



FIDELITY GUARANTEE INSURANCE

Fidelity guarantee insurance indemnifies the insured in respect of loss of money or goods caused by the fraud or dishonesty of the insured's employees.



COVERS INSURED

- Forgery, embezzlement, larceny or fraudulent conversion of money or goods of the insured
- Discovery period: The maximum period during which the act of fraud or dishonesty committed during the policy period should be discovered for such act to be covered under the policy. The standard discovery period is 6 months after termination of the policy or after the guilty employee resigns, leaves the employment or dies

There are a number of types of fidelity guarantee policy:

- Named employee or positions basis, which covers specified employees or positions and has a limit of indemnity per named person or position, collusion limit and an aggregate limit. Collusion limit is the maximum limit that would apply if more than one employee collude to commit an act of fraud or dishonesty
- Unnamed or blanket policy basis, which covers all employees, or all employees in a specific category or department, without naming the employees. A limit of indemnity for any one loss/collusion and an aggregate limit over all losses will apply

OPTIONAL EXTENSIONS

- Automatic reinstatement of sum insured
- Automatic additions of employees
- Legal, auditors' and consultant's fees up to an agreed limit, incurred in substantiating the amount of any loss

MAJOR EXCLUSIONS

- Act of fraud or dishonesty committed prior to the date of inclusion of the employee
- Loss where the insured continues to trust an employee with money or goods after becoming aware of any material facts concerning the dishonesty of that employee
- Unexplained shortages
- Non-compliance with systems of check and controls
- Bonds or guarantees
- Retroactive covers
- Fidelity guarantee insurance for financial institutions
- Losses happening outside the agreed territorial limits
- Penalties or fines
- Consequential and indirect losses
- Use, misuse, transmission or manipulation of computer data including software and media
- Loss resulting from fraud or dishonest acts committed by directors, partners and owners
- Loss suffered by third party to the insured
- War and terrorism