

FORM GFR 17
[See Rule 306 (3)]

GENERAL INSURANCE CORPORATION OF INDIA AND ITS SUBSIDIARIES
FIDELITY GUARANTEE POLICY

POLICY No.

IN CONSIDERATION OF the first premium shown in the First Schedule and subject to the terms and conditions contained herein or endorsed herein which are to be deemed conditions precedent to any liability on the part of the Life Insurance Corporation of India (hereinafter called "Corporation") so far as they relate to anything to be done or complied with by the Employer, the Corporation agrees and binds itself to make good and reimburse to the Employer all such direct pecuniary loss not exceeding the amount of guarantee, as the Employer shall sustain by any act or acts of dishonesty, default or negligence committed by the employed / any of the employed (a) during the currency of this insurance and (b) during the uninterrupted continuance of employment of such employed and (c) in connection with his occupation and duties AND DISCOVERED during the currency of this insurance or within a reasonable time thereafter or within twelve months after determination of such employment whichever event shall first happen.

The proposal for this insurance made by or on behalf of the Employer together with any correspondence relative thereto shall be incorporated herein and be the basis of this contract and of every renewal.

THE FIRST SCHEDULE

The Employer N a m e
INDIA The Employed : Business
Address
The amount of Guarantee Rs.
Occupation and duties:
The first premium Rs.
The renewal date

THE PRESIDENT OF
through

Theday of in each year.

The currency of this insurance: The period or periods from the date written against the respective names of the Employed to the then next renewal date and any year thereafter in respect to which the Corporation shall agree to accept and Employer or Employed shall pay the annual premium specified in the Second Schedule hereto.

THE SECOND SCHEDULE

Period of Risk	Name	Amount of Guarantee	Annual Premium	Actual Premiu m
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Rs. Rs. P. Rs. P.

In witness whereof this Bond has been signed at this day of20.....

For1

Prepared by

Examined by.....

N.B.-For your own protection it is incumbent upon you to read your policy and its conditions to ascertain that it is made out in accordance with your intentions.

1 The name of the Company to be inserted in ink at the time of execution of this form.

CONDITIONS

In this policy the expression shall bear the respective meanings attached to them in the First Schedule hereto

1. The Corporation shall not be liable to make any payment hereunder if the nature of the business of the Employer of the duties or conditions of service shall be changed or the remuneration or any of the Employed reduced without the sanction of the Corporation or if the precautions and checks for securing accuracy of accounts shall not be duly observed.
2. Notice in writing shall be given to the Corporation's office as soon as possible after any act or acts of dishonesty, default or negligence on the part of any of the employed or of reasonable cause of suspicion thereof or any improper conduct shall have come to the knowledge of the Employer or of any representatives of the employer to whom is entrusted the duty of superintendence over any of the Employed and no amount shall be payable under this policy in respect of that Employed by reason of any act committed after such knowledge shall have come to the Employer or his said representatives. Within three months after such notice the Employer shall deliver to the Corporation full details of his claim and shall furnish proof of the correctness of such claim. All books of accounts of the Employer or any Accountant's report thereon shall be open to the inspection of the Corporation and the Employer shall give all information and assistance to enable the Corporation to sue for and obtain reimbursement by any one of the Employed or by his estate of any moneys which the Corporation shall have paid or become liable to pay under this Policy. Provided always that the Corporation shall not be entitled to the disclosure of any record or information in respect of which the Employer is entitled to claim privilege in a Court of Law under Sections 123 and 124 of the Indian Evidence Act.
3. Any moneys of any one of the Employed in respect of whom a claim is made in the hands of the Employer and any money which but for any act of fraud or dishonesty committed by such one of Employed would have been due to that Employed from the Employer shall be deducted from the amount otherwise payable under the Policy. Provided that the Employee is entitled under the law to make such deduction. Provided further that in cases in which the loss to the Employer is in excess of the maximum amount payable under the policy, the moneys aforesaid will be applied in the first place to make good the amount of such excess and the balance, if any, shall be deducted as herein provided. The Employer and the Corporation shall share any other recovery (excluding insurance and reinsurance and any counter security taken by Corporation) made by either on account of any loss in the proportions that the amount of the loss borne by each bears to the total amount of the loss.
4. Notwithstanding anything herein contained to the contrary it is also agreed that the Corporation guarantees to the Employer that the Employed shall honestly and faithfully account to the Employer for all moneys or valuables or property which they shall receive or be entrusted with on account of the Employer either in their personal or individual capacity or as member of group working conjointly with other members and that the Corporation will make good and reimburse to the Employer such loss not exceeding the amount of guarantee as the Employer may sustain by any act or acts of default or dishonesty or negligence of the Employed in the capacity and employment aforesaid and that when individual liability cannot be brought home to the Employed the amount to be made good shall be that which falls to the share of the Employed calculating from the total number of men forming such group, i.e., the total loss divided by the total number of men employed on the particular work.
5. The Corporation also agrees that during the period in which the guarantee shall be in force the particulars contained in the Second Schedule shall be with the consent of Employer and on previous notice to and on payment to the Corporation of any additional proportionate premium that may become payable in consequence of any change in the employed by reason of promotion or otherwise be varied as circumstances may require and such additional persona as may be taken into the employment of the employer referred to in the Schedule hereof during such period shall with such consent aforesaid and on previous notice to and on payment to the Corporation of a further proportionate premium at the rate for the time being applicable be added to and included in the said Schedule and the expression Employed used throughout this policy shall as from the respective date on which the names shall be included in the said schedule be deemed to include all persons whether previously named in the said Schedule or subsequently added thereto as aforesaid.
6. If any question or difference shall arise between the parties hereto or their respective representatives touching these presents or the construction hereof or as to the rights, duties or obligations of any persons hereunder or as to any other matter in anywise arising out of or connected with the subject-matter of these presents, the same shall be referred to a single Arbitrator to be named by the Government of India. The Arbitrator so named shall be an officer of Government and shall have all the powers conferred on Arbitrators under the Indian Arbitration Act. The costs of the reference and award shall be in the discretion of the Arbitrator. The making of an award in such reference shall be a condition precedent to any liability of the Corporation or any right of action against the Corporation in respect of such difference. If the Corporation shall disclaim liability for any claim hereunder and such claim shall not within twelve calendar months from the date of such disclaimer have been referred to arbitration under the provision herein contained then the claim shall for all purpose be deemed to have been abandoned and shall not thereafter be recoverable hereunder.
7. The expression "Government of India" for the purpose of Clause 6 above shall mean the Secretary to the

Government of India in the Administrative Ministry/ Head of Department under which the employed is working.