

### **Introduction:**

'Corporate Shield Crime Liability', aims to compensate the insured for losses caused by fraudulent or dishonest acts that were committed by employee or by a third party with the intention of causing business losses.

The policy covers both internal and external crime.

### **Who is providing the Coverage?**

Royal Sundaram General Insurance Co. Limited is providing the coverage under this Policy.

### **Who can avail "Corporate Shield Crime Liability"?**

Any business entity can avail this product from us.

The coverage is also available for the subsidiaries and associated companies of the Policy holder/insured.

### **What is the coverage under the policy?**

We will indemnify the Insured for their Loss sustained at any time resulting from either:

- (A) fraud or dishonesty committed by any Employee (acting alone or in collusion with others); or
- (B) a Fraudulent act committed by any other person;

which is committed with the principal intent to cause the Insured to sustain such Loss and is first discovered by the Insured during the Policy period or the Discovery period.

### **Standard extensions under the policy:**

1. **Care and custody:** Covers loss of Money, Securities or other property belonging to any other individual or organisation, but which is in the care custody or control of the Insured and for which the Insured is liable. The amount payable is part of the limits of liability.

2. **Fees, costs and expenses:**

- (i) **Legal Fees:** Indemnifies the reasonable legal fees, costs and expenses incurred and paid by the insured in the defence of any demand, claim, suit or legal proceeding.
- (ii) **Use of investigative specialist:** Covers fees and expenses of investigative specialist appointed by the company to investigate the loss covered under the policy.
- (iii) **Reconstitution costs:** reasonable cost of rewriting or amending the insured's software programmes or systems with the prior written consent of the insurer

The amount payable is sublimited to \_\_\_\_\_ or % of limits of liability.



**3. Money or securities – damage, destruction or disappearance:** Covers physical loss of money or securities or theft of money or securities occurring within the premises, whilst in transit, whilst in care or custody of any security company or within bank premises.

The amount payable is sublimited to \_\_\_\_\_ or % of limits of liability.

**4. New entities – newly created or acquired:** covers any newly created subsidiary or Associated company or Plan formed or established by any Insured during the Policy period; or any merger with, or consolidation with, or purchase of, or other acquisition of the assets of another business.

#### What is meant by Discovery period?

Discovery period means the period of time specified in the policy immediately following the non-renewal or non-replacement of this policy. During this period the policy holder can send a written notice to us of any Loss first discovered during such period of time in connection with any act committed prior to the expiry of the Policy period.

#### What are the exclusions under the policy?

The key exclusions under the policy are:-

- **Consequential & Indirect Loss:** Loss of income, profit, or interest arising from the crime is generally not covered.
- **Inventory Shortages:** Shortages identified purely through inventory checks or reconciliation, without proof of theft, are excluded.
- **Acts by Known Dishonest Employees:** Theft committed by an employee who was previously known to have committed a fraudulent act.
- **Loss or damage caused by fire,** other than Loss of or damage to Money, Securities, safes or vaults if covered under Endorsements attached to this Policy.
- **Acts by Insured Parties:** Losses caused by directors, partners, or senior management, as well as employee acts discovered after prior knowledge.
- **War and allied perils**
- **Terrorism**
- **Nuclear weapons and ionising radiation**

#### What is the duration of the policy?

The policy will be issued for a period of one year.



### **What is the procedure for cancellation of the policy?**

- (i) The Insurers may cancel this policy by giving 30 days' written notice of such cancellation to the last known address of the Insured and in such event the Insurers will return a pro-rata portion of the premium for the unexpired Policy period.
- (ii) This policy may also be cancelled by the Insured by giving 30 days' written notice to the Insurers in which event the Insurers will retain premium at the customary short period scale, provided that there has been no claim under the policy during the Policy period in which case no refund of premium shall be allowed.
- (iii) The payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

### **What is the Claims procedure?**

#### **1. Claim intimation:**

- (i) Insured should give Notice of **Loss**, which shall be given in writing directly to Royal Sundaram General Insurance Co. Limited Vishranthi Melaram Towers", 2/319, Rajiv Gandhi Salai, Karapakkam, Chennai 600 097,
- (ii) give notice to the police.

#### **2. Claim process and Submission of documents:**

- (i) The insurer will appoint an Investigative specialist for the settlement of claims who may seek for additional information/evidence or clarification
- (ii) The insured should provide all requested information and documents and co-operate with the Insurer in all matters pertaining to the Loss; and
- (iii) The insured should furnish to the Insurer affirmative proof of Loss with full particulars within 6 months of discovery in the absence of a conclusive report by an Investigative Specialist.

#### **3. Settlement of claim**

- The claim will be settled as per the terms and conditions of the Policy.
- Any property for which the Insurer has made indemnification shall become the property of the Insurer. At its discretion, the Insurer may pay the actual cash value or make applicable repairs or replacements.



## **Section 41 in the Insurance Act, 1938**

### **41. Prohibition of rebates**

(1) No person shall allow or offer to allow, either directly or indirectly, as an inducement to any person to take out or renew or continue an insurance in respect of any kind of risk relating to lives or property in India, any rebate of the whole or part of the commission payable or any rebate of the premium shown on the policy, nor shall any person taking out or renewing or continuing a policy accept any rebate, except such rebate as may be allowed in accordance with the published prospectuses or tables of the insurer: Provided that acceptance by an insurance agent of commission in connection with a policy of life insurance taken out by himself on his own life shall not be deemed to be acceptance of a rebate of premium within the meaning of this sub-section if at the time of such acceptance the insurance agent satisfies the prescribed conditions establishing that he is a bona fide insurance agent employed by the insurer.

(2) Any person making default in complying with the provisions of this section shall be liable for a penalty which may extend to ten lakh rupees.

***Note: In case of any conflict, the terms and conditions mentioned in the policy document shall prevail.***