
FIDELITY GURANTEE POLICY WORDINGS

Salient Feature

The term “Fidelity Guarantee Insurance” embraces policies indemnifying employers against financial loss on account of forgery, defalcation, embezzlement and fraudulent conversion by employees. The object is to provide protection in respect of the default of an individual acting in capacity such as Cashier, Accountant, Store-keeper etc.

Scope of Cover

Commercial Fidelity Guarantee Policy provides indemnity against loss of money or goods as a result of acts of Fraud or dishonesty on the part of employees.

The cover may be required in respect of a single employee or a number of employees. There are three types of policies normally issued for this class of business viz. **Individual Policy**, **Collective Policy** and **Floating Policy**.

Notes:

It is necessary to obtain the Private Reference and/or Former Employer’s Report forms in addition to completed Employer and Employees application form, as appropriate.

Principal Types

1. Individual Policy :

The policy covers one individual only for a stated amount.

2. Collective Policy :

A schedule is included in the policy. The Insured decides the amount of guarantee required for each individual according to his or her responsibilities and position.

3. Floater Policy :

A single amount is shown in the policy which represent the Company's liability in respect of any one individual and its total liability in respect of all the employees guaranteed who are individually named in the schedule. Such policies can be granted where the number of persons to be guaranteed is not less than five.

4. Blanket Policy :

It is possible to issue in certain selected cases, blanket policies without the names of the guaranteed persons being shown, in respect of all employees who are grouped according to categories, e.g. employees handling cash, other clerical staff, etc. They are issued only to large well-established business houses conducted on sound lines.

Premium Rating

Rates vary from 0.50% to 1.50% per annum on the amount of guarantee, depending upon the merits of each case. Following rates are indicated only as a guide.

For Individual and/or Collective Policies

(a)	Managers, Executives, Officers and Clerks	0.5%
(b)	Accountants, Cashiers, Wage pay Clerks and Cash Clerks	0.75%
(c)	Rent and Bill Collectors, Cash Messengers & Godown/Store keeper	1% to 1.50%

Minimum Premium

Individual Policy	Rs.30/-
Collective Policy	Rs.50/-

In case of Collective Policies covering more than 10 persons for specific amounts in respect of each individual, discount of 10% off the premium may be allowed.

Floater Policies

The basic rate varying between 0.50% to 1.25% on the amount of the guarantee plus a rate varying from Rs.5/- to Rs.10/- per capita should be charged depending upon the trade, nature of the duties, system of supervision, basis of remuneration and the amount of guarantee, subject to Minimum Premium Rs.50/-.