

# Employee Dishonesty Policy

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## Introduction

Welcome to Aviva. We are committed to providing a first-class service. Aviva is the UK's largest insurer with over 200 years' experience in the insurance industry.

This is your insurance policy which sets out your insurance protection in detail.

Your premium has been calculated on the basis of the extent of the cover you have selected which is specified in the schedule, the information you have provided and the declaration you have made. Please read the policy and the schedule carefully to ensure that the cover meets your requirements.

Please contact your insurance adviser if you have any questions or if you wish to make adjustments.

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## Contents

This policy consists of individual sections. You should read this policy in conjunction with the schedule which confirms the sections you are insured under and gives precise details of the extent of your insurance protection.

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## The Contract of Insurance

The contract of insurance between you and us consists of the following elements, which must be read together:

- your policy wording;
- the information You have provided and/or the application form;
- the information contained in the Statement of Fact issued by Us;
- the policy schedule;
- any notice issued by Us at renewal;
- any endorsement to your policy; and
- the information under the heading 'Important Information' which we give you when you take out or renew your policy.

In return for You having paid or agreed to pay the premium, We will provide the cover set out in this policy, to the extent of and subject to the terms and conditions contained in or endorsed on this policy.



Aviva Insurance Limited

Registered in Scotland No. 2116

Registered Office: Pitheavlis, Perth, Scotland PH2 0NH.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

### Important

This policy is a legal contract. You must tell Us about any material circumstances which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence Our judgement in determining whether to provide the cover and, if so, on what terms. If You are not sure whether a circumstance is material ask Your insurance adviser. If You fail to tell Us it could affect the extent of cover provided under the policy.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.

### Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in Us automatically being discharged from any liability, then such a breach shall result in any liability We might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that We will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

### Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of:

- loss of a particular kind, and/or
- loss at a particular location, and/or
- loss at a particular time,

then We agree that We may not rely on the non-compliance to exclude, limit or discharge Our liability under this policy if You show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

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## Complaints Procedure

### Our promise of service

Our goal is to give excellent service to all our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all of our customers' problems promptly. To ensure that we provide the kind of service you expect we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

### What to do if you are unhappy

#### If your complaint is not resolved quickly:

- Your complaint will be acknowledged promptly.
- A dedicated complaint expert will be assigned to review Your complaint.
- A thorough and impartial investigation will be carried out.
- You will be kept updated of the progress.
- Everything will be done to resolve things as quickly as possible.
- A written response will be sent to you within eight weeks of receiving Your complaint, this will inform You of the results of Our investigation or explain why this isn't possible.

Where Your concerns are unable to be resolved or have not been resolved within eight weeks, You may be able to ask the Financial Ombudsman Service (FOS) to carry out an independent review.

Whilst We are bound by their decision, You are not. Contacting them will not affect Your legal rights.

You can contact the FOS on 0800 023 4567 or visit their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) where You will find further information.

### What will happen if you complain

If you have a complaint about this insurance please contact your insurance adviser. Contact details can be found on your insurance documents. Your insurance adviser may ask Aviva to handle your complaint.

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## Important Information

### Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise:

- (1) The law applying in that part of the United Kingdom, the Channel Islands or the Isle of Man in which you normally live or (if applicable) the first named policyholder normally lives; or
- (2) In the case of a business, the law applying in that part of the United Kingdom, the Channel Islands or the Isle of Man where it has its principal place of business; or
- (3) Should neither of the above be applicable, the law of England and Wales.

### Financial Services Compensation Scheme

Depending on the circumstances of your claim you may be entitled to compensation from the Financial Services Compensation Scheme (FSCS) if we cannot meet our obligations. See [www.fscs.org.uk](http://www.fscs.org.uk)

### Use of Language

All communications relating to this contract will be in English.

### Customers with Disabilities

All documentation is also available in large print, audio and braille. If you require any of these formats, please contact your insurance adviser.

### Telephone Call Charges and Recording

Calls to 0800 numbers from UK landlines and mobiles are free. The cost of calls to 03 prefixed numbers are charged at national call rates (charges may vary dependent on your network provider) and are usually included in inclusive minute plans from landlines and mobiles. For our joint protection telephone calls may be recorded and/or monitored.

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## Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. A defined word or phrase will start with a capital letter each time it appears in the policy, for example Employee, except when used in headings and titles.

### Aviva Group Company

Aviva Insurance Ltd.

### Cheque

Cheque, draft, promissory note, bill of exchange, or similar written promise, order or direction to pay a fixed amount which is shown on the document.

### Cheque Fraud

Any act of Forgery or fraudulent alteration of, on or in any Cheque made or drawn by You against an account You hold with a financial institution located within the Geographical Limits to pay a specified third party or purporting to have been made or drawn as set out above.

### Computer Fraud

The intentional taking of Insured Property by fraudulent use of computer hardware, systems, software or program operated by You.

### Discovery Period

The period of 24 months commencing on the Termination Date.

### Electronic Instructions

Electronic instructions issued from a terminal or computer on Your premises to a bank or financial institution at which You hold an account directing them to make a payment for a fixed amount from Your account to the account of a third party.

### Employee

- (1) A Member of Staff.
- (2) Any person while working under Your control in connection with The Business who is
  - (a) under a work experience or training scheme.
  - (b) working exclusively for You and for no other party under a contract for services as a consultant having previously been employed by You.

- (c) supplied to You by any agency furnishing temporary personnel on a temporary or contingent basis.

- (3) Any person included in (1) or (2) above for a period not exceeding thirty days immediately following the termination of such person's services.

### Endorsement/Endorsements

An alteration to the terms of the policy.

### Excess/Excesses/The Excess/The Excesses

The amount or amounts shown in Your policy or The Schedule which You must bear for each and every claim.

### Facsimile Instructions

Instructions sent from a facsimile or other machine which scans a document, sends it electronically over a telephone or other telecommunications network so that a facsimile can be printed on receipt, to a bank or financial institution at which You hold an account directing them to make a payment using an electronic funds transfer system for a fixed amount from Your account to the account of a third party.

### Forgery/Forged

The signing of the name of one person by another person with the intent to deceive but not

- (1) the signing of a person's name signed by that person with or without authority in any capacity for any purpose, or
- (2) genuinely signed instruments which are false as to contents.

### Funds Transfer Fraud

Electronic Instructions, Facsimile Instructions, Telephone Instructions or Written Instructions which purport to have been sent, issued, given or transmitted by You but were in fact fraudulently sent, issued, given or transmitted by someone else without Your knowledge or consent.

### Geographical Limits

Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

### Improper Gain

Improper financial benefit

- (1) to the Employee, or
- (2) to any other person or organisation intended by that Employee to receive such benefit.

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Salaries, commission, fees or other benefits earned or paid in normal course of employment or service are not improper financial benefits.

## In Collusion

Where two or more people are involved or implicated together or where they assist each other materially.

## Inadvertent Breach

Any failure by any Employee to comply with any part of Your Procedures which was without Your knowledge or consent or the knowledge or consent of any of Your Principals or other officers but only if You can conclusively demonstrate that You

- (1) had communicated the relevant Procedures in writing to all Employees in Roles With Responsibility, and
- (2) instructed all Employees in Roles With Responsibility of their duty to comply with and ensure compliance with Your Procedures.

## Insured Party

You and the entities detailed in Clause (7) and any other entities named on The Schedule.

## Insured Property

Money or other property

- (1) belonging to You, or
- (2) owned by another for which You
  - (a) have taken physical control, and
  - (b) are legally responsible.

## Member of Staff

Any person under a full time, part time or temporary contract of service or apprenticeship with You in the ordinary course of The Business and whom You remunerate by salary, wages or commissions and have the right to govern and direct in the performance of such service.

## One Claim

All loss or losses caused by any Employee or any other person or in which the Employee or other person is acting In Collusion either resulting from a single act, event or occurrence or any number of acts, events or occurrences irrespective of when they occur and who suffers the loss.

## Period of Insurance

From the effective date until the expiry date shown in The Schedule or, as the case may be, any subsequent period for which We accept payment for renewal of this policy.

## Policy Period

In respect of the cover or any applicable extension, the entire period during which the cover or extension remains in force, from its inception to its Termination Date irrespective of the number of years or Periods of Insurance involved.

## Principal

Any person who is an owner, partner, director or trustee who is not also a Member of Staff in some other capacity.

## Procedures

The Controls and Reference Procedures.

## Reference Date

The earlier of

- (1) the original commencement date of this policy or
- (2) the commencement date of any previous policy or cover issued by any Aviva Group Company and in respect of which Extension C, Interlocking Clause, is in force.

## References

Written or fully documented verbal references obtained directly from (1) to (4) below in respect of Members of Staff engaged on or after the Reference Date and for the period of 2 years immediately preceding the commencement of employment of the Member of Staff with You.

- (1) Previous employers in respect of any period(s) of employment confirming the dates and honesty of the Member of Staff.

Where the previous employer is no longer trading We will accept confirmation of the dates of employment from the administrator, liquidator or equivalent as a reference. If this is unavailable We will accept a copy of some form of independent evidence of the dates of employment (e.g. payslips, P60) which may be received directly from the Member of Staff.

Where the previous employer is HM Forces We will accept as a reference a copy taken by You of the original discharge papers received from the Member of Staff showing the dates of service.

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- (2) The accountant or solicitor or a professional person with relevant knowledge in respect of any period(s) of self employment confirming the dates and honesty of the Member of Staff.
- (3) The school, college etc. in respect of any period(s) of full-time education confirming the dates and not indicating dishonesty by the Member of Staff.
- (4) The Job Centre or equivalent in respect of any period(s) of unemployment of the Member of Staff including confirmation of the dates.
- (3) In total they should cover at least the period of two years immediately preceding the commencement of employment of the Member of Staff with You. If Extension C, Interlocking Clause, applies the period involved will be as specified in the prior insurance.
- (4) The maximum acceptable period between two consecutive references without a further reference for the gap should be 28 days. If You cannot obtain a reference for any period You must obtain evidence of what the Member of Staff was doing which must not indicate dishonesty (e.g. for overseas travel the evidence might be a copy of the passport).

## Reference Procedures

Your procedures to obtain References.

## Role With Responsibility

Any role to which any of the following applies

- (a) That involves handling money, payments, orders, statements of account or stock.
- (b) That involves having update and amendment access to accounting and stock recording systems.
- (c) In Your accounts, information technology, information systems or computer departments.
- (d) With a supervisory, management or directorial content.

## Role Without Responsibility

Any role which is not a Role with Responsibility.

## Satisfactory References

For a Reference to be satisfactory

- (1) You must obtain it directly from the referee unless stated to the contrary in the policy.
- (2) You must specifically request from any previous employer confirmation of the honesty of the Member of Staff and should follow up any reference if honesty is ignored in the response. If, in the original response or in the follow up, the referee states that, in general, they do not provide references in respect of former employees We will consider the response to be a Reference for the purposes of this policy provided that the refusal to comment on honesty is not obviously particular to the individual and the reference confirms the period of employment involved.

For References in respect of a particular Member of Staff to be satisfactory

- (5) Where a new Member of Staff is returning to work after an extended period (e.g. after raising a family) You should obtain a personal reference from a person, unrelated to the Member of Staff. The reference should confirm that the referee is not related, the period involved, any other circumstances and the honesty of the Member of Staff.

## Subsidiary Company

Any company or other entity which You own more than fifty per-cent of and over which You retain management control.

## Telephone Instructions

Person to person verbal instructions over a telephone or telecommunications network made to a bank or financial institution at which You hold an account directing them to make a payment using an electronic funds transfer system for a fixed amount from Your account to the account of a third party.

## Termination Date

The date upon which cover ceases under this policy or in respect of any part of the cover the earlier date upon which cover ceases for that part.

## Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons or so claimed in whole or in part for political, religious, ideological or similar purposes.



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## The Business

Activities directly connected with the business described in the application form and specified in The Schedule.

## The Controls (Numbered 1 to 11)

### (1) Audit

Independent professional accountants, or auditors will examine Your accounts, and those of each Subsidiary Company and other Insured Party, at least every 12 months.

### (2) Cheque Issue

In respect of this item of The Controls the definition of Cheque is extended to include other instruments for the operation of Your bank accounts.

- (a) Cheques will only be signed after they have been fully completed.
- (b) Unless signed by a Principal all manually prepared Cheques with a value over £5,000 will be signed by at least two authorised signatories.
- (c) If Cheques are prepared and signed by computer or machine
  - (i) dual control will be exercised over the operation
  - (ii) at least one further manual signature will be applied where the value of the Cheque exceeds £25,000.
  - (iii) supporting documentation will be examined and authorised prior to signing by computer or machine.
- (d) All signatories, including Principals, will examine the supporting documentation against the Cheque prior to signing.

### (3) Wage-roll

The cast of the payroll will be examined at least quarterly by someone other than the Employees responsible or by a Principal to check that the total amount drawn is correct and that there are no past or fictitious Employees included.

### (4) Money Received and Banking

- (a) Any Employee who receives or collects money and/or Cheques in the course of their duties away from Your premises will be required to remit them to You at least every week.

- (b) All money and Cheques received by Employees at Your premises, including that remitted in (a) above, will be banked at least twice every week.

### (5) Debtors

- (a) Where You allow credit, statements of account will be issued at least monthly. If the issue of statements involves any Employees who receive payments then all accounts including all suppressed and suspense accounts will be reviewed by a Principal or by someone other than the Employees responsible at least quarterly.
- (b) Management action will be taken before an account becomes three months overdue.

### (6) Reconciliation

All cash book entries will be checked by a Principal or by someone other than the Employees responsible at least monthly against bank statements, receipts and other supporting documentation and the balance tested against cash and un-presented Cheques.

### (7) Cash balances, Floats and Petty Cash

The amount of cash balances, floats and petty cash will be laid down and will be subject to a physical check against supporting documents by a Principal or by someone other than the Employees responsible at least every month.

### (8) Stock Control

All stocks, including any raw materials and work in progress, will be subject to at least an annual physical check against verified stock records by a Principal or by someone other than the Employees responsible.

### (9) Purchases

In respect of purchases with a value of over £1,000 of machinery, equipment, goods, materials, services, contracts and sub-contracts, no one Employee will be able to perform all of the following three stages on their own

- (i) order
- (ii) certificate receipt or completion
- (iii) authorise payment.

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## **(10) Computer Security**

- (a) All update and amendment access to computer systems and programs containing accounting, stock and other valuable records will be protected by passwords. Passwords will be chosen by and confidential to the user and will be changed at least every 90 days.
- (b) If You allow dial-up, internet or other external access to Your computer systems You will protect them with firewalls and anti-virus software which You will update regularly.

## **(11) Funds Transfer Controls**

- (a) Written Instructions to transfer funds will be signed in accordance with the Cheque Issue limits and procedures above.
- (b) In respect of funds transfers involving Electronic Instructions
  - (i) at least dual control will be imposed to ensure that no one Employee can complete a funds transfer payment from beginning to end.
  - (ii) all Employees involved will require unique passwords to access the terminal, computer or system. Passwords will be chosen by and confidential to the user and will be changed at least every 30 days.
  - (iii) password resets will be carried out by an Employee who does not have access to or other involvement in the fund transfer process.
- (c) In respect of all Telephone Instructions and Facsimile Instructions the bank or financial institution will be instructed to telephone a Principal or Employee other than the person who sent, issued, gave or transmitted, or purported to send, issue, give or transmit, the instructions to check that they are valid prior to transferring the funds.

- (d) In all cases the banks will be required to confirm funds transfers in writing within 24 hours of the transfer. The confirmation should be checked against the source documentation within 48 hours of receipt and independently of any Employee involved in the payment process.
- (e) You will comply with all process and security controls agreed with the bank or other financial institution, through which Your transfers are made.

## **The Schedule**

The document which specifies details of The Policyholder, Limit of Indemnity and any Excesses, Endorsements, Extensions and Conditions applying to the policy.

## **We/Us/Our/Aviva Insurance**

Aviva Insurance Ltd.

## **Written Instructions**

Original written instructions signed in accordance with Your appropriate bank mandate issued to a bank or financial institution at which You hold an account directing them to make a payment using an electronic fund transfer system for a fixed amount from Your account to the account of a third party including instructions to make one payment, payments at specified intervals or under specified conditions

## **You/Your/The Policyholder**

The persons, companies, partnerships or unincorporated associations named in The Schedule as The Insured.

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## Cover

We will indemnify You in respect of

- (1) loss of Insured Property which You
  - (a) sustain during the Policy Period, and
  - (b) discover prior to the expiry of the Discovery Period

solely and directly as a result of one or more act or acts of fraud or dishonesty committed by an Employee alone or acting In Collusion with the intent to cause You to sustain the loss and to obtain Improper Gain.

- (2) Investigation costs, solely to substantiate the amount of any claim You make, which are incurred with Our written consent, including professional fees, but not salaries, wages or any similar expenditure.
- (3) The cost of reinstatement of electronic data with Our written consent if such data was destroyed, erased or stolen during the execution of a valid claim in respect of which payment has been made or agreed.

The maximum amount We will pay in the event of a claim is shown under Clause 1, Our Liability.

The amount of any payment will be determined in accordance with the Basis of Settlement.

## Exceptions

The following Exceptions apply to the policy and any Extensions.

We will not indemnify You in respect of

- (1) The Excess.
- (2) loss caused by any Employee or in which any Employee is acting In Collusion
  - (a) who You do not have the right to supervise and direct.
  - (b) subsequent to discovery by You of actual or suspected dishonesty by that Employee.
  - (c) whose normal place of employment or service is outside the Geographical Limits.
  - (d) who You are unable to identify by name.
  - (e) who at the time of the loss legally or beneficially controls more than 5% of Your share or other capital.

- (3) loss
  - (a) caused by any Principal or in which any Principal is acting In Collusion.
  - (b) sustained outside the Geographical Limits.
  - (c) the proof of which is dependent upon an inventory calculation or profit and loss calculation alone.
  - (d) of a consequential nature including but not limited to loss of potential income, interest and dividends and additional expenditure based on incorrect figures and reports.
  - (e) sustained as a result of or involving actual or threatened extortion.
  - (f) sustained by any associated company or joint venture unless specified in The Schedule.
- (4) penalties and fines.
- (5) malicious damage including computer viruses, worms, trojan horses and the like.
- (6) loss of and/or damage to proprietary information, trade secrets, confidential processing methods, intellectual property or other confidential information of any kind.
- (7) loss resulting from or in connection with any automatic teller or cash-point machine at any of Your premises or for which You have any responsibility.
- (8) any loss which arises directly or indirectly from or consists of the failure or inability of any
  - (a) electronic circuit, microchip, integrated circuit, microprocessor, embedded system, hardware, software, firmware, program, computer, data processing equipment, telecommunication equipment or systems, or any similar device
  - (b) media or systems used in connection with anything referred to in (a) above

whether Your property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date and this includes without any limitation the failure or inability to recognise, capture, save, retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or

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process any date, data, information, command, logic or instruction as a result of

- (i) recognising, using or adopting any date, day of the week or period of time, otherwise than as, or other than, the true or correct date, day of the week or period of time
- (ii) the operation of any command or logic which has been programmed or incorporated into anything referred to in (a) and (b) above.

- (9) any loss or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not) civil war rebellion revolution insurrection civil commotion assuming the proportions of or amounting to an uprising military or usurped power
  - (b) any action taken in controlling preventing suppressing or in any way relating to (a) above.
- (10) any loss or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) Terrorism
  - (b) any action taken in controlling preventing suppressing or in any way relating to (a) above.

In any action, suit or other proceedings, where We allege that by reason of Our Definition of Terrorism any consequence whatsoever resulting directly or indirectly from or in connection with (a) and/or (b) above regardless of any other contributory cause or event is not covered by this policy, the burden of proving that any consequence whatsoever resulting directly or indirectly from or in connection with (a) and/or (b) above regardless of any other contributory cause or event is covered shall be upon You.

## Clauses

The following Clauses apply to the policy and any Extensions.

### (1) Our Liability

- (a) Our maximum liability in respect of One Claim, including any investigation fees and any costs of reinstatement of data, is the Limit of Indemnity shown in The Schedule.
- (b) Our liability applies in excess of the total amount of all Excesses applicable to any claim.
- (c) If, in the event of a claim, You are unable to produce Satisfactory References for a Member of Staff or every Member of Staff acting In Collusion Our maximum liability will be the lowest of
  - (i) ten percent (one tenth) of the Limit of Indemnity shown in The Schedule
  - (ii) ten percent (one tenth) of any lower limit applicable to the claim
  - (iii) £50,000.
- (d) Our maximum liability in respect of Cover item (2), investigation costs, is ten percent (one tenth) of the total payment otherwise agreed under a claim subject to a maximum of £50,000.

### (2) Non-Accumulation of Liability

- (a) Our maximum liability in respect of any One Claim will be the Limit of Indemnity applicable to that claim no matter how many Periods of Insurance are involved. Our liability will not be cumulative from Period of Insurance to Period of Insurance.
- (b) If this policy replaces any policy, insurance, indemnity or bond and/or is replaced by any policy, insurance, indemnity or bond
  - (i) the maximum liability of all insurers involved in respect of One Claim will be the Limit of Indemnity applicable to that claim and no matter how many periods of insurance or insurers are involved. The liability of all insurers will not be cumulative from period of insurance to period of insurance or from insurer to insurer.

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- (ii) insured losses forming part of any claim will be apportioned to the appropriate insurer so that the earliest loss sustained is paid first and then losses will be settled in date order until the limit applicable to the claim is reached.

### (3) Application of The Excess

- (a) The Excess will apply to each claim under this policy.
- (b) If any claim for losses that would have formed One Claim under this policy, had it been in force for the entire period of the losses, is partly recoverable under this policy and partly recoverable under any prior insurance and the prior insurance contains an excess The Excess applicable under this policy will be reduced by the amount of the excess applied to losses under the prior insurance, but only if,
  - (i) payment has been made or agreed under the prior insurance.
  - (ii) the reduction will not exceed the amount of The Excess under this policy.

### (4) Changes to Limit of Indemnity and Excess

Any increase or reduction in either the Limit of Indemnity or The Excess will apply to all loss sustained after the effective date of the increase or reduction.

The date of any reduction in the Limit of Indemnity will be the Termination Date in respect of the amount by which the Limit of Indemnity is reduced.

### (5) References for Members of Staff

- (a) To benefit from the full Limit of Indemnity You will be required to produce Satisfactory References for all Members of Staff involved in any loss whose employment with You commenced on or after the Reference Date. See Clause (1)(c) above.
- (b) If after two years employment with You in a Role Without Responsibility a Member of Staff is transferred or promoted to a Role With Responsibility Clause (1)(c) above will not apply and You will have the benefit of the Limit of Indemnity otherwise applicable in respect of that Member of Staff, but only if

- (i) You were not aware of any dishonest act by that Member of Staff at any time prior to the transfer or promotion,

and

- (ii) any References obtained at the time of Employment

- are produced in the event of a claim
- did not contain any evidence or indication of dishonesty

If in the event of a claim losses are discovered that predate the promotion or transfer, Clause (1)(c) will apply in respect of any such losses

- (c) If You did not obtain References when You first employed a Member of Staff We will allow You to obtain them in respect of any Member of Staff after the discovery of a loss but only if You can conclusively demonstrate that
  - (i) Your failure to obtain References was an Inadvertent Breach, and
  - (ii) You would normally have obtained References for a Member of Staff in this type of role or at a similar level of responsibility.

### (6) Compliance with The Controls

- (a) We will not be liable to pay any claim if You have not complied with and operated any one or more of The Controls which is material to any part of that claim unless You can conclusively demonstrate that this non-compliance was an Inadvertent Breach of The Controls.
- (b) If We pay or agree to pay any claim or part of any claim where You did not comply with or operate the Controls the amount of The Excess applicable to that claim will be increased by £5,000.

### (7) Other Parties Having the Benefit of Cover

You will be indemnified under this policy against loss sustained by any

- (a) Subsidiary Company but only if it complies with all other terms and conditions of this policy, and
  - (i) is listed in The Schedule, or
  - (ii) Your details, provided to enable Us to assess the risk, include details in respect of all Subsidiary Companies.

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The Employees of any Subsidiary Company will be deemed to be Your Employees and You will be responsible for ensuring compliance with all such terms and conditions.

- (b) Pension fund for which You are the sponsoring employer but only
  - (i) if the fund complies with all other terms and conditions of this policy,and
  - (ii) in respect of loss sustained as a result of the act or acts of Your Employees while working in connection with the fund and either under Your control or under the control of the trustees.

## **(8) Policy Replaces Previous Cover With Us**

If this policy replaces any previous policy or cover issued by a Aviva Group Company

- (a) the indemnity given by this policy will be in continuation of and not in addition to the indemnity given by the previous policy or cover.
- (b) provided Extension C, Interlocking Clause, is applicable under this policy all indemnity given to You by such previous policy or cover is cancelled, including any period for the discovery of claims and the Interlocking Clause under this policy will apply in respect of all losses discovered on or after the commencement of the Policy Period.

## **(9) This Policy Replaced By Cover with Us**

If this policy is replaced by a policy or cover issued by a Aviva Group Company to which an interlocking Clause or similar applies, the Discovery Period under this policy will not apply and all indemnity given to You will be under the replacement policy or cover for all loss discovered on or after the date of replacement.

## **(10) Clarification of You/Your/The Policyholder**

However You are described in The Schedule all Insured Parties will be treated as a whole, are a single insured and the individual, company, organisation or other entity whose name appears first in The Schedule will act for all Insured Parties whether they are named in The Schedule or not.

## **(11) Knowledge Possessed**

Knowledge possessed by any Principal, director, partner, trustee or other officer of any Insured Party will constitute knowledge possessed by You.

## **(12) Multiple Insured Parties Involved**

- (a) Our aggregate liability for loss or losses sustained by one or more Insured Party will not exceed the amount for which We would be liable if all losses had been sustained by one of them.
- (b) We will not be liable for loss sustained by one or more Insured Party to the advantage of any other Insured Party.

## **(13) Recoveries**

If any amounts are recovered they will be distributed first to cover the costs of recovery then to You for the amount of Your loss in excess of the Limit of Indemnity then to Us for the amount paid under the claim and then to You for the amount of The Excess.

## **(14) Employees property**

All money, wages, salaries, bonds, deposits and other property in Your possession belonging to or owing to or in respect of an Employee who is the subject of a claim, including any amounts already recovered in respect of the claim must be deducted from the amount of Your claim.

## **(15) Basis of Settlement**

We will not be liable for more than

- (a) the lesser of
  - (i) the market value of securities on the business day immediately preceding the day on which the loss is discovered
  - (ii) the cost of replacing the securities.
- (b) the equivalent in UK currency (currently pounds sterling) of any other currency calculated at the rate of exchange applicable on the date of settlement. All payments hereunder will in the currency normally used by Us in respect of Our business in the UK.
- (c) the cost of labour for the transcription or copying of electronic data, which You will provide, in order to reinstate such data.

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- (d) in respect of loss of other Insured Property the lesser of
  - (i) the value at the date of the loss
  - (ii) the cost of repairing or replacing the Insured Property with property of a similar quality and value.

## Conditions

The following Conditions apply to the policy and any Extensions.

### (1) Alteration of Risk

The policy is voidable where there has been any material alteration to the risk or The Business after the commencement of this insurance

- (a) which increases the risk of loss,  
or
- (b) where Your interest ceases except by will or operation of law unless We have accepted the alteration.

### (2) Arbitration

If We accept liability but You disagree with the amount We offer to pay, the claim will be referred to an arbitrator who will be appointed in accordance with statutory provisions.

### (3) Cancellation

- (a) You may cancel this policy at any time after the date We have received the premium by providing 30 days notice in writing to Us.
- (b) If there is a default under Your Aviva credit agreement which finances this policy, We may cancel this policy by providing notice in writing to You in accordance with the default termination provisions set out in Your Aviva credit agreement.

If Your policy is cancelled under (a) or (b) above and provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration
- (iii) incident(s) which You are aware of and are likely to give rise to a claim which has already been or is yet to be reported to Us

during the current Period of Insurance We may, at Our discretion, refund to You a proportionate part of the premium paid for the unexpired period.

- (c) Where there is no Aviva credit agreement to finance this policy, We will cancel this policy from the inception date if the premium has not been paid and no return premium will be allowed. Such cancellation will be confirmed in writing by Us to Your last known address.
- (d) We may also cancel this policy at any time by sending not less than 30 days notice in writing to Your last known address.

We will refund a proportionate part of the premium for the unexpired period provided that there have been no:

- (i) claim(s) made under the policy for which We have made a payment
- (ii) claim(s) made under the policy which are still under consideration
- (iii) incident(s) which You are aware of and are likely to give rise to a claim which has already been or is yet to be reported to Us

during the current Period of Insurance.

### (4) Claims Procedure

If in relation to any claim You fail to fulfil any of the following conditions, You will lose Your right to indemnity or payment for that claim

You must

- (a) tell Us immediately of any event or occurrence which may result in a claim and no later than 30 days of Your becoming aware of the event or occurrence.
- (b) Provide Us with all information and help We require in respect of the claim and, at Your expense, a written claim containing as much information as possible of the loss including the amount of the claim and
  - (i) the name and address of every Employee, and
  - (ii) all References obtained in respect of every Member of Staff, and
  - (iii) make available to Us for inspection the personnel or human resources file of every Employee

involved or whom You accuse of involvement in any loss whether acting alone or acting In Collusion.

### (5) Contribution

Where any loss covered by the policy is also covered by another policy, (or would be but for the existence of this policy), We will only pay a rateable share of the loss.



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## **(6) Discharge of Liability**

We may at any time pay the Limit of Indemnity after deduction of any sum already paid.

We will not make any further payment except for costs and expenses incurred prior to the payment of the claim.

## **(7) Fraud**

If a claim made by You or anyone acting on Your behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

- (a) refuse to pay the claim,
- (b) recover from You any sums paid by Us to You in respect of the claim,
- (c) by notice to You cancel the policy with effect from the date of the fraudulent act without any return of premium.

If We cancel the policy under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have in respect of the provision of cover before the time of the fraudulent act.

If this policy provides cover to any person other than You and a claim made by such person or anyone acting on their behalf is fraudulent or fraudulently exaggerated or supported by a false statement or fraudulent means or fraudulent evidence is provided to support the claim, We may:

- (a) refuse to pay the claim,
- (b) recover any sums paid by Us in respect of the claim (from You or such person, depending on who received the sums or who benefited from the cover provided),
- (c) by notice to You and such person cancel the cover provided for such person with effect from the date of the fraudulent act without any return of premium in respect of such cover.

If We cancel a person's cover under (c) above, then We may refuse to provide cover after the time of the fraudulent act. This will not affect any liability We may have under such cover occurring before the time of the fraudulent act.

## **(8) Identification**

The policy and The Schedule will read as one contract.

A particular word or phrase which is not defined will have its ordinary meaning.

## **(9) Non Disclosure, Misrepresentation or Misdescription**

Before this policy was entered into

If You have breached Your duty to make a fair presentation of the risk to Us before this policy was entered into, then:

- where the breach was deliberate or reckless, We may avoid this policy and refuse all claims, and keep all premiums paid;
- where the breach was neither deliberate nor reckless, and but for the breach:
  - We would not have agreed to provide cover under this policy on any terms, We may avoid this policy and refuse all claims, but will return any premiums paid
  - We would have agreed to provide cover under this policy but on different terms (other than premium terms), We may require that this policy includes such different terms with effect from its commencement, and/or
  - We would have agreed to provide cover under this policy but would have charged a higher premium, Our liability for any loss amount payable shall be limited to the proportion that the premium We charged bears to the higher premium We would have charged, as outlined in Schedule 1 to the Insurance Act 2015.

Before a variation was agreed

If You have breached Your duty to make a fair presentation of the risk to Us before any variation to this policy was agreed, then:

- where the breach was deliberate or reckless, We may cancel this policy with effect from the date of the variation, and keep all premiums paid;
- where the breach was neither deliberate nor reckless, and but for the breach:
  - We would not have agreed to the variation on any terms, We may treat this policy as though the variation was never made, but will return any additional premiums paid
  - We would have agreed to the variation but on different terms (other than premium terms), We may require that the variation includes such different terms with effect from the date it was made, and/or



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- We would have agreed to the variation but would have increased the premium, or would have increased it by more than We did, or would not have reduced it or would have reduced it by less than We did, Our liability for any loss amount payable shall be limited on a proportionate basis, as outlined in Schedule 1 to the Insurance Act 2015.

This condition operates in addition to any provisions relating to underinsurance in this policy.

## (10) Subrogation

Anyone making a claim under this policy must, at Our request and expense, do everything We reasonably require to

(a) enforce a right or remedy

or

(b) obtain relief or indemnity

from other parties to which We will become entitled or subrogated because of payment for or making good loss. We may require You to carry out such actions before or after We make any admission of or payment of a claim.

## (11) Subjectivity

The policy, the application form, statement of fact and/or declaration made by You, and The Schedule, should be read together and form the contract of insurance between You, The Policyholder, and Us Aviva.

- (a) We will clearly state in The Schedule if the Cover provided by the policy is subject to You
- (i) providing Us with any additional information requested by the required date(s),
  - (ii) completing any actions agreed between You and Us by the required date(s),
  - (iii) allowing Us to complete any actions agreed between You and Us.
- (b) If required by Us, You must allow Us access to The Premises, Your contract sites and/or The Business to carry out survey(s), within 60 days of the inception or renewal date, unless We agree otherwise in writing.

Upon completion of these requirements (or if they are not completed by the required dates), We may, at Our option

- (i) modify You premium,
- (ii) issue a mid-term amendment to Your policy or Section terms and conditions,

- (iii) require You to make alterations to The Premises insured by the required date(s),
- (iv) exercise Our right to cancel Your policy,
- (v) leave the policy or Section terms and conditions, and Your premium, unaltered.

We will contact You with Our decision and where applicable, specify the date(s) by which any action(s) agreed need to be completed by You and/or any decision by Us will take effect.

Our requirements and decisions will take effect from the date(s) specified unless and until We agree otherwise in writing. If You disagree with Our requirements and/or decisions, We will consider Your comments and where We consider appropriate, will continue to negotiate with You to resolve the matter to Your and Our satisfaction. In the event that the matter cannot be resolved:

- (i) You have the right to cancel this policy from a date agreed by You and Us and, providing no claims have been made, We will refund a proportionate part of the premium paid for the unexpired period of cover.
- (ii) We may, at Our option, exercise Our right under Policy Condition **(3) Cancellation**.

Except where stated all other policy and Section terms and conditions will continue to apply. The above conditions do not affect Our right to void the policy if We discover information material to Our acceptance of the risk. Please refer to the **IMPORTANT** note within The Contract of Insurance page of Your policy booklet.

## Extensions

The following Extensions only apply if the letter stated against them appears in The Schedule.

### A Third Party Computer and Funds Transfer Fraud

We will indemnify You in respect of loss of Insured Property, which You

- (a) sustain after the effective date of this Extension and during the Policy Period, and
- (b) discover prior to the expiry of the Discovery Period

solely and directly as a result of Computer Fraud or Funds Transfer Fraud.

# Employee Dishonesty Policy

## Clauses to Extension A

The following Clauses apply to this Extension in addition to the policy Clauses and Conditions.

### (1) Our Liability - Aggregate

The total aggregate amount We will pay in respect of all losses or claims first discovered within any Period of Insurance will not exceed the Limit of Indemnity.

The Discovery Period will form part of the final Period of Insurance, immediately preceding the Termination Date, solely for the purposes of calculating the aggregate Limit of Indemnity to apply.

### (2) Minimum Excess

The Excess applicable to each claim under Extension A will be the higher of The Excess shown in The Schedule or £5,000.

## Exceptions to Extension A

The following Exceptions apply to this Extension in addition to the policy Exceptions.

We will not indemnify You in respect of

- (1) loss caused by any Employee or Principal alone or in which any Employee or Principal is acting In Collusion.
- (2) loss caused by any contractor or agent or other third party alone or acting In Collusion granted access to computer hardware, systems, software or program operated by You.
- (3) loss of computer time or use.

## B Cheque Fraud

We will indemnify You in respect of

- (1) loss which You
  - (a) sustain after the effective date of this Extension and during the Policy Period, and
  - (b) discover prior to the expiry of the Discovery Periodsolely and directly as a result of Cheque Fraud.
- (2) reasonable legal fees, costs and expenses incurred by You with Our written consent in defence of any proceedings brought to enforce payment as a result of Your refusal to pay or honour any Cheque on the basis that it is Forged or fraudulently altered.

## Clauses to Extension B

The following Clauses apply to the Extension in addition to the policy Clauses and Conditions.

### (1) Our Liability - Aggregate

The total aggregate amount We will pay in respect of all losses or claims first discovered within any Period of Insurance will not exceed the Limit of Indemnity.

The Discovery Period will form part of the final Period of Insurance, immediately preceding the Termination Date, solely for the purposes of calculating the aggregate Limit of Indemnity to apply.

### (2) Minimum Excess

The Excess applicable to each claim under Extension B will be the higher of The Excess shown in The Schedule or £5,000.

### (3) Facsimile Signatures

Mechanically reproduced facsimile signatures will be treated exactly as if they were hand-written signatures.

## Exceptions to Extension B

The following Exceptions apply to this Extension in addition to the policy Exceptions.

We will not indemnify You in respect of

- (1) loss caused by any Employee or Principal alone or in which any Employee or Principal is acting In Collusion

## C Interlocking Clause (Cover for losses Prior to Inception)

We will indemnify You in respect of loss sustained prior to the commencement of the Policy Period.

## Clauses to Extension C

The following Clauses apply to this Extension in addition to the policy Clauses and Conditions.

### (1) Cover Applicable

We will only be liable for the lesser amount that would have been recoverable under

- (a) any prior insurance for which this policy is issued in substitution with all its terms conditions and limitations as they applied at the date of the loss, and

# Employee Dishonesty Policy

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- (b) this policy with all its terms Conditions and limitations as they apply at the date of discovery of the loss had it been in force at the date of the loss.

## **(2) Prior Wording**

We will not be liable under this Extension unless You are able to produce full details of the prior insurance including a copy of the policy wording and schedules and evidence of all checks, controls, minimum standards, system of check and supervision or similar applicable at the time of any loss.

## **(3) Our Maximum Liability**

If losses forming One Claim occur during the periods of both the prior insurance and this policy the maximum amount payable will be the Limit of Indemnity.

## **(4) Application of Excess**

The amount You must bear in respect of any claim under this Extension will be the higher of The Excess shown in The Schedule or any excess or similar deduction for the first part of any claim or loss under the prior insurance.

## **(5) Period for Discovery in Prior Insurance**

We will only be liable under this Extension if the loss is discovered after the expiry of any period allowed for discovery under the prior insurance.

## **(6) References**

In respect of a Member of Staff whose employment with You began prior to the commencement of the Policy Period

- (a) You will produce to us all references You were required to obtain under the prior insurance in force when such employment began, and
- (b) if under such prior insurance You are only required to retain references for a period of time the Reference Date will be that date which is such period of time before the commencement date of the Policy Period.

## **(7) Continuous Cover**

We will only be liable under this Extension if the insurance for which this policy is issued in substitution remained continuously in force from the date of any act, event or occurrence that resulted in the loss until the commencement of the Policy Period.

## **Endorsements**

This policy is subject to any Endorsements which appear in The Schedule or are stated in The Schedule as applying to this policy.