

CENTRAL WAREHOUSING CORPORATION

(A Government of India Undertaking)



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E-MAIL/SPEED POST

No.CWC/FD-Insurance/Renewal/421/2018-19/474A

DATE: 25.07.2018

All Regional Managers
Central Warehousing Corporation
All Regional Offices

Sub:- Clarification on losses covered under Fidelity Guarantee Insurance policy

Sir,

This has reference to the losses covered under the Fidelity Guarantee insurance policy taken by CWC. In this regard it is clarified that:

Fidelity Guarantee insurance is an **insurance** policy designed to indemnify the Insured (the employer i.e. CWC) for the loss of money or property sustained as a direct result of acts of fraud, theft or dishonesty by an employee in the course of employment. Further, it should be a direct act by employee to misappropriate cash/money/assets/stocks entrusted to employee.

It is observed in a particular case, the corporation has suffered loss due to failure of an officer to maintain absolute integrity, devotion of duty, lack of proper supervision on the subordinate staff, due to carelessness in duty. As the said loss is not on account of Theft/Misappropriation, the same could not be covered under fidelity insurance.

The policy does not cover negligence, carelessness on the part of the employee which results in shortage. Therefore, the storage losses occurred due to lapse of time, contamination or improper handling of stock due to negligence even by the employees are not covered under the subject insurance policy.

The above clarification be noted for your information/guidance.

This issues with the approval of competent authority.

*JSL(MS)
ARS*
*Subhay
30/7/18*

Yours faithfully,

(A. S. Gopalan)
Dy. GEN. MANAGER(FIN)

Copy for information to:-

1. All HoDs, CWC, CO, New Delhi
2. PPS to MD/ Ps to Director(MCP)/SAM to Director(Fin)
3. GM(System), CWC, CO, New Delhi for uploading the circular on CWC Website
4. To all Warehouse Managers through Regional Office.