



**REQUEST FOR PROPOSAL [RFP] FOR
INSURANCE COVERAGE UNDER BANKERS INDEMNITY POLICY**

Issued by:

**Aryavart Bank,
Head office A -2/46
Vijay Khand Gomti Nagar
Lucknow, UP -226010**

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Bid Details in Brief

Sl. No.	Description	Details
1	RFP No. and date	RFP Refer. Ho/A&S/PVS/1359/2021-22 Date: 14.03.2022
2	Brief Description of the RFP	Bankers Indemnity Insurance Cover
3	Bank's Address for Communication and Submission of Tender	General Manager Administration & Service Department Aryavart Bank Head office A -2/46 Vijay Khand Gomti Nagar Lucknow, UP -226010 Tel – 7388800788 Email: Ho.Ans@aryavartbank-rrb.com
4	Date of Issue	14.03.2022
5	Last Date of Submission of Queries	19.03.2022
7	Date of Replies to Queries	21.03.2022
8	Last Date of Submission of Bids	28.03.2022 on 11:30 AM
9	Date and time of Opening of Bid	28.03.2022 on 12:00 PM
10	Coverage of insurance	FROM 01.04.2022 TO 31.03.2023
11	Cost of application /tender documents.	FREE OF COST TENDER FORMS CAN BE DOWNLOADED FROM THE BANK WEBSITE www.aryavart-rrb.com
12	Insurance Brokers	M/s Anand Rathi Insurance Brokers Ltd. 10th Floor Regent Chambers, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021.

This document can be downloaded from Bank's website www.aryavart-rrb.com



DISCLAIMER

The information contained in this Request for Proposal Document (RFP Document /Bid Document) or information provided subsequently to bidder(s) or applicants whether verbally or in documentary form by or on behalf of Aryavart Bank, is provided to the bidder(s) on the terms and conditions set out in this RFP Document and all other terms and conditions subject to which information is provided.

This RFP document is not an agreement and is not an offer or invitation by Aryavart Bank to any party/(ies) other than the applicants who are qualified to submit the bid"). The purpose of this RFP document is to provide the Bidder(s) with information to assist the formulation of their proposals. This RFP document does not claim to contain all the information each bidder may require. Each bidder should conduct its own independent investigation and analysis and is free to check the accuracy, reliability and completeness of the information in this RFP document and wherever necessary obtain independent information.

Aryavart Bank and its employees make no representations or warranty and shall incur no liability under any law, statute, rules or regulations as to the accuracy, reliability or completeness of this RFP Document. Aryavart Bank may in its absolute discretion, but without being under any obligation to do so, update, amend or supplement the information in this RFP Document. Such change will be published on the Bank's Website and it will become part and parcel of RFP.

The Bank also accepts no liability of any nature whether from negligence or otherwise, however caused arising from reliance of any bidder upon the statements contained in this RFP.

The issue of the RFP does not imply that the Bank is bound to select a bidder or to appoint the selected bidder, as the case may be, for the purposes of RFP and the Bank reserves the right to reject all or any of the bidder or bids without assigning any reason whatsoever.

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 maybe 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.



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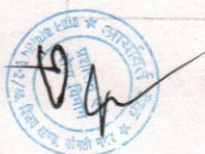
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1. ABOUT ARYAVART BANK:

Aryavart Bank, a Regional Rural Bank, was constituted on 1st April, 2019 after amalgamation of two Regional Rural Banks (RRBs) namely Gramin Bank of Aryavart and Allahabad UP Gramin Bank as per Government of India Gazette notification No. 338 dated 25-01-2019. Gramin Bank of Aryavart was sponsored by Bank of India while Allahabad UP Gramin Bank was sponsored by Allahabad Bank. The amalgamated entity Aryavart Bank functions under Regional Rural Banks Act 1976 having its Head Office at Lucknow under the sponsorship of Bank of India.

The Aryavart Bank is operating in 26 districts namely Agra ,Aligarh, Ayodhya, Bahraich ,Banda ,Barabanki ,Chitrakoot ,Etah ,Farrukhabad ,Firozabad ,Hamirpur ,Hardoi ,Hathras ,Jalaun ,Kannauj ,Kasganj ,Lakhimpur ,Lucknow ,Mahoba ,Mainpuri ,Mathura ,Mirzapur ,Shravasti ,Sitapur ,Sonbhadra and Unnao in the State of Uttar Pradesh with a network of 1367 Branches & 22 Regional Offices.

All branches and Regional Offices are on CBS platform. RTGS/NEFT facility is enabled in all branches. The Head Office of the Bank is situated at Lucknow, the capital of Uttar Pradesh. The Regional Offices of the Bank are located at Agra ,Aligarh ,Bahraich ,Banda ,Barabanki ,Bhinga ,Biswan ,Chitrakoot ,Etah ,Farrukhabad ,Firozabad ,Hardoi ,Hathras ,Kannauj ,Lakhimpur ,Lucknow ,Mahoba ,Mainpuri ,Mirzapur ,Orai ,Sitapur and Unnao.

2. DEFINITIONS:

BANK means, unless excluded by and repugnant to context or the meaning thereof, shall mean ARYVART BANK, described in more detail in paragraph 1 above and which has invited bids under this RFP and shall be deemed to include its successors and permitted assigns.

RFP means this Request for Proposal for availing Bankers Indemnity Insurance Cover.

Bidder means an Insurance Company submitting the proposal in response to RFP.

Contract means the RFP document and acceptance thereof and the agreement duly executed between the Aryavart Bank and the Insurance Company together with the documents referred to therein including the conditions and instructions from time to time by the Bank.

3. Eligibility criteria for Insurance Companies are as follows:

- a. **INSURANCE COMPANIES OF REPUTE BOTH IN PUBLIC & PRIVATE SECTORS.**
- b. **ONLY WELL-ESTABLISHED REPUTED INSURANCE COMPANIES LICENSED BY IRDAI AND REGISTERED UNDER COMPANIES ACT WITH MORE THAN 5 YEARS ESTABLISHMENT AS ON 30.12.2021, ARE ELIGIBLE TO SUBMIT THE QUOTES/BIDS.**

THE INSURANCE COMPANY HAS TO SUBMIT COPIES OF THE LICENSE ISSUED BY IRDAI FROM INCEPTION SELF ATTESTED BY AUTHORIZED SIGNATORY OF THE BIDDERS INSURANCE COMPANIES.

4. TWO BID SYSTEM

Please note to submit duly signed and stamped Annexure 3 for Technical bid & Annexure 4 for price bid), in separate sealed envelopes.

The Authorized Signatory has to sign on all pages of printed bid documents in token of having accepted all the terms and conditions, of the Technical & Price bid

Financial Bid will be opened only when Technical Bid is found to be in order and accompanied with documentary evidence supporting eligibility criteria.

The preferred insurer will be the L1 bidder for the above policy. However, the Bank reserves the right to cancel the bid, if not found according to the proposal made and the bank also reserves the right to accept or reject any tender without assigning any reason/s whatsoever.

5. CANCELLATION / REJECTION OF THE TENDER:

- a) Bank reserves the right to cancel this entire Tender Process without assigning any reason to any tenderer.

None of the bidders shall have any legal recourse against the Bank for such cancellation.

- b) The bank is also at liberty to take any further action in respect of renewal of policies before expiry.

6. SUBMISSION OF BIDS:

Bid (both Technical & Financial) made strictly as per provisions of the RFP in separate sealed



envelopes should be submitted latest by 11:30 AM on 28.03.2022 at the address mentioned below:

General Manager
Administration & Service Department
Aryavart Bank
Head office
A-2/46
Vijay Khand Gomti Nagar
Lucknow, UP -226010

7. OPENING OF BIDS:

First, the Technical Bids will be opened in the presence of the Bidder's representative/s who may choose to attend the bid opening as per the following schedule:

Date	Day	Time	Venue
28.3.2022	Monday	12:00 PM	Administration & Service Department Aryavart Bank Head office A-2/46 Vijay Khand, Gomti Nagar Lucknow, UP -226010

Only those bids which qualify the technical evaluation, the price bids will be opened on the same day of opening technical bid or such other date intimated by Bank.

8. AGREEMENT FOR SERVICE STANDARD:

The selected insurance company should enter into an agreement for service standard (SLA). The bidder/s whose bid is accepted by the bank will be referred to as the selected bidder/s and Bank will notify the name of the selected bidder/s.

Bank will enter into SLA with the selected Bidder/s.

The effective date shall be date of signing of agreement by the selected bidder

The format for the agreement will be shared with the L1 bidder only.

9. OTHER

CONDITIONS:

- Any onerous clauses stipulated by the bidders or conditional offers in the bids which impact the intent of required terms as determined by the Bank shall be liable for rejection and Bank decision in this regard will be binding and final.
- Bidders are advised to submit all required information and details at the 1st instance in the envelope consisting of technical bid.
- Insurance companies should ensure that the bank is not put to any loss/inconvenience in the event of any claims, due to wrong calculation of premium on the part of the companies. In such instances the cost and consequences will be the sole responsibility of the Insurance Company.



10. INSURANCE BROKERS

Aryavart Bank has appointed & authorized **M/s Anand Rathi Insurance Brokers Ltd** as an insurance broker for the purposes of this RFP. The onus of remunerating the Broker as per Industry Standards lies on the Successful bidder. All the rights and claims under the policy shall be exercised or preferred by the Bank either on its own or through the Broker appointed by it.

11. OTHERS:

a. Bank reserves the right to the following:

- ☐ Reject any or all proposals received in response to the RFP without giving any reason whatsoever.
- ☐ Reject the proposals received in response to the RFP containing any deviation
- ☐ Waive or Change any formalities, irregularities, or inconsistencies in proposal format delivery.
- ☐ Extend the time for submission of the proposal.
- ☐ Modify the RFP document, by an amendment that would be notified on the website banks ~~web~~
- ☐ To independently ascertain information from the Banks and other institutions / companies to which the bidder has already extended services for similar assignment.

b. Compliance Confirmation

The bidder must submit unconditional and unambiguous compliance confirmation to all the terms and conditions stipulated in the RFP.

c. Assignment

The bidder shall not assign or outsource the works undertaken by them under this RFP.

d. Confidentiality

The bidder shall hold in confidence all information, documentation etc which come to their knowledge ('Confidential Information') and shall not disclose or divulge confidential information to any third party or use Confidential Information or any part thereof without prior written consent of the bank.

Confidential Information means information which is by its nature confidential or is designated by the bank as confidential and includes:

- a. All information marked or otherwise designated as confidential;
- b. Information which relates to the financial position, the internal management structure, the Personnel, policies and strategies of Bank, its Subsidiary and Associate.
- c. Bank Data, customer lists, customer information, account information, and business information regarding business planning and operations of Bank, its Subsidiary and Associate or other information or data whether such data is permanent or otherwise.
- d. Any other information which the parties specifically declared as confidential.

The restriction imposed in this clause does not apply to any disclosure of information:

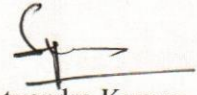
- a) Which at the material time was in the public domain other than by breach of this clause; or



b) Which is required by law to be communicated to a person who is authorized by law to receive that information.

e. **Governing Law/Jurisdiction**

The Agreement / Contract shall be governed by and construed in accordance with the laws in India and shall be subject to the exclusive jurisdiction of the Courts of Lucknow.



Satyendra Kumar
(General Manager)



Annexure – 1

From:

To:

Aryavart Bank

General Manager

Administration & Service Department

Checklist**Bidder to verify the checkpoints.**

1	Authorization Letter Format (for attending bid opening)	
2	Copy of license issued by IRDAI and proof of renewal of a license if any, with attestation for the last 5 years.	
3	RFP duly signed and stamped – Acceptance on the RFP (Annexure 3)	

No.	Other Clauses	[Yes/No]
1	Whether the Bid is authenticated by an authorized person? Copy of Power of Attorney or Authorization letter from the company authorizing the person to sign the bid document is to be submitted with the Bid	
2	Whether all pages are authenticated with signature and seal.	
3	Whether ensure that the Bid is prepared as per the instructions provided and place in separate envelopes (Technical & Price Bids) and both in one single Big Envelope. The envelope super scribed “Request For Proposal for Bankers Indemnity Insurance Cover in response to RFP - -----Dtd. -----, The Name of the Bidder and Due date of the RFP is to be specified on the top of the envelope.	

Insurance Company to verify the above checklist and ensure accuracy of the same before submission of the bid.

Date:

Signature with Seal

Name & designation



Annexure – 2 Bid Covering Letter

NAME OF THE INSURER: _____

We hereby confirm our acceptance to all the requirements and specifications as detailed vide Technical Bid (RFP terms)

Important:

- Duly signed and put seal/stamp on all pages attached with this Technical Bid document along with the Wordings which forms part and parcel of this RFP.
- Ensure that the Wordings have been understood by you in terms of Bankers Indemnity Policy with modifications and endorsements detailed in the RFP. In the event of difference in understanding of such terms, Bank's view will prevail.

Enclosures as per eligibility for IRDAI approved Insurance Companies:

Signature of the authorized person & Seal

Name of the Authorized
Signatory:Address:

Date:

Place:



Annexure 3: Technical Bid Format**RFQ - BANKERS INDEMNITY POLICY**

- 1 **BROKER NAME** Anand Rathi Insurance Brokers limited
- 2 **NAME OF INSURED** Aryavart Bank
- 3 **INSURED ADDRESS** Head office, A-2/46, Vijay Khand Gomti Nagar, Lucknow
UP -226010
- 4 **POLICY PERIOD** 01.04.2022 to Midnight 31.03.2023
- 5 **RETROACTIVE DATE**

1st April 2020 for Section I
&

1st April 2021 for Section II

- 6 **No. of Bank Branches :** 1367 Branches with 22 Regional Offices, 2 STCs and One Head office spread in two separate premises
- 7 **Claims details of last 3 years**

F.Y.	No. of Claims Reported	Amount of claims reported (In lacs)
2021-22	4	31.36
2020-21	Nil	Nil
2019-20	2	4.37

6. INSURING CLAUSES & SUM INSURED**SECTION - I**

Sr. No.	INSURING CLAUSES	Proposed Sum Insured (In Lacs)
1	Basic Sum Insurance (A to H)	1000.00
2	Additional Sum Insurance for Sections	



A (i)	On premises	500.00
A (ii)	On premises/vault of outsourced agencies	50.00
B	In Transit	1000.00
C	Forgery & Alteration	350.00
D	Employee Dishonesty	Within Basic SI
E	Hypothecated goods	Within Basic SI
F	Registered post Parcel/speed post/courier	2.50
G	Appraisers	0.50
H	Janata Agent / Collection agents or likes / Choti Bachat Yojana Agents/Business Correspondent / Business Facilitator/Affiliate Associates	0.50
I.	Forged Documents and Securities	AOA: 300.00 AOY: 300.00
J	Counterfeit Currency	AOA: 50.00 AOY: 50.00
K	Mysterious, Unexplainable Disappearance	Within Basic SI
L	Infidelity of Bank Appointed Vendors/vendors/all outsourced service providers	AOA: 50.00 AOY: 50.00
M	Liability arising out of Opening of Bank A/c With forged Documents	AOA: 50.00 AOY:50.00
N	ATM/other Modes Related Fraud	AOA: 50.00 AOY: 50.00
O	Negligence and Errors and Omissions	AOA: 50.00 AOY:50.00
P	Spurious Gold Cover	NIL
Q	Loss of Keys	AOA: 10.00 AOY:50.00
R	Stop Payment Liability	AOA: 50.00 AOY:50.00
S	Loss suffered by the insured due to failure of network link or arising out of other technical difficulties resulting in a claim from other banks/debit/credit/prepaid card holders of Aryavart Bank and other banks	AOA: 10.00 AOY:50.00
T	Loss incurred due to Multiple/ Duplicate claims , Wrong claims ,Frauds in ECS/ NACH/ NEFT/RTGS/IMPS/UPI/SWIFT clearing	AOA: 10.00 AOY:50.00



SECTION - II

COMPUTER & ELECTRONIC CRIME COVER	
PARTICULARS	Proposed Sum Insured's (In Crores)
Limit of Indemnity	2.00 crores
Basic Sum Insured (Aggregate Limit)	
Insuring Clause 1 : Computer System	
Insuring Clause 2: Electronic Computer Programmes	
Insuring Clause 3: Electronic Data & Media	
Insuring Clause 4: Malware	
Insuring Clause 5: Electronic & Telefacsimile Communications	
Insuring Clause 6: Electronics Transmissions	
Insuring Clause 7: Electronics Securities	
Insuring Clause 8: Voice Initiated Instructions	
Insuring Clause 9: Fees & Expenses	
Deductible	<p>Deductible for ATM fraud : Rs 5,000 for each and every claim</p> <p>Deductible for other coverage's (Section I): Rs 10,000 for each and every claim</p> <p>Deductible for (Section II): Rs 10,000 for each and every claim</p>
	<p>1. Online FIR to be a part of Policy provision and acceptable.</p> <p>2. List of Panel Surveyors: TBA prior to binding of cover.</p> <p>OTHER INSURING CLAUSES</p> <p>1) The insured/assured having relied upon electronic Instructions directed through any ATM / CDM / BNA / Recycler/Cash acceptor and purporting to have been entered by the card holder but which have been entered by a person other than the said card holder and who is Acting with fraudulent intent and causing a loss through a cloned/duplicate card.</p> <p>2) Cover for losses arising through any terminals using cloned cards/duplicate cards</p>



<p>Special Conditions</p>	<p>3) Cover for losses through cloned cards/duplicated cards used for online/ecommerce transactions</p> <p>4) Frauds in card present/not present scenario due to Phishing, Skimming of Cards, Vishing, Sim-cloning/Sim Duplication, Pharming, SMSing, MOTO facility, Bharat QR, cash out attacks and all other Social engineering frauds to be covered</p> <p>5) Legal liability arising due to SMS OTP or soft PIN not delivered or delivered wrongly including losses arising due to alerts not delivered on time or failed to deliver and the customer complaints raised against that</p>
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7. Add on covers

- Terrorism: 1000.00 lacs
- STFI: 1000.00 lacs
- Earthquake: 1000.00 lacs

8. Locations

All Offices/Work Places/Branches located in India either owned and /or rented, existing as well as future including but not limited to:

1. Currency Chest Branches / Bullion Branches
2. Head Office/Corporate Office.
3. Regional Offices/Zonal Offices/Back office
4. Branch Offices
5. Extension Counters
6. Satellite Offices and Mobile Offices
7. E- Lounge Centers
8. ATM Centers/CDM/CRM/ Cash Deposit Kiosk / Bunch Note Acceptor /Cash Acceptor Kiosk/ (Offsite/Onsite)- Owned and /or Rented, E.D. P systems centres including outsourced centers
9. Training Centers
10. Residential Building/ Buildings/Flats/Guest Houses Etc.
11. Representative Offices
12. Mobile units(including ATM/CDM/CRM/CMSU)
13. Business Correspondent Locations



*In witness whereof the undersigned being duly authorized by the **Insurers** and on behalf of the **Insurers** has (have) hereunder set his (their) hand(s) on this _____ day of April 2022*

For and On Behalf of

_____ **INSURANCE COMPANY LIMITED**

AUTHORISED SIGNATORY



BANKERS INDEMNITY POLICY

Whereas the Insured, named in the schedule here to has made to the Insurer a written Proposal which it is agreed shall form the basis of this Insurance and has paid *the premium specified in the schedule, all provisions of the said schedule and the written Proposal being hereby incorporated in forming part of this Policy.

The Insurer hereby undertakes and agrees, subject to the following terms, exclusions, limitations, general definitions and conditions, to make good to the Insured, as stated in the insuring clauses, or in any amendment endorsements attached thereto, in excess of the amounts of the deductibles/excess stated to be applicable, such financial loss sustained by the Insured subsequent to the retroactive date and discovered by the Insured during the period of the Policy and subject always to the Policy Limits as stated in the schedule or in any amendment endorsements attached thereto. The insured's legal liability shall be deemed a direct financial loss for the purposes of this policy.

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

The attention of the Insured is particularly drawn to each of the Insuring Clauses, Definitions, Exclusions and Conditions, and any amendment endorsements/riders of this Policy.

In all communications the Policy Number appearing on the schedule should be quoted.

INSURING CLAUSES:

A. ON PREMISES

By Reason of:

- a. Property within the Premises being lost through:
 - i. theft, larceny, false pretence, burglary, robbery or hold-up 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, 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 Correspondent / Business Facilitators 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 and excluding in any event loss caused by such client or customer or representative. In the scenario of such a loss the claim will be paid directly to the client of the bank who has suffered the loss.



- 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 participant.
- d. This section is extended to include cover for property on premises/vaults of outsourced agencies as per limit mentioned in cover A (ii) of the schedule of the policy.

B. IN TRANSIT

By reason of:

- a) Loss, damage or destruction of Property from any cause (including by mysterious unexplainable disappearance) and negligence as well as fraud of the employees of the insured 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 Service Provider/outsourced agencies/vendors 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.

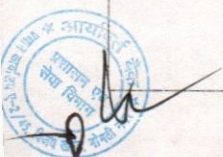
Special Condition:

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.

C. 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, Letters of undertaking, SWIFT Messages, Money Orders, Order upon Public Treasuries, Stock Redemption forms, Stock Transfer forms, Promissory Notes, Withdrawal Receipts for the withdrawal of funds or any other documents;
- 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 (including property or uncertificated securities) 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 telegram, cablegram, telex 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.
- iv. All CTS related frauds to be covered
- v. By reason of the payment made in respect of bogus or fictitious or forged or raised cheques and/or drafts and/or genuine cheques and/or traveler cheques and/or gift cheques and/or fixed deposit receipts and/or bills of discount and/or other credit facilities issued by the insured bearing forged endorsements or forged/wrong credit or debit made through RTGS/NEFT/IMPS/AEPS or the establishments of any credits to any customer on the faith of such documents. The coverage is operative irrespective of whether the said instruments are received over the counter or through the clearing house or by Mail. The cover is extended to include the losses suffered by the insured on payment of void cheques / invalid cheques / cheques against closed accounts which may or may not be forged / fraudulently altered.

Special Condition:

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. This section will include cover for loss being caused to the insured due to the insured not being in compliance of applicable RBI guidelines/circulars/rules/regulations and other statutory/compliance requirements.

D. DISHONESTY

By reason of: Loss resulting solely and directly from dishonest, fraudulent or malicious acts or omission by any Employee of the Insured (including loss being caused to the insured due to 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.

E. HYPOTHECATED GOODS:

By reason of:

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

F. REGISTERED POSTAL SENDINGS/SPEED POST/COURIER:



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/speed post/courier from the Office of the Insured to the Consignee.

G. APPRAISERS:

By reason of:

Loss by 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. This section to include cover for infidelity and criminal acts on part of the employees whilst acting as appraisers. This section will also include cover for infidelity and criminal acts of property valuers and advocates.

H. JANATA AGENTS/CHHOTI BACHAT YOJANA AGENTS/COLLECTION AGENTS OR LIKE /BUSINESS CORRESPONDENT/BUSINESS AFFILIATE/FACILATORS/ASSOCIATES:

By reason of:

Loss by Infidelity or Criminal Acts on part of the Janta Agents / Chhoti Bachat Yojana Agent/Collection agents or like, Business Correspondents, Business Associates, Business Facilitators, Business Affiliates or persons performing duties of a like nature.

I. FORGED DOCUMENTS AND 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 or relied upon any Security, Documents or Similar Written Instruments which prove to be:

- i. bearing a Forged Signature, or
- ii. bearing a Fraudulent Alteration,
- iii. are Counterfeit, or
- iv. are lost or stolen
- v. fabricated, fake or fictitious or purported to be original

"Securities, Documents or Similar Written Instruments" as used herein means the below mentioned documents:

- (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,



- (b) Bonds similar in form to corporate bonds issued by partnerships, which bonds are secured by mortgages, deeds of trust or collateral trust agreements,
- (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, Countries, Cities, Towns or Municipalities,
- (d) Deeds of trust, 7/12, Land Records, mortgages upon real property and upon interests in real property and assignments of such mortgages, Documents evidencing title of property like encumbrance certificates, title deeds, possession certificate, receipts,
- (e) Postal Deposits, Kisan Vikas Patra, National Saving Certificates or likes, Insurance Policies, Commercial Invoices, Bills, Documents purported to be for establishing credit or eligibility likes of but not limited to salary slips, payslips, salary statement, income proofs, Income Returns, Form 16, Balance Sheets, Annual Reports, Profit & Loss statements, Bills of Exchange, Bill of Lading, Letter of Credit, Bill of Entry, Bank Guarantees, Export Import Related Documents, Custom Bond, warehouse receipts,
- (f) Commercial Paper, Railway Receipts, Goods Transfer Notes, Delivery Challans,
- (g) 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,
- (h) Certificates of Deposit when pledged to the Insured as security for a Loan except
Certificates of Deposit issued by the Insured,
- (i) Any other loan documents/securities for procuring loan/used during any banking transactions including invoices, quotations, any residence proof, Pan card or any other identity proof basis which loan has been extended

J. COUNTERFEIT CURRENCY

By reason of:

Loss by the receipt and payment by the Insured in good faith and in the ordinary course of business of any counterfeit / altered paper currency or coin issued or purporting to have been issued as legal tender in any Country.

K. MYSTERIOUS AND UNEXPLAINABLE DISAPPEARANCE

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.



**L. INFIDELITY OF THE BANK APPOINTED VENDORS/ VENDORS/ALL
OUTSOURCED SERVICE PROVIDERS:**

By reason of:

Loss of money and or securities/property resulting solely and directly from dishonest and fraudulent acts by bank appointed vendors/vendors/all outsourced service providers/ employees of the bank appointed vendors/vendors/all outsourced service committed with the manifest intent to cause the insured to sustain such loss or to obtain a financial gain for themselves wherever committed whether committed alone or in collusion with others. This cover will be applicable irrespective of the contractual agreement specifying onus of the loss to be borne by any vendors/service providers.

The excess applicable for this section will be INR 10,000 each and every loss

**M. LIABILITIES ON OPENING OF BANK ACCOUNTS BY SUBMISSION OF FORGED
DOCUMENTS:**

By reason of:

Loss resulting directly from Forgery or fraudulent documents and/ or alteration of documents, on, or in any residence proof, Pan card or any other documents used for opening bank accounts, Drafts, Certificates of Deposit, Letters of Credit, Withdrawal slip etc causing loss to Bank as a liability for others (customers or institutions or regulatory authorities) will be indemnified by the insurance company.

N. ATM/OTHER MODES RELATED FRAUD

**LOSS OF CASH &/OR ITEMS FOR DEPOSIT FROM ATM/CDM/BNA/CASH
ACCEPTOR/RECYCLER AND ATM/ CDM/BNA/CASH ACCEPTOR/RECYCLER
RELATED FRAUD:**

It is hereby declared and agreed that 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/excess 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 Machine / Bunch Note Acceptor/Cash Acceptor/Recycler 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 Machine / Bunch Note Acceptor/Cash Acceptor/Recycler 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) including duplication of pin maker

iii The insured having relied upon electronic instructions directed through any ATM/CDM/BNA/Cash Acceptor/Recycler and purporting to have been entered by the card holder but which have been entered by a person other the said cardholder and who is gaining access to such ATM/CDM/BNA/Cash Acceptor/Recycler by means of lost or stolen debit, credit and/or any other card issued by the insured and thereby resulting in a loss.

iv Property and/or money being lost through an illegal act or withdrawal by a customer acting under duress or being damaged or destroyed, howsoever or by whomsoever caused, while such property is contained in any Automated Teller Machine/CDM/BNA/Cash Acceptor/Recycler situated anywhere.

v. Cover for losses through stolen/lost cards used for Online/e -Commerce transactions and any other Terminals

vi. Losses through fraudulent domestic as well as international transactions to be covered.

The excess applicable for this section will be INR 5,000 each and every loss.

O. NEGLIGENCE AND ERRORS AND OMISSIONS

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 including losses due to erroneous transfer and integration errors between bank system and external system.

Special Condition;

Including losses arising out of the insured by error not being in compliance of applicable RBI guidelines/circulars/rules/regulations and other statutory / compliance requirements

P. SPURIOUS GOLD COVER

By reason of

Loss arising out 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.

Q. LOSS OF KEYS:



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.

Q. STOP PAYMENT LIABILITY

By reason of

The insured having complied or failed to comply with the request of any customer of the insured or an authorized agent of such customer, to stop payment on any cheque or draft made or drawn upon or against the Insured by such customer or by an authorized agent of such customer and which results in a loss to Insured's customer, thereby liability falling upon Insured to pay to its customer.

S. LOSS SUFFERED BY THE INSURED DUE TO FAILURE OF NETWORK LINK OR ARISING OUT OF OTHER TECHNICAL DIFFICULTIES RESULTING IN A CLAIM FROM OTHER BANKS/DEBIT/CREDIT/PREPAID CARD HOLDERS OF ARYAVART BANK AND OTHER BANKS

By Reason of

Loss suffered by the insured either direct financial or legal liability arising out of failure of network link or arising out of other technical difficulties resulting in a claim from other Banks/Debit/Credit/prepaid Card Holders of Aryavart Bank and other Banks.

T. LOSS INCURRED DUE TO MULTIPLE/DUPLICATE CLAIMS, FRAUD IN ECS/NACH/NEFT/RTGS/IMPS/UPI/SWIFT CLEARING

By reason of

Loss incurred by the insured due to Multiple/ Duplicate claims, Wrong claims , Frauds in ECS/ NACH/ NEFT/RTGS/IMPS/UPI/SWIFT clearing.

GENERAL DEFINITIONS

References in this Policy to the singular shall also include references to the plural and references to the male gender shall also include references to the female gender, and vice versa in both cases.

The words or phrases defined below have a specific meaning. They have this meaning wherever they appear in the Policy and are shown with an initial capital letter.

1. **"Acceptance"** means a bill of exchange upon which is signified by the drawee his assent to the order of the drawer.
2. **"Insured"** means the Insured named and stated in the Schedule of this Policy and any Subsidiaries



3. **"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.
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 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.
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 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.
8. **"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
9. **"Employee" or "Employees"** means
 - a. The Insured's officers and other full and part-time staff compensated by salary or wages (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, (any **Outsource** services or service provider a natural person who is a person to whom, or an **Employee** of an organization to which an **Insured Outsources** including contractors sub-contractors and appraisers).
- 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.

In addition to the above the definition of employee shall mean all employees of the insured whether permanent, temporary or under contract including apprentices and under contract of any outsourcing agency with whom the insured has entered or may be entering during the period of insurance into any contract relating to the business of the Insured.

10. "**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.

11. "**Insurer**" means the General Insurance Company viz Insurance Co Ltd

12. "**Loan**" or "**Loans**" or "**Advance**" means

- a. Any loan or Advance or transaction in the nature of, or amounting to, a loan or extension of credit, including a lease, made by or obtained by or from the Insured,
- b. Any note, account, invoice, agreement, or other evidence of debt, assigned or sold by or to, or discounted otherwise acquired by the Insured,
- c. Any payments made or withdrawals from a customer's/employee account involving an uncollected item and any other similar transaction

13. "**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.

14. "**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.

15. "**Policy**" means:

- a. the Schedule, insuring clause(s), definitions, exclusions, conditions, and other terms contained herein; and
- b. any endorsement attaching to and forming part of the Policy either at inception or during



- the Policy Period; and
c. the proposal.

16. **"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.

17. **"Property"** Recommended: "Property" means cash (i.e. currency, coins and Bank Notes), bullion, precious metal 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, including value of Subscription or potential Subscription** therein, bills of lading, warehouse receipts, Cheques, gift Cheques, travellers Cheques, travellers letter of credit bills of exchange, **accounts receivable or assignments, acceptances**, Drafts, pay orders, Demand Drafts, Securities, Deposits, Term Deposits, Withdrawal Slips, certificates of deposit, letters of credit, goods and/or **commodities pledged or hypothecated or mortgaged**, foreign currency, Promissory Notes, money orders, orders upon public treasuries, stamps, insurance policies, title deeds, deeds of trust certificates of title and all other negotiable and non-negotiable instruments or deemed contracts representing money or other Property (real or personal) or interests therein, and other valuable papers, including books of account and other records (but excluding records recorded electronically) used by the Insured in the conduct of their business, in which the Insured has an 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 includes Property in automated teller machines.**

18. **"Premises"** means Insured's office at the address stated in the schedule and any other permanent or temporary, leased or owned or allowed to use arrangement office occupied by the Insured or on its behalf for the purpose of conducting business including ATMs, Mobile Offices, Cash collection centers, Currency management centers, KIOSKS, Cash Management Service units, Cash Deposit Machines, mobile vans and likes and /or all vaults, safe deposit, safe deposit vaults, safe deposit boxes, strong room, defender safe. The premises also includes office of the Insured's bankers having custody of property for safekeeping purposes in any recognized place of safe deposit in course of normal business, including integrated currency chest. 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 also constitute as Premises. All new premises owned or hired or leased during the course of the policy period are deemed to be covered. Additionally, all descriptive items mentioned under locations forming a part of the schedule are also covered.

19. **"Proposal"** means the application for insurance completed by the Insured and any ancillary information and documentation supplied by the Insured in connection with this insurance.

20. **"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.



21. **"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 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.

22. **"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.

23. **"Financial Organization"** means:

- i. Any bank, credit institution, financial institution, undertaking for collective investment in securities, investment firm, asset management company, building society, friendly society or similar organization;
- ii. Recognized investment exchange, recognized clearing house, designated investment exchange or designated clearing house, overseas investment exchange, overseas clearing house;
- iii. 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
- iv. Any Custodian.

24. **"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.

25. **"Loss"** or **"Losses"** or **"Lost"** means:

- a. The financial loss sustained by the Insured (or by any person or organization 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).
- b. Direct compensatory damages (but not multiples thereof) awarded to a third party or settlements negotiated with the Insured's consent to reimburse a third party for their direct financial loss suffered as a result of an act, omission or event covered by Section of this Policy;
- c. Interest Receivable or Payable;
- d. Claims Expenses incurred in accordance with applicable Insuring Clause (Claims Expenses);
- e. Verification Costs incurred in accordance with applicable Insuring Clause (Verification Costs);
- f. Legal fees, costs and expenses incurred in accordance with applicable Condition (Legal Fees, Costs and Expenses).

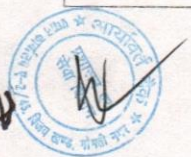


26. **"Trading"** means any dealings in securities, metals, commodities, futures, options, funds, currencies, foreign exchange, and any other instruments traded through an established securities or commodities exchange.

Cover for losses through stolen/lost cards used for Online/ecommerce transactions and POS/any other Terminals.

27. **"Terrorism"** means the unlawful use of violence against persons or **Property** to further political objectives, and which is intended to intimidate or coerce a government, individuals or persons to modify their behavior or policies, or an act which is verified by the Government of India as an act of **Terrorism**. **Terrorism** does not include: (1) Any act of violence directed at a specific individual or individuals which is motivated by personal reasons specific to the parties, i. e., robbery, crime of passion, murder; or (2) Any act of war or civil war.

27. **"Automated Teller Machine"** means an unmanned electronic terminal installed at the premises of the Assured/Insured (including stand-alone terminals), and bearing the Assured/Insured's designated logo or insignia, which can read the magnetic/EMV encoding of a 24 Hour Banking Card and permits a 24 Hour banking cardholder of the Assured/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 center authorizing the processing of debit and credit entries to the cardholders accounts. This definition also includes cash deposit machines and other related machines.



SECTION – 2: COMPUTER CRIME INSURANCE POLICY

INSURING CLAUSES 1

Computer Systems:

By reason of the **Insured** 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:

- (i) the **Insured's Computer System**, or
- (ii) a **Service Bureau's Computer System**, or
- (iii) any **Electronic Funds Transfer System**, or
- (iv) 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 **Insured'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 **Insured's Computer System**

Which fraudulent acts were instructed by or committed by a person who intended to cause the **Insured** to sustain a **Loss**.

INSURING CLAUSE 2

Electronic Computer Programs:

By reason of By reason of the **Insured** 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 **Insured** to sustain a **Loss**.

INSURING CLAUSE 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 **Insured'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 **Insured** or in the custody of a person designated by the **Insured** 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 **Insured** is the owner of such **Electronic Data** or **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, 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 **Insured** 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 **Insured** 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 **Insured's Computer System**, provided that the **Insured** is the owner of such **Electronic Computer Programs** or is legally liable for such **Loss** or damage.

INSURING CLAUSE 4

MALWARE: By reason of;

- (a) the **Insured** 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 **Insured's Electronic Data** due to any **Malware** caused/introduced by any person while such **Electronic Data** are stored within the **Insured's Computer System** or a **Service Bureau's Computer System**; and
- (b) the destruction or attempt thereof of the **Insured's Electronic Data** as the result of any **Malware** caused/introduced by any person while such **Electronic Data**



are stored within the **Insured's Computer System** or a **Service Bureau's Computer System**.

INSURING CLAUSE 5

**Electronic & Tele
facsimile
Communications:**

By reason of;

By reason of the **Insured** 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 **Insured** authorizing or acknowledging the transfer, **Payment**, delivery or receipt of funds or **property** which communications were transmitted or appear to have been transmitted

- (a) through an **Electronic Communication System**, or
- (b) by **Tele facsimile**, telex, TWX or similar means of communication into the **Insured's Computer System** or to the **Insured's Communications Terminal** and fraudulently purport to have been sent by a customer, **Automated Clearing House**, an office of the **Insured**, or another financial institution but which communications were either not sent by said customer, **Automated Clearing House**, an office of the **Insured**, or another financial institution or were fraudulently modified during physical transit of **Electronic Data Processing Media** to the **Insured** or during **Electronic Transmission** to the **Insured's Computer System** or to the **Insured's Communications Terminal**.

SPECIAL CONDITION

All **Tele facsimile**, telex, TWX or similar means of communication referred to in paragraph (2) above must be **Tested** or subject to a call-back to an authorized person other than the individual initiating the transfer request.

INSURING CLAUSE 6

**Electronic
Transmissions:** By reason of;

By reason of a customer of the **Insured**, 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 **Insured** to its customer, an **Automated Clearing House** or a financial institution authorizing or acknowledging the transfer, **Payment**, delivery or



receipt of funds or **property** which communications were transmitted or appear to have been transmitted through an **Electronic Communication System**, or by **Tested Tele facsimile, Tested telex, Tested TWX** or similar means of **Tested** communications 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 **Insured** or were the result of the fraudulent modification of **Electronic Data** during physical transit of **Electronic Data** Processing Media from the **Insured** or during **Electronic Transmission** from the **Insured's Computer System** or the **Insured's Communications Terminal**; or

- (b) as the result of the fraudulent input, the fraudulent modification or the fraudulent destruction of **Electronic Data** stored within or being run within the **Insured's Computer System** or during **Electronic Transmission** from the **Insured's Computer System** into the customer's **Computer System** while the **Insured** is acting as a **Service Bureau** for the said customer; and for which **Loss** the **Insured** is legally liable to the customer, the **Automated Clearing House** or the financial institution.

INSURING CLAUSE 7

**Electronic
Securities:**

By reason of;

Central Depository having transferred, paid or delivered any funds or **property** or debited any account of the **Insured** on the faith of any electronic communications purporting to have been directed by the **Insured** to the **Central Depository** authorising the transfer, **Payment** or delivery of said funds or **property** or the debiting of the **Insured'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

- (a) through an **Electronic Communication System**, or
- (b) by **Tested Tele 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 **Insured** to the **Central Depository** but which communications were either not sent by the **Insured** to the **Central Depository** or were fraudulently modified during physical transit of **Electronic Data** Processing Media from the **Insured** or during **Electronic Transmission** from the **Insured's Computer System** or the **Insured's Communications Terminal** to the **Central Depository** and for which **Loss** the **Insured** is legally liable to the **Central Depository**.



INSURING CLAUSE 8

Voice Initiated

Transfers: By reason of;

(a) the **Insured** having transferred any funds or delivered any **property** on the faith of any voice initiated instructions directed to the **Insured** authorizing 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 **Insured** specifically authorised to receive said instructions at the **Insured's** offices and fraudulently purport to have been made by a person authorized 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 **Insured** or the Customer to sustain a **Loss**. The **Insured** having transferred any funds or delivered any **property** on the faith of any voice initiated instructions purportedly communicated between the **Insured's** offices authorizing the transfer of funds or delivery of any **property** in a customer's account between the **Insured's** offices for the credit to persons allegedly designated by the Customer and which instructions were purportedly made over the telephone between the **Insured's** offices to those **Employees** of the **Insured** specifically authorised to receive said inter-office instructions by telephone, and fraudulently purport to have been made by an **Employee** of the **Insured** 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 **Insured**, who intended to cause the **Insured** or the Customer to sustain a **Loss**.

Special Conditions: "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 **Insured** for customer voice initiated funds transfers, and a 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 accepted by the **Insured**.

Special Definitions: "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 authorized 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.

INSURING CLAUSE 9

FEES & EXPENSES:

The **Insurers** shall indemnify the **Insured** against reasonable fees and expenses incurred and paid by the **Insured** with the prior approval of the **Insurers** for any damage sustained by the **Insured**, and/or 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**. Fees and expenses paid by the **Insurers** in defending any suit or legal processing shall be applied subject to General Condition No. 8 to the reduction of the Aggregate **Limit of Indemnity** and the Sub-Limit for the applicable Insuring Clause.

The **Insured** shall give notice to the **Insurers** of the institution of any suit or legal proceeding referred to above and at the request of the **Insurers** 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 **Insurers** 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 **Insurers** 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 **Insurers** 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 **Insurers** are not obligated to conduct the defence of such suit or legal proceeding referred to in the first paragraph of this General Condition. The **Insured** shall give all reasonable information and assistance that the **Insurers** shall deem necessary to the defence of such suit or legal proceeding.

Fees and Expenses paid by the **Insurers** 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 **Insurers** pay fees and expenses in excess of their proportionate share of such fees and expenses the **Insured** shall promptly reimburse the **Insurers** for such excess.

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

ENDORSEMENT - 1

Other Insuring Clauses:

1. The insured/assured having relied upon electronic Instructions directed through any ATM / CDM / BNA / Recycler/Cash acceptor and purporting to have been entered by the card holder but which have been entered by a person other than the said card holder and who is Acting with fraudulent intent and causing a loss through a cloned/duplicate card.
2. Cover for losses arising through POS terminals/any other terminals using cloned cards/duplicate cards
3. Cover for losses through cloned cards/duplicated cards used for online/ecommerce transactions
4. Frauds in card present/not present scenario due to Phishing, Skimming of Cards, Vishing, Sim-cloning/Sim Duplication, Pharming, SMSing, MOTO facility, Bharat QR, cash out attacks and all other Social engineering frauds to be covered
5. Legal liability arising due to SMS OTP or soft PIN not delivered or delivered wrongly including losses arising due to alerts not delivered on time or failed to deliver and the customer complaints raised against that

General Definitions

1. **"Inured"** means the Assured first named stated 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



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. **"Inured's Computer Systems"** means those **Computer Systems** operated by the **Insured**/ or on behalf of **Insured** and which are either owned by or leased to the **Insured** or are declared in the Proposal Form.
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 **Central Depository Services Limited(CDSL)/National Securities Depository Limited (NSDL)**, Federal Reserve Bank of the United States, or any similar institution in the jurisdiction, where as the direct result of an electronic clearing and transfer mechanism entries are made on the books reducing the account of the transferor, pledg or or pledgee and increasing the account of the transferee, pledgee or pledg or by the amount of the obligation or the number of shares or rights transferred, pledged or released.
5. **"Communications Terminal"** means any teletype, tele printer, video display terminal, or **Tele facsimile** machine, ATM / CDM / BNA / Recycler/Cash acceptor/ POS terminals 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 or 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**.
7. **"Malware"** means a set of unauthorized instructions, programmatic or otherwise, that propagate themselves through the **Insured's Computer System** and/or networks which instructions were maliciously introduced by a person.
8. **"Customer Communication System"** means all communications systems which provide customers of the **Insured** with direct access to the **Insured'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 pre - authorized 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 in



respective jurisdiction including E – mail communication.

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 or any other similar system and include any shared networks or facilities for said system in which the **Insured** 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
 - (a) is a type commonly dealt in upon securities exchanges or markets; and
 - (b) 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
 - (c) (i) is not represented by an instrument, or
 - (ii) is part of a master or global certificate; or 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, pledge or 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, mobile networks or similar means used for the transmission of **Electronic Data**.
16. **"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.
17. **"Service Bureau"** means a natural person, partnership or corporation authorized by written agreement to perform **Data** processing services using **Computer Systems**.
18. **"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**.
19. **"Telefacsimile"** means a system for transmitting written documents by means of electronic



signals over telephone lines to equipment maintained by the **Insured** within a specially secured area for the purpose of reproducing a copy of said document.

20. **"Telephone Banking System"** means a telephone banking communications system as declared in the proposal form which provides customers of the **Insured** with direct access to the **Insured'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 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.
21. **"Tested"** means a method of authenticating the contents of a communication by affixing thereto a valid test key which has been exchanged between the **Insured** and a customer, **Automated Clearing House, Central Depository**, another financial institution or between the offices of the **Insured** for the purpose of protecting the integrity of the communication in the ordinary course of business.
22. **"Automated Teller Machine"** means an unmanned electronic terminal installed at the premises of the **Insured** (including stand-alone terminals/rented), and bearing the **Insured's** designated logo or insignia, which can read the magnetic/EMV 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 and other related machines.
23. **"Loss"** means:
 - a. The 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 liable).
 - b. 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 financial **Loss** suffered as a result of an act, omission or event covered by Section of this **Policy**;
 - c. Claims Expenses incurred by the **Insured** excluding salary and wages but includes costs of having experts or outsourcing agencies.

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.

GENERAL EXCEPTIONS



The Company shall not be liable in respect of

a) any **Loss** or damage occasioned by or through or in consequence whether directly or indirectly of any of the following occurrences:

i) War, Invasion, Act of Foreign Enemy, hostilities, warlike operations (whether war be declared or not), civil war Mutiny, military, or popular uprising, insurrection, rebellion, revolution, military or usurped power, martial law, or state of siege, or any of the events or causes which determine of the proclamation or maintenance of martial law or state of seige

b) **Losses** resulting wholly or partially from the Wrongful Acts or default of any Directors, or Partners of the **Insured** other than salaried.

c) **Losses** resulting directly or indirectly from trading actual or fictitious whether in the name of the **Insured** or otherwise and whether or not within the knowledge of the **Insured** and notwithstanding any act or omission on the part of any **Employee** in connection therewith whether acting within the scope of authority or not with any account recording the same

d) **Loss** destruction or damage to any **Property (excluding loss of items mentioned in the definition of property forming a part of the policy)** whatsoever or any **Loss** or expense whatsoever resulting or arising there from or any consequential **Loss**

(e) any legal liability of whatsoever nature directly or indirectly caused by or contributed to , by or arising from ionizing radiations or contamination by radioactivity from any source whatsoever or from nuclear weapons material.

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 prorate 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 prorate 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).

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.

CLAIMS SERIES CLAUSE

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. Single **Deductible** will be applicable for similar series of claim.

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 of the schedule, and that in no event shall anyone other than the said Insured have any right of action under this Policy.

2. Discovery

This Policy applies to loss discovered by the Insured during the Policy Period. Discovery occurs when the insured reports a fraud to the RBI through FMR. This needs to be accepted as the date of occurrence irrespective of prior investigations/reporting to Police Authorities.

3. Notification / Claims Procedure

Upon the happening of any event giving rise to a claim under this policy, coming to the knowledge of the Insured:

- a) Lodge forthwith a complaint with the Police and take all practicable steps to recover the Property lost and to apprehend the guilty person(s) and to take appropriate departmental



action against such person(s).

b) As a condition precedent to its right to be indemnified under this Policy, the Insured shall, as soon as possible and in any event at the earliest after discovery by the Insured of any loss hereunder (which is when the insured reports a fraud to the RBI through FMR), give written notice thereof to the Underwriters.

4. Interpretation; Forum Selection; Service of Process

- a) 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 and in accordance with the English text as it appears in this Policy.
- b) In the event that the Insurer does not pay the amount claimed by the Insured to be due hereunder, the Insurer and the Insured shall bring suit in a Court of competent jurisdiction of India. 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 Insurer.

5. Basis of Valuation

a) Valuation of Securities and Foreign Currencies

- i. 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.
- ii. 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.
- iii. 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 Insured and the Insurer or in default thereof by arbitration. If, however, such securities or foreign funds or currencies shall be replaced by the Insured with the approval of the Insurer, the value shall be the actual cost of replacement.
- iv. If the applicable coverage of this Policy is subject to a deductible amount as specified in schedule and/or is not sufficient in amount to indemnify the Insured in full for the loss of securities for which claim is made hereunder, the liability of the Insurer 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) Valuation of Jewellery /Ornaments: Value for the purpose of settlement of any claim in respect of jewellery/ornaments under this Policy shall be
- Market value of the jewels on the date of loss
 - Appraiser value of the jewels on the dates of loan
 - The amount of settlement by the Bank to the Customer whichever is higher
- c) Property other than Foreign currencies, Securities or Records

In case of loss, or damage to, any Property other than foreign currencies, securities, books of account or other records, or damage covered, the Insurer shall not be liable for more than the actual cash value of such Property, or of items covered under Insuring Clause. The Insurer may, at its 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 Insured may file a "Lost Instruments Bond" for the purpose of obtaining the issuance of duplicate securities.

It is further agreed that subject to the Insurer's prior consent being obtained to the filing of such "Lost Instruments Bond", the Insurer will indemnify the Insured for such sum or sums, not exceeding however the limits of liability expressed in this Policy which the Insured may be required to pay either during the currency of this Policy or any time thereafter by reason of any indemnifying agreement delivered by the Insured to the Company issuing the "Lost Instrument Bond".

Lost Securities, Document, 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. 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.
- e. 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.
- f. 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.
- g. 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.

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 Insured's own labour and/or establishment costs, shall be applied in the following order:

- i. to reimburse the Insured 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 Policy or if payment thereof shall have been made, to the reimbursement of the Insurer.
- iii. finally, to that part of such loss sustained by the Insured 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 the Insurer's request and at reasonable times and places designated by the Insurer the Insured after giving notice of any loss shall:

- i. submit to examination by the Insurer and subscribe to the same under oath; and
- ii. produce for the Insurer's examination all pertinent records;
- iii. co-operate with the Insurer in all matters pertaining to the loss; and
- iv. cause all persons interested in the matter, so far as it is within the Insured's power including employees, to submit to examination by the Insurer and subscribe to the same under oath.

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

9. Subrogation

It is agreed that the Insurer upon payment of any loss hereunder shall become subrogated to all rights and remedies of the Insured in respect of such loss. At the request of the Insurer the Insured shall execute such documents as are necessary to transfer the Insured'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 Insurer for other losses covered by this Policy (except in respect of those Insuring Clauses which limits the Insurer's total liability for all losses during the Policy Period as specified in the schedule 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 Insurer on account of any loss of losses or series of losses caused by acts or omissions of any person whether one of the Employees of the Insured or not, or acts or omissions in which such person is concerned or
 - ii. implicated (and treating all such losses up to discovery as one event), shall not exceed the Limit of liability of the applicable Insuring Clause, and
 - iii. that if, and only if, there be directly or indirectly no such acts or omissions, the total liability of the Insurer on account of any loss or losses or series of losses arising out of the same event shall not exceed the Limit of liability of the applicable Insuring Clause of the Schedule; and
 - iv. that, should more than one Insuring Clause apply, the total liability of the Insurer shall not exceed the Limit of liability under one of the applicable Insuring Clauses of the Schedule and in no event shall each Limit of liability 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 Insurer shall not be cumulative in amount from year to year or from period to period and in no case shall exceed the Policy Limits stated in the Schedule.
- c) Deductible: The Insurer shall be liable only in excess of the deductible of the applicable
- d) The deductible shall apply to the Ultimate Net Loss sustained by the Insured subsequent to the Retroactive Date.
- e) "Ultimate Net Loss" shall mean the actual net loss to the Insured 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 Insured incurred in the investigation or adjustment of claims, actions or proceedings, unless specially agreed by the Insurer 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 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 Insurer of
 - ii. 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
 - iii. 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 Insurer with such further information as the Insurer shall require and then the Insured shall pay such additional premium as the Insurer may require consequent upon such change.

However, failure to report such transactions within 30 (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 Insurer.

12. NON CANCELLATION CLAUSE/ NON RESCINDABLE CLAUSE

- 1. This Policy may be cancelled by **the Insured**, by surrender thereof to **Insurer** or by mailing



the **Insurer** through the entity named in the Risk Details, written notice stating when the cancellation shall be effective.

Insurer shall not be entitled, under any circumstances, to avoid or rescind cover or exercise any rights against any **Insured** for any misrepresentation in the **Application** or for any non-disclosure

1. If the **Insured** cancel this **Policy**, the earned premium shall be computed on prorata basis, provided that the premium shall be deemed fully earned if any **Claim** has been notified to **Insurer** under this **Policy**. In that event, **Insurer** agree that the **Policy** will not be cancelled midterm solely on the basis of any valid **Claim** notified to **Insurer**
2. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but **Payment** or tender of unearned premium is not a condition of cancellation.

The **Policy** can be cancelled by the **Insurer** only in case of non-**Payment** of premium by the **Insured** under section 64 VB.

13. Fraud

If the Insured 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.

14. Arbitration and Disclaimer

If any dispute or difference shall arise as to the quantum to be paid under the policy (liability being otherwise admitted) such difference shall independently of all other questions be referred to the decision of a sole arbitrator to be appointed in writing by the parties to or if they cannot agree upon a single arbitrator within 60 days of any party invoking arbitration the same shall be referred to a panel of three arbitrators, comprising of two arbitrators, one to be appointed by each of the parties to the dispute/ difference and the third arbitrator to be appointed by such two arbitrators and arbitration shall be conducted under and in accordance with the provisions of The Arbitration and Conciliation Act, 1996.

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

It is hereby expressly stipulated and declared that it shall be a condition precedent to any right of action or suit upon this policy that award by such arbitrator/ arbitrators of the amount of the loss or damage shall be first obtained.

It is also hereby expressly agreed and declared that if the Company shall disclaim liability to the Insured for any claim hereunder, and such claim shall not, within 12 calendar months from the date of such disclaimer have been made the subject matter of a suit in a Court of Law, then the claim shall for all purposes be deemed to have been abandoned and shall not thereafter be



recoverable hereunder.

15. Rights of Recovery

Any amount which but for the acts or defaults on which the claim shall be found would have become payable by the Insured to the employee in respect of whom a claim is made hereunder or any other money which shall be due to such employee from the Insured shall be deducted from the amount payable under this Policy and that all moneys estate and effects of such employee in the hands of or received or possessed by the Insured and or claims which may be or may prior to the settlement of the claim become due from the Insured to the Employee and also all moneys or effects which shall come into the possession or power of the Insured for or on account of such Employee in respect of whom any claim shall be made on this Policy shall be applied by the Insured in and towards making good the amount of his claim under this Policy in priority to any other claim of the Insured upon such moneys estate or effects. The Company shall without thereby being held to admit any claim be entitled at any time in the Company's own or the Insured's name to take steps for the recovery of any property claimed for and the Insured shall be bound to give the Company all information and reasonable assistance in so doing. The Insured may also be required as a condition of any settlement to procure settled. Any money recovered after settlement of any claim shall be the property of the Company not exceeding however the amount paid by the Company.

16. Observance of Terms and Conditions

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

17. Renewal Notice

The Company shall not be bound to issue any renewal notice nor shall be bound to accept the renewal premium thereunder.

18. Terrorism Damage Coverage Endorsement

"It is hereby declared and agreed that in consideration of payment of additional premium the Terrorism Damage Exclusion Warranty provision forming part of the within mentioned policy stands deleted. The expression/s "terrorism and/or act of terrorism" shall have the same meaning/s as contained in Terrorism Damage Exclusion Warranty.

This endorsement does not cover loss of or damage caused by

A.

- I. total or partial cessation of work or the retardation or interruption or cessation of any process or operations or omissions of any kind.
- II. Permanent or temporary dispossession resulting from confiscation, commandeering, requisition or destruction by order of the Government or any lawfully constituted Authority.



- III. Permanent or temporary dispossession of any building or plant or unit of machinery resulting from the unlawful occupation by any person of such building or plant or unit or machinery or prevention of access to the same.
- IV. Burglary, housebreaking, theft, larceny or any such attempt or any omission of any kind of any person (whether or not such act is committed in the course of a disturbance of public peace) in any action taken in respect of an act of terrorism.

This clause includes cover for loss or damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling , preventing , suppressing or in any way relating to action taken in respect of any act of terrorism.

Terrorism Damage will also cover the **Insured** against any "suit" seeking those damages.

The limit of coverage under this endorsement shall not exceed the basic sum insured. Naxalite attacks will also be covered as a part of this clause.

19. LEGAL FEES AND 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 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.

SPECIAL CONDITIONS

Special conditions attached and forming part of the Banker's Indemnity Policy No. _____ effective from 01-04-2022 to 31-03-2023

The Policy covers

- 1) Cash in all ATM's/CDM's/BNA's/Recycler (including offsite) shall be treated as Cash on Premises. There shall be no requirement of Guards / CCTV / Alarm System at the ATMs/CDMs/BNAs/Recycler centres/branches. Claims shall not be repudiated/reduced solely on the ground of non-functioning of installed Alarm System / CCTV on the day of the incident.
- 2) All Employees of the Bank whether Permanent (including, Part Time as well as Contract employees are covered.
- 3) Cash in Transit shall mean and include Cash in Transit either by Bank through its own employees / contracted employees or through Agencies/vendors/service providers engaged by the Bank, cash in transit between currency chests, currency chest to branches, any branches of the bank / any banks, ATMs/similar other modes (cover till completion of replenishment process), door step banking etc and vice-versa. It also includes Loading and Unloading of cash at various points during the transit. This cover is also extended to losses that may arise whilst ATM/similar other modes maintenance services are being carried out.
- 4) Cash and Securities 'In Transit' would also include all but not limited to include cash



including foreign currency/securities transited from/to banks branches/offices/ATMs/similar other modes, other banks including co-operative banks, primary credit societies, post offices, treasuries, RBI, LIC offices, any other institution or office where Bank is required to remit/collect cash/securities and office/premises of customer approved by the Insured, with or without specific order or with extended orders.

- 5) Notwithstanding anything contained in this policy to the contrary the subject policy covers fraud by staff in respect of any goods and/or commodities pledged or hypothecated or mortgaged or deposited with the Bank.
- 6) Notwithstanding anything contained in this policy to the contrary the subject policy covers loss due to misappropriation including robbery theft of money and/or securities sent through post &/or courier.
- 7) Cash includes foreign currency but claim in respect of foreign currency shall be paid in Indian Rupees.
- 8) The indemnity in respect of jewellery and related valuables should be:
 - Market value of the jewels on the date of loss
 - Appraiser value of the jewels on the dates of loan
 - The amount of settlement by the Bank to the Customer whichever is higher
- 9) The movement of Cash/Property may be done either by the vehicles owned by bank/hired vehicle/ employee's own vehicle / public / Private transport (Rail/Road/ Air/Water born Vessels)/ on foot as the case may be and with Escorts/Armed Guards (either by own escorts or by outsourced agencies) only.
- 10) Policy covers loss of damage due to Fire & Allied perils, RSMD, Act of terrorism/ naxalite activities and all types of AOG perils
- 11) 72 hours clause will be applicable for AOG perils
- 12) Loss of cheques/ instruments deposited in the drop box also covered for Fraud and/or dishonesty, under the policy
- 13) Bank employees can do gold verification of up to INR 2 lakhs
- 14) The Retroactive period should be as per expiring policy
- 15) 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)
- 16) Though the Bank has laid down conditions for money in bank premises (maximum retention / hold-up in a day), however such conditions should not be the ground for rejecting/ reducing any claim. Kindly note that this condition stands waived and the claim should be paid in full.



- 17) The acknowledged copy of the complaint lodged by the bank with the police to register the FIR will be accepted in lieu of the FIR. On account payment of 75% to be granted / paid where Final Police report is awaited (in all cases including fraud cases.)
- 18) The disciplinary proceedings report of employees should not be insisted. Bank will give the details of disciplinary action taken against the employee.
- 19) With respect to claims lodged under Forged documents and securities section of the policy, documents given by the bank to prove the loss should be accepted and considered as final and requirements like sub registrar certificate to substantiate the loss should not be insisted upon.
- 20) 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.
- 21) No additional term, condition or any such stipulation, not specified in the quote would not be entertained later.
- 22) Claims shall not be repudiated/reduced solely on the ground of delay in intimation.
- 23) If any entity merges with Aryavart Bank during the Currency of Policy Period, the Insurance risk cover need to be extended for the merged entity also as per the requirement of Aryavart Bank.
- 24). The following terms & conditions would also be a part of the policy:
 - Insurance company would also be required to enter into a Service level agreement with Aryavart Bank which would capture the following conditions:
 - ☐ Pre agreed panel of surveyors
 - ☐ Time lines for surveys, survey report submission to be mentioned
 - ☐ Detailed clauses of this SLA would be shared post binding of policy. Other Servicing parameters would include:
 - ☐ Dedicated account management team from Insurer's end
 - ☐ Account review to be done on regular basis with Aryavart Bank and Anand Rathi Insurance Brokers.

FOR AND ON BEHALF OF Insurance Company

AUTHORISED SIGNATORY

Place:

Date:



E-4**FINANCIAL BID FORMAT**

<u>Policy Type</u>		<u>Net Premium</u>	<u>GST@18%</u>	<u>Total Premium</u>
Banker's Indemnity Policy	Section – I			
Computer & Electronic Crime	Section - II			
	Total			

Signature of the authorized person & Seal:

Name of the Authorized Signatory:

Address:

Date:

Place:



ANNEXURE -5 - OTHER TERMS & CONDITIONS

- The insurers must sign agreeing to all the terms and conditions of RFQ (including wordings) and submit a copy of the same as their technical quote. We request you to submit your technical quote giving your confirmation on the covers, terms and conditions forming a part of the RFQ.

Bidders are advised to submit their bids (Technical and Financial in separate envelopes) in hardcopy as per the stated scheduled on following address.

Financial bid of only technically successful bidders will be opened.

Bidders are strictly advised to send financial bid in separate envelope.

Address:

General Manager,

Aryavart Bank, A-2/46, Vijay Khand,

Gomti Nagar, Lucknow-226010.

- The last date of submission of the technical and financial quotes will be 28.03.2022 up 11.30 AM .No quote shall be accepted after the scheduled date and time. The quotes should be signed by the Authorized Official of the Insurer as a token of having accepted the clauses/ conditions in total.
- The technical quotes will be evaluated first and only those bidders who comply with all the terms of the RFQ will be considered for opening of the financial quote.
- Please note that insurer who provides technically qualified quotes and quote the L1 premium will be taken forward and awarded the policies.
- Right to accept or reject any or all quotes in part or full or to further negotiate the rate shall rest with the Bank, There shall be no compulsion on the Bank to accept the lowest offer.
- Any other information/clarification/Queries on RFQ may be obtained from the below:
Aryavart Bank Head office: A-2/46, Vijay Khand, Gomti Nagar, Lucknow-226010,
(Ho.Ans@aryavartbank-rrb.com) 9838779729.

Anand Rathi insurance Brokers,

1. Shaifali Goyal (Assistant Vice President) Email Id: shaifaligoyal@rathi.com, 8800283339

