights, title, interest and causes of action as it may have against any person or entity in connection with any loss notified hereunder, and to do nothing to prejudice such rights or causes of action.

**13. SUBROGATION, SALVAGE AND RECOVERY**

It is agreed that the Underwriters upon payment of any loss hereunder shall become subrogated to all rights, title, interest and causes of action of the Assured in respect of such loss.

In the case of recovery after payment of any loss hereunder, the amount recovered, after deducting the actual costs of obtaining or making such recovery but excluding the Assured's own labour or establishment costs, shall be applied in the following order:

- (a) to reimburse the Assured in full for the part, if any, of such loss which exceeds the amount of loss paid under this Policy (disregarding the amount of any Deductible applicable),
- (b) the balance, if any, or the entire net recovery if no part of such loss exceeds the amount of loss paid under this Policy, to the reimbursement of the Underwriters,
- (c) finally, to that part of such loss sustained by the Assured by reason of the Deductible specified in the Schedule and/or that part of such loss covered by any policy(ies) of Insurance of which this Policy is excess.

**14. OTHER INSURANCE OR INDEMNITY**

It is agreed that in the event of loss, this Policy, insofar as it covers loss also covered by other insurance or indemnity, shall only pay claims (not exceeding the Aggregate Limit of Indemnity or any applicable Sub-Limit stated herein) for the excess of the amount of such other insurance or indemnity. As excess insurance this Policy shall not apply or contribute to the payment of any loss until the amount of such other insurance or indemnity shall have been exhausted by reason of paid losses.

**15. OWNERSHIP**

This Policy shall apply to loss of property and loss of Electronic Data Processing Media and Electronic Data owned by the Assured, held by the Assured in any capacity or for which the Assured is legally liable. This Policy shall be for the sole use and benefit of the Assured named in the Schedule.

**16. DEDUCTIBLE AMOUNT/NOTICE OF LOSS WITHIN DEDUCTIBLE**

The Underwriters shall be liable only in excess of the Deductible stated in Item 8 of the Schedule. The Deductible shall apply to each and every loss irrespective of the number of such losses during the Policy Period.

The Assured shall, in the time and in the manner prescribed in this Policy, give Underwriters notice of any loss of the kind covered by the terms of this Policy, whether or not Underwriters are





liable therefore, and upon the request of Underwriters shall file with it a brief statement giving particulars concerning such loss.

#### 17. TERMINATION PROVISIONS

This Policy shall terminate as an entirety with or without the tender of unearned premium

- (a) immediately upon
  - (i) the happening of any of the events relating to a change in control of the Assured as set forth in General Condition 4(a),
  - (ii) the failure by the Assured to notify a change of assets or share ownership or otherwise comply with the terms as set forth in General Condition 4(b),
  - (iii) refusal by the Underwriters to continue coverage following a change in ownership or control as set forth in General Condition 4(b).
- (b) immediately as to any subsidiary of the Assured upon the happening of any event with regard to such subsidiary relating to a change in control or ownership of such subsidiary as set forth in General Condition 4.
- (c) thirty (30) days after receipt by the Assured of written notice from the Underwriters of their decision to terminate this Policy. If sent by prepaid registered post and addressed to the Principal Address of the Assured, as stated in the Schedule, such notice shall be deemed to have been received when sent.
- (d) immediately upon receipt by the Underwriters of a written notice from the Assured of its decision to terminate this Policy.
- (e) at noon local standard time at the Principal Address on the expiration date as set forth in Item 3 of the Schedule.

The Underwriters shall refund any unearned premium computed at short-rate of the Annual premium if terminated pursuant to paragraph (a) or (d) of this General Condition but pro-rata of the Annual Premium if terminated by the Underwriters as provided in paragraph (c) of this General Condition.

This Policy shall be deemed terminated as to any Service Bureau

- (i) as soon as any Assured, or any director or officer not in collusion with such person, shall learn of any dishonest or fraudulent act committed by any partner, director, officer or employee of any such Service Bureau at any time against the Assured or any other person or entity, without prejudice to the loss of any property then in transit in the custody of such person, or
- (ii) fifteen (15) days after the receipt by the Assured of a written notice from Underwriters of their desire to terminate or cancel this Policy as to such person.

Termination of this Policy as to any Assured terminates liability for any loss sustained by such Assured which is discovered after the effective date of such termination.

#### 18. ACTION AGAINST SERVICE BUREAU OR CUSTOMER

This Policy does not afford coverage in favour of any Service Bureau or customer as aforesaid, and upon payment to the Assured by the Underwriters on account of any loss through fraudulent or dishonest acts committed by any of the partners, directors, officers or employees of such Service Bureau or customer whether acting alone or in collusion with others, an assignment of





such of the Assured's rights and causes of action as they may have against such Service Bureau or customer by reason of such acts so committed shall, to the extent of such payment, be given by the Assured to the Underwriters, or to one of the Underwriters designated by Underwriters, and the Assured shall execute all papers necessary to secure to the Underwriters, or to one of the Underwriters designated by Underwriters, the rights herein provided for.

#### **19. FRAUD**

If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims thereunder shall be forfeited.

#### **20. INTERPRETATION**

The construction, interpretation and meaning of the terms, exclusions limitations and conditions of this Policy shall be determined in accordance with the common law of England and in accordance with the English text as it appears in this Policy.

### **SECTION - 3**

#### **NMA 2273 - PROFESSIONAL INDEMNITY**

#### **INSURING CLAUSE**

This Policy subject to its terms, exclusions, limitations and conditions provides an indemnity to the Assured in respect of the Assured's legal liability to third parties for any third party claim which meets the following requirements:

Any third party claim must:

- (i) be for compensatory damages, such indemnity to include claimant costs and the Assured's approved defence costs and expenses; and
- (ii) be first made against the Assured during the Policy Period; and
- (iii) be for financial loss caused by a negligent act, negligent error or negligent omission on the part of an Officer or Employee of the Assured; and
- (iv) arise out of the ordinary course of the provision by the Assured of the financial services described in the Proposal Form; and
- (v) be brought other than wholly or partly within the United States of America and/or Canada; and
- (vi) arise other than from any negligent act, negligent error or negligent omission which was or may have been or is alleged to have been committed or omitted (as the case may be) wholly or partly within the United States of America and/or Canada; and
- (vii) relate other than to a negligent act, negligent error or negligent omission which was or may have been or is alleged to have been committed or omitted (as the case may be) before the Retroactive Date specified in the Schedule hereto.

#### **CONDITIONS**

##### **1. LIMIT OF INDEMNITY**

- (a) The total liability (inclusive of claimant costs and the Assured's approved defence expenses and regardless of the total number or amount of third party claims made against the Assured)

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of the Underwriters shall not exceed the sum stated in the Schedule, in the aggregate, for all third party claims made against the Assured during the Policy Period.

- (b) The Underwriters may at any time pay to the Assured in connection with any third party claim or series of third party claims notified hereunder the amount of the Limit of Indemnity as shown in the Schedule (after deduction of any sum or sums already paid by the Underwriters whether as costs and expenses or as compensation) or any lesser amount for which such claim or claims can be settled and upon such payment being made the Underwriters shall be under no further liability in connection therewith and shall (except with respect to any subrogation action) relinquish the conduct and control of such claim or claims.
- (c) Regardless of the number of years this Insurance has been in force or may continue to be in force and of the premiums paid or payable in respect thereof the liability of the Underwriters shall not be cumulative in amount from year to year or from period to period and in no case shall exceed the sum stated in the Schedule.





## 2. DEDUCTIBLE

Subject to the Limit of Indemnity, the Underwriters shall be liable only for that part of each and every third party claim during the Policy Period, including third party claimant costs and the Assured's approved defence expenses, which exceeds the Deductible stated in the Schedule.

The Deductible shall apply to each and every third party claim and shall be subject to no aggregate limitation.

If a series of third party claims shall result from any single negligent act, negligent error or negligent omission (or related series of negligent acts, negligent errors or negligent omissions) then, irrespective of the total number of claims, all such third party claims shall be considered to be a single third party claim for the purposes of the application of the Deductible.

## 3. RECOVERIES

All recoveries from third parties for payments made under this Policy shall be applied (after first deducting the costs and expenses incurred in obtaining such recovery) in the following order of priority:

- (i) The Assured shall first be reimbursed for the amount by which their legal liability exceeds the Limit of Indemnity provided by this Policy.
- (ii) The Underwriters shall then be reimbursed for the amount of their liability under this Policy.
- (iii) Any remaining sum shall be applied towards reimbursement of the Deductible borne by the Assured under this Policy.

## 4. SUBROGATION

The Underwriters agree to waive any rights of subrogation against any Officer or Employee of the Assured except where such Officer or Employee has the benefit of a separate relevant insurance.

## 5. DEFENCE AND DEFENCE COSTS AND EXPENSES

- (a) The Underwriters shall not be liable to pay any defence costs and expenses unless the express written consent of the Underwriters is obtained prior to such costs and expenses being incurred, which consent shall not unreasonably be withheld.
- (b) The Underwriters shall not be required hereunder to assume the handling or control of the defence or settlement of any third party claim made against the Assured but shall have the right (but not the duty) to take over at any time the control of the defence or settlement or compromise of any third party claim which is or might be the subject of indemnity under this Policy if the Underwriters in their discretion deem it appropriate to do so.
- (c) Insofar as any third party claim or claims fall within the Limit of Indemnity provided hereunder, then the Underwriters shall have discretion to negotiate a settlement thereof including the admission of liability if the Underwriters deem it appropriate to do so and the Deductible stated in the Schedule hereto shall apply to any such settlement whether made with the Assured's consent or otherwise provided always that prior to any settlement or admission of liability being made the Underwriters shall consult with the Assured who shall not unreasonably withhold their consent to such settlement and/or admission of liability.





- (d) In the event of the Assured and the Underwriters being unable to agree as to the proposed settlement and/or admission of liability then (at the election of either party) the dispute shall be referred to a Queen's Counsel of the English Bar to be appointed jointly by the Underwriters and the Assured or if not so appointed within 7 days of one party so electing, by a Queen's Counsel chosen by the Chairman of the Securities and Investments Board (or any successor body) which Queen's Counsel shall decide the issue of whether the Assured's consent is being unreasonably withheld and his decision shall be binding on the Underwriters and the Assured.
- (e) If the Underwriters appoint a representative to report to them upon any third party claim then those costs so incurred by the Underwriters (as distinguished from defence costs and expenses) shall not form part of the Limit of Indemnity or the Deductible.

#### 6. NON-ADMISSION OF LIABILITY

The Assured shall not admit liability for or settle any third party claim made against the Assured without the prior written consent of the Underwriters. Nevertheless, the Assured shall not be required to contest any legal proceedings to trial unless Counsel, to be mutually agreed upon by the Assured and the Underwriters (or if not so agreed, as determined in the manner set out in Clause 5 above in relation to the selection of Counsel), shall advise that such proceedings should be contested.

#### 7. MEANING OF THIRD PARTY CLAIMS MADE AND NOTICE PROVISIONS

This Policy applies only to third party claims first made against the Assured during the Policy Period.

For the purposes of this Policy, a third party claim is considered to be made when the Assured first:

- (a) receives a written demand for damages of the type covered by this Policy, including the service of suit or institution of legal or arbitration proceedings; or
- (b) becomes aware of the intention of any person to make such a demand against them; or
- (c) becomes aware of any fact, circumstance or event which could reasonably be anticipated to give rise to such a demand at any future time.

Written notice of any such third party claims made shall be given by the Assured at the earliest practical moment, but in any event within 30 days of the expiration date of the Policy Period stated in the Schedule.

Any subsequent legal proceedings for damages brought against the Assured as a direct result of any matter or matters for which written notice has been given under (b) or (c) above, whether such proceedings are brought during or after the expiration of the Policy Period, is considered to be a third party claim first made against the Assured at the time the Assured first became aware of the said matter or matters. It is agreed, however, that the Underwriters shall have no liability for any such matter or matters which do not result in legal proceedings being brought against the Assured within six (6) years of the date of said written notice.

Upon receipt of written notice of any third party claim (as defined above) the Underwriters shall be entitled to appoint a representative to investigate the claim on their behalf and the Assured shall co-operate fully with any Underwriters' representative in the conduct of his enquiries, including but not limited to making available to him all necessary information and documentation as he may require together with facilities for the interviewing of all the Assured's personnel whom the representative may consider to be relevant to his enquiries.







#### 8. WARRANTY

It is warranted that the statements and particulars in the Proposal Form referred to in the Schedule and any supplementary information pertaining thereto provided by or on behalf of the Assured are the basis of this Policy and shall be deemed incorporated herein.

The Assured agrees, by acceptance of this Policy:

- (a) that the statements and particulars in the Proposal Form, and any supplementary information, are their representations and that this Policy is issued in reliance upon the truth of such representations; and
- (b) that in the event of the Proposal Form, or any supplementary information, containing misrepresentations which materially affect the acceptance of risk hereunder by the Underwriters this Policy shall be void in its entirety and of no effect whatsoever.

#### 9. FRAUDULENT CLAIMS

If the Assured shall make any claim for indemnity knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall be void in its entirety and of no effect whatsoever and all claims for indemnity hereunder shall be forfeited.

#### 10. JURISDICTION

- (a) The indemnity provided by this Policy shall apply only to final judgments against the Assured in the Courts of the Country of Jurisdiction stated in the Schedule and not to judgments obtained elsewhere (including but not limited to the United States of America and/or Canada) nor to judgments or orders obtained in the said Courts for the enforcement of judgments obtained elsewhere (including but not limited to the United States of America and/or Canada) whether by way of reciprocal agreements or otherwise.
- (b) It is agreed between the Underwriters and the Assured that the Premium for this Policy has been calculated accordingly and no consideration has been paid in respect of liabilities arising under any other law or the jurisdiction of any other Courts.
- (c) Any legal proceedings commenced against the Underwriters arising out of this Policy may be served upon the Person(s) Nominated to accept Service of Process named in the Schedule who are duly authorised to accept service on their behalf.

#### 11. MATERIAL CHANGES

##### (a) Change of Control of the Assured

In the event of there being any change in the effective ownership or control of the Assured whether financial or otherwise and whether occurring by operation of law, voluntary act on the part of the Assured or by merger, purchase or sale of assets or shares or in any other way then cover under this Policy shall thenceforth cease in respect of all and any third party claim first made thereafter unless the Underwriters agree in writing to the continuation of the Policy and then only upon such terms as may be stipulated by Underwriters.





**(b) Merger, Purchase or Acquisition**

In the event that the Assured shall merge with or purchase or otherwise acquire all or any of the undertaking, assets or liabilities of another business this Policy shall not afford any coverage of any kind for any third party claim which involves any act, error or omission which arises or occurs directly or indirectly out of or in relation to all and any of such undertaking, assets or liabilities or their acquisition unless and until the Assured shall have obtained the Underwriters agreement in writing to the extension of cover under the Policy in relation to the same and then only upon such terms as may be stipulated by Underwriters after full disclosure of all material facts by the Assured.

**(c) Other material changes**

In the event of any other material change in the facts and circumstances disclosed to the Underwriters in the Proposal Form and supplementary information which may increase the risk accepted by the Underwriters hereunder the Assured shall as soon as practicable give notice to the Underwriters of any such change whereupon the Underwriters may elect to terminate this Policy or to offer the Assured a continuation of cover on such revised terms and conditions as the Underwriters may require.

**12. TERMINATION PROVISIONS**

This Policy shall terminate with or without the tender of any unearned premium:

- (a) immediately in the event of the occurrence of any of the events providing for termination set forth in Condition 11;
- (b) immediately as to any subsidiary of the Assured in the event of the occurrence of any of the events set forth in Condition 11 in relation to such subsidiary;

unless in any such case the Underwriters, after having been furnished with all relevant particulars relating to the event, have offered revised terms and conditions as to the continuation of cover and such terms and conditions have been accepted by the Assured;

- (c) upon receipt by the Underwriters of a written request by the Assured to terminate the Policy.

The Underwriters shall refund any unearned Premium computed at pro rata if terminated on the occurrence of any of the events provided for in Condition 11.

This Policy shall also terminate immediately upon exhaustion of the Limit of Indemnity by one or more payments made under this Policy in which event the Premium is deemed to be fully earned.

**13. OTHER INSURANCE**

This Policy does not cover any loss which is insured by or would but for the existence of this Policy be insured by, any other existing policy or policies, except in respect of any excess (not exceeding the Limit of Indemnity stated in the Schedule) beyond the amount which would have been payable under such other policy or policies, including any deductible applicable thereunder, had this Policy not been effected.

**14. INTERPRETATION**

The construction, interpretation and meaning of the provisions of this Policy shall be determined in accordance with English Law and in accordance with the English text as it appears in this Policy.





#### DEFINITIONS

1. **The Assured** shall mean the entity first named in the Schedule and shall include any majority owned and controlled Banking subsidiary companies which are named therein and which are also named and included in the written Proposal Form.
2. **Officers and Employees** shall mean:
  - (a) the Assured's officers also any full time and part time employees (including a Director of the Assured who is employed as an officer or other salaried employee) while acting in the ordinary course of their employment by the Assured, and
  - (b) a Director of the Assured (other than one who is employed as an officer or other salaried employee) but only while performing acts coming within the scope of the usual duties of an officer or employee and not while acting in any other capacity,and for the avoidance of doubt shall not include agents or consultants or sub-contractors or independent professional advisers.
3. **United States of America and/or Canada** wheresoever the same shall appear in this Policy shall include all and any colonies, dependencies, dominions and protectorates of the United States of America and/or Canada.
4. **Affiliate** shall mean any entity in which the Assured holds, directly or indirectly, less than 51% but more than 10% of the outstanding shares.

#### EXCLUSIONS

This Policy shall not indemnify the Assured in respect of:

1. Any legal liability assumed by the Assured
  - (a) under the terms, conditions or warranties of any contract or agreement, or
  - (b) by virtue of any waiver or release from liability of any third party,except to the extent that liability would have attached to the Assured in the absence thereof.
2. Any legal liability arising from or contributed to by any dishonest, fraudulent, criminal or malicious act or omission of the Assured or of any Director or of any Officer or Employee or of any sub-contractor or agent of the Assured.
3. Any legal liability arising from or contributed to by
  - (a) any bodily, mental or emotional injury, sickness or disease, or by death, or
  - (b) any loss of or damage to property,of any third party.
4. Any legal liability arising from or contributed to by any loss of or damage to any goods or other property, including securities, documents and written instruments of every kind, whether owned by the Assured, held by the Assured in any capacity or for which the Assured may be liable.





5. Any legal liability arising from or contributed to by any deliberate breach of any laws, enactments or regulations relating to all and any of the constitution, operation and conduct of the Assured and/or the business or operations of the Assured in all and any jurisdiction directly or indirectly relevant to any of the same.
6. Any legal liability arising from or contributed to by the Assured having refused to provide any financing or refused to fulfil any actual or alleged commitment to make any loan or transaction in the nature of a loan or a lease or an extension of credit, whether such commitment was authorised or unauthorised.
7. Any legal liability arising from any fact, circumstance or event wherein any third party claim against the Assured would be compensable under a Bankers Blanket Bond or equivalent policy irrespective of the amount thereof and whether or not such a policy is actually maintained by the Assured.
8. Any claim by or on behalf of or at the behest of the Assured's parent company, or any subsidiary or Affiliate of the Assured or of the Assured's parent company, or any company or other entity in which the Assured, or Officers or Employees of the Assured, have an executive or controlling interest.
9. Any third party claim arising out of the insolvency of the Assured.
10. Any third party claim involving or arising out of a fact, circumstance or event which occurred prior to the Retroactive Date hereof and/or which was notified to any Insurer(s) or Underwriter(s) prior to the inception of this Policy.
11. Any third party claim involving or arising out of a fact, circumstance or event the awareness of which would cause a reasonable person to believe that it could give rise to a third party claim against the Assured and of which fact, circumstance or event the Assured was actually aware prior to the inception date of this Policy.

For the avoidance of doubt it is declared and agreed that this provision is without prejudice to any rights of the Underwriters to treat the said fact, circumstance or event as a non-disclosure or misrepresentation of a material fact entitling the Underwriters to elect to treat this Policy as void from its inception.

12. Any fines, penalties, punitive or exemplary damages and any multiple damages except for the single compensatory amount of damages prior to such multiplication.
13. Any claim made against the Assured by or on behalf of or at the behest of any federal or state government, governmental body or governmental agency, except when acting solely in the capacity of a client of the Assured.
14. Any suit or legal proceeding brought by or on behalf of or at the behest of a shareholder or shareholders of the Assured in their capacity as such.
15. Any third party claim arising from or contributed to by depreciation (or failure to appreciate) in value of any investments, including securities, commodities, currencies, options and futures transactions, or as a result of any actual or alleged representation, guarantee or warranty provided by or on behalf of the Assured as to the performance of any such investments.

It is agreed however that this Exclusion 15 shall not apply to any loss due solely to negligence on the part of an Officer or Employee of the Assured in failing to effect a specific investment transaction in accordance with the specific prior instructions of a client of the Assured.





16. Any legal liability arising from or contributed to by loss of value, surrender value or cancellation value of any leased product or service as a result of fluctuations in value of such product or service.
17. Any third party claim for the reimbursement of fees, commissions, costs or other charges paid or payable to the Assured or any third party claim based upon allegations against the Assured of excessive fees, commissions, costs or other charges.
18. Any legal liability arising from or contributed to by any failure to provide insurance of any kind, whether such failure concerns the amount, existence or adequacy of such insurance or otherwise.

It is agreed however that this Exclusion 18 shall not apply to any loss due solely to negligence on the part of an Officer or Employee of the Assured in failing to effect or maintain a specific insurance in accordance with the specific prior instructions of a client of the Assured.

19. Any legal liability of whatsoever nature directly or indirectly caused by or arising from:
  - (a) Ionising radiations or contaminations by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  - (b) The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
20. Any third party claim emanating from any actual or attempted
  - (a) merger, purchase or acquisition of another business by the Assured, or
  - (b) purchase or sale transactions in the shares of the Assured, the Assured's parent company or any subsidiary or Affiliate,

except however when the Assured is acting upon the specific instructions of a client of the Assured.

21. Any legal liability arising from or contributed to by any actual or alleged seepage, pollution or contamination of any kind.
22. Any legal liability which arises directly or indirectly by reason of or in connection with war, invasion, act of foreign enemy, hostilities (whether war has been declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, martial law, or the act of any lawfully constituted Authority.
23. Any legal liability as a result of loss sustained by a third party arising from or contributed to by advice given by the Assured in connection with Hedging transactions.

It is agreed however that this Exclusion 23 shall not apply to any loss due solely to negligence on the part of an Officer or Employee of the Assured in failing to effect a specific Hedging contract in accordance with the specific prior instructions of a client of the Assured.

For the purposes of this exclusion Hedging means the arranging of one or more contracts specifically to protect against movement in prices or values, including but not limited to foreign exchange, commodities and securities of every description.

