

Endorsements

Commercial Crime Insurance

1) Auto Acquisition Clause (Automatic coverage for New Entities)

It is hereby declared and agreed that if the Insured during the Policy Period:

- A. acquires securities or voting rights in another organization or creates another organization which as a result of such acquisition or creation becomes a Subsidiary; or
- B. acquires any organization by merger into or consolidation with itself such that the Insured is the holding entity,

then such organization shall be an Insured under this policy solely for loss sustained after the date of such acquisition or creation provided that the total revenues of such acquired or created organization at the time of its acquisition or creation do not exceed _____% of the total revenues of the Insured as reflected in the most recent audited, consolidated financial statements of the Insured. The following additional terms and conditions also apply:

- 1.
- 2.

All other terms, conditions and exclusions of the Policy stay unaltered.

2) Expectation Damages

It is hereby agreed and declared that the **Insurer** will pay on behalf of the **Insured** for **Loss** sustained by any **Insured** as a result of any **Claim** by a **Client** for **Expectation Damages** incurred as a consequence of any covered **Internal Crime** or **External Crime** committed against the **Insured**, which is first discovered during the **Policy Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions. The maximum amount payable by **Insurer** under this extension INR. as specified in Policy Schedule for each and every **Claim** and in the aggregate.

For the purpose of this endorsement the following Definition is added to the Policy:

Expectation Damages means any amount in excess of the **Deductible** incurred by and enforced against the **Insured** as damage pursuant to a written contract with a **Client**, to the extent necessary to restore the financial position of the **Client** to that which existed immediately prior to the occurrence of the **Internal Crime** or **External Crime**. Provided, however that such **Internal Crime** or **External Crime** is not committed in collusion with such **Client** nor any employee of such **Client**.

All other terms, conditions and exclusions of the Policy stay unaltered.

3) Care, Custody and Control Extension

It is hereby agreed and declared that that the indemnity expressed in this Policy shall apply to liability in respect of loss of or damage to property, money or securities belonging to a **Third Party** where the **Insured** is legally liable for such loss, provided such **Money, Securities or Other Property** is in the care, custody or control of the **Insured**.

Provide such **Money, Securities or Other Property** is:-

- I. in the charge or under the control of the Insured or any servant or agent of the Insured.
- II. being that part of any property on which the Insured or any servant or agent of the Insured is or has been working if that loss or damage results directly from such work.

All other terms, conditions and exclusions of the Policy stay unaltered.

4) Additional Named Insured Endorsement

It is hereby agreed and declared that below mentioned entities are included as additional named insured under the scope of this policy:

- <Entity Name>
- < Entity Name>

All other terms, conditions and exclusions of the Policy stay unaltered.

5) Audit Fees

It is hereby agreed and declared that the **Insurer** shall pay for fees in excess of INR _____ for sub limits of INR as specified in the Policy Schedule payable by the **Insured** to their Auditors for producing and certifying any particulars or details contained in the **Insured's** books of the account or the other business books or documents or such other proofs, information or evidence as may be required by the **Insured** for claims purposes under the **Policy**.

All other terms, conditions and exclusions of the Policy stay unaltered.

6) Interest Receivable Or Payable

It is hereby agreed and declared that the Policy is extended to include the amount of any interest which would have been receivable but for a **Loss** covered under this policy, or which becomes payable by the **Insured** resulting directly from a **Loss** covered under this policy provided that the **Insurer's** liability for such interest receivable or payable:

- I. is that which is calculated by applying the average of the Reserve Bank Of India base rate in force between the time of sustaining such **Loss** and the date of discovery of such **Loss**; and
- II. is limited to -----% of the Limits of Liability specified in the Schedule and such amount is part of and not in addition to the Limits of Liability specified therein.

All other terms, conditions and exclusions of the Policy stay unaltered.

7) Amendment of definition of In Transit Theft, Robbery, Burglary

It is hereby declared and agreed that **Definition 3.24** is deleted in its entirety and replaced by the following:

3.24 In Transit Theft, Robbery, Burglary means the criminal and intentional deprivation of the **Insured's Property** by a **Third Party** whilst in **Transit**.

All other terms, conditions and exclusions of this Policy remain unaltered.

8) Insured's Legal Liability

The **Insurer** will pay on behalf of the **Insured** for **Loss** sustained by any **Insured** as a result of any **Claim** by a **Client** for **Legal Liability** that directly results from **Internal Crime** or **External Crime** which is first **Discovered** during the **Policy Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions.

The maximum amount payable by **Insurer** under this extension is the Sub-Limit of Liability specified in the Policy Schedule.

9) Extended discovery period

If this policy upon termination is neither renewed nor replaced by any other policy covering the same or a similar risk, **insured** shall have the right to a **single extended discovery period** as stated in the **schedule** and subject to payment of the **additional premium** stated in the schedule. Any **loss discovered** during such extended discovery period and notified to us in accordance with the Terms and Conditions of this policy, shall be **considered for cover**, but only with respect to criminal acts committed prior to the termination date of the period of insurance. This extended discovery period shall not apply in the event of cancellation of this policy due to the non-payment of the premium.

For the extension, **Discovery** means:

- (a) Receipt of notice of an actual or potential claim against it alleging facts that if true would lead to Loss; or
- (b) First information or suspicion that a Crime may have been committed that is likely to lead to a loss.

Discovery by any of the employees or authorized representatives of the insured shall constitute Discovery under this endorsement.

10) Telephone Misuse

Cover in respect of **external crime** is extended to cover any **unauthorized** access and use of the insured's telephone system by an Employee which causes a loss to the insured. The Insurer shall pay the Insured for loss **first Discovered** during the Period of Insurance or any applicable Discovery Period. Loss under this clause means only the telephone charges payable by the Insured as a result of the unauthorized access and use.

The maximum amount the Insurer shall pay under this Additional Benefit in the Period of Insurance or any applicable Discovery Period shall be **INR _____**. This sub-limit shall be part of and not in addition to the Limit of Indemnity under Employee fraud or dishonesty OR External Crime.

11) Extension to Computer System - Including Cloud Computing

Means a computer and all input, output, processing, storage and communication facilities and equipment that are **connected** to such a device and that the operating system or application software **used** by the Insured are under the direct operational control of the Insured. Offline media libraries are deemed to be part of such Computer System.

12) IPR Infringement

This policy does not cover Loss resulting directly or indirectly from the loss of, or use of confidential information of any kind including intellectual property rights, patents, trademarks, trade secrets or confidential manufacturing, processing or servicing methods, except to the extent that such confidential information is used in the commission of a Crime otherwise covered under this Policy.

13) Unidentifiable Employees

If the loss is alleged to have been caused by theft, fraud or dishonesty of any of the employee and insured is unable to identify an Employee but proves beyond any reasonable doubt that a Loss must have been caused by a covered Criminal Act of an Employee, then the Insured shall not be required to specifically identify the Employee by name. Provided that the loss was in fact due to the theft, fraud or dishonesty of the insured employee acting alone or in collusion with others.

14) Criminal Damage to Money, Securities and Premises

The **Insurer** shall pay the **Insured** for any **Criminal Damage Costs**, including the associated costs of repairing damage to the **Premises**, incurred by the **Insured** as a direct result of **Criminal Damage** sustained on the **Premises** or while such **Money** or **Securities** are in the custody of an **Employee** (or any other person authorized by the **Insured** to have such custody) and first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

15) Direct Financial Loss Sustained by Customers or Clients of, or Suppliers

The Insurer shall indemnify the Insured for all Financial Loss sustained by any the customers or clients of the insured or suppliers of the insured as a direct result of any Criminal Act, which is first Discovered during the Insurance Period or the Discovery Period, if applicable, and notified to the Insurer in accordance with this policy's provisions.

This cover extension is subject to a sublimit as specified in schedule. (XX% OF POLICY LIMIT)

16) Social Engineering Fraud

The **Insurer** shall pay **Loss** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period** from the transferring, paying or delivering **Funds, Money** or **Securities**, directly caused by **Social Engineering Fraud** committed by a person purporting to be:

(a) a **Vendor**;

- (b) a **Client**;
- (c) an **Employee**; or
- (d) a **Manager**.

provided that, prior to transferring, paying or delivering **Funds, Money or Securities**, the **Insured** performed a **Transfer Verification** with respect to each **Communication** involving any change requests to **Vendor, Client, Manager or Employee** account information or pre-determined setup. Such **Transfer Verification** must be recorded, logged, or otherwise documented by the **Insured**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** or any applicable **Discovery Period** shall be subject to the sub-limit specified in the schedule. This sub-limit shall be part of and not in addition to the basic **Limit of Indemnity**.

17) Extortion Loss

The **Insurer**, shall indemnify the **Insured** for all **Financial Loss** sustained by any **Insured** as a direct result from any **IT Criminal Act** committed by **Employee**, which is first **Discovered** during the **Insurance Period** or the **Discovery Period**, if applicable, and notified to the **Insurer** in accordance with this policy's provisions. This will include **Loss of funds** related:

- a) to damage or destroy any property (including computer systems, software or programs and including any premises or fixtures and fittings contained within the premises) owned by the insured or for which the insured is legally liable; or
- b) to sell or disclose confidential security codes, software programs or data to another person or party by reason of having gained unauthorized access to a computer system; or
- c) to deny access to a computer system;
- d) to activate a malicious code within the computer systems of the insured;

18) Counterfeit Cover

The **Insurer** shall pay the **Insured, Loss** resulting directly from the **Forgery or Counterfeiting** of any **Money or Securities** including **Credit, Debit or Charge Card** issued to the **Insured** for business purposes, committed by any **Third Party** first **Discovered** during the **Period of Insurance** or any applicable **Discovery Period**.

For this extension, **Counterfeiting** means:

- (a) an imitation of **Money or Securities**; or
- (b) cloned **Credit, Debit or Charge Card** that is intended to deceive and to be taken as genuine.

19) Fees, Costs and Expenses

(i) *Legal Fees*

Cover is extended to indemnify the **insured** for reasonable legal fees, costs and expenses incurred and paid by the **insured** in the defence of any demand, claim, suit or legal proceeding which the **insured** subsequently establishes results directly from a **loss** covered under this **policy**, provided that:

- (a) such indemnity is limited to INR_____ such amount being part of and not in addition to the **limit of indemnity** specified in the **schedule**;

- (b) **Insurer** shall not be liable to make any payment for fees, costs or other expenses (whether such fees, costs or expenses be for legal, accounting or other services) incurred by the **insured** in establishing the existence, validity or amount of any **loss** under this **policy**;
- (c) such legal fees, costs and expenses are incurred with the prior written consent of **Insurer**;
- (d) there is no duty upon **Insurer** to advance any legal fees, costs or expenses to the **insured** prior to the conclusion of the demand, claim, suit or legal proceeding;
- (e) such legal fees, costs and expenses are not recoverable from any other party.

For the purpose of this Standard Extension defence shall mean a situation whereby the **insured** is acting as a defendant in a court of law.

(ii) Reconstitution Costs

Cover is extended to include the reasonable cost of rewriting or amending the **insured's** software programmes or systems with the prior written consent of **Insurer** where such rewriting or amending is necessary to correct the programmes or amend the security codes following a **loss** covered under this **policy**. **Insurer's** liability for such rewriting or amending is limited to INR _____ for any single **loss** and in the aggregate and such amount is part of and not in addition to the **limit of indemnity** specified the **schedule**.

(iii) Investigative Specialist

Cover is extended to indemnify the **insured** for the fees and expenses of an investigative specialist, to investigate the facts behind a **loss** covered under this policy and to determine the quantum of such **loss**. Such indemnity is limited to INR _____ such amount being part of and not in addition to the **limit of indemnity** specified in the **schedule**.

20) Extortion / Kidnap and Ransom

Coverage is extended to indemnify the *insured* in respect of the following **Insured losses**, including **expenses** relating thereto, as a result of ransom monies (including ransom or extortion payments) paid or other property provided by the *insured* resulting from the communicated threat:

- (i) to do bodily harm to an **insured person**; or
- (ii) to damage or destroy any property (including computer systems, software or programmes and including any *premises* or fixtures and fittings contained within the *premises*) owned by the *insured* or for which the *insured* is legally liable;

provided that:

- (a) prior to the surrender of such ransom monies or property the person receiving the threat has made a reasonable effort to report the threat or demand to an associate or *employee* and the *insured* has reported the matter to the police; and
- (b) indemnity for extortion or kidnap and ransom (including ransom monies and related **expenses**) covered under this extension is limited to the Limit of Liability specified in the Schedule;

It is further understood and agreed that this extension will not cover extortion and kidnap or ransom demand (including the ransom monies and **expenses** related thereto) or any related *losses* under this extension, which results in or occurs in or is directly or indirectly related to the following geographic territories:

- (a)
- (b)

For the purposes of this extension:

Expenses mean all reasonable and necessary expenses incurred directly by the *insured* solely as a result of any covered extortion or kidnap and ransom incident insured hereunder, including:

- the amount paid by the *insured* or **insured person** as reward to an informant for information relevant to the kidnap and ransom;
- travel costs of the kidnap victim to join their immediate family upon their release, and the travel costs of an *employee* to replace the kidnap victim;
- travel costs to evacuate or hotel costs of an **insured person** who is the victim of a kidnapping or extortion threat;
- reasonable and necessary medical services and hospitalisation costs incurred by an **insured person** following or as a result of the kidnapping or the extortion, including treatment by a neurologist or psychiatrist, cosmetic surgery or confinement costs;
- reasonable and necessary fees and **expenses** of independent forensic analysts engaged by the *insured*; independent qualified interpreter engaged by the *insured*;

Extortion means **Bodily Injury Extortion, Computer Threat, Property Damage Extortion, Products Extortion or Trade Secrets Extortion**. All such threats related by a common committed, attempted or threatened act, or made simultaneously against the same **Insured Entity** or **Insured Person**, will be deemed to constitute a single **Extortion Threat**.

Insured Person means a director or *employee* of or a partner in the *insured* or a **relative** or **guest** of such person.

Kidnap (or Kidnapping) means any event, or connected series of events, of seizing, detaining, abducting or carrying away by fraudulent means of one or more **Insured Persons**, except a minor by a parent thereof (or by a person acting on behalf of a parent), for the purpose of demanding **Ransom Monies**.

Ransom means cash and/or marketable goods or services that an **Insured Entity** shall have surrendered to meet a **Kidnapping** or **Extortion Threat** demand
