

5. Premium

Rates of premium for burglary policy depend upon the nature of insured property, the moral hazard of the insured himself, construction and location of premises, safety measures (e.g. *watchmen, burglar alarm*), previous claims experience etc.

In addition to details given in the proposal form, a pre-acceptance inspection is done by insurers where high values are involved.

Money Insurance

Handling of cash is an integral part of any business. Its intended to protect banks and industrial business establishments against loss of money. Money is at risk in the premises as well as outside. It can be unlawfully taken away while withdrawing, depositing, making payments or collections.

1. Coverage of Money Insurance

Money insurance policy is designed to cover the losses that may occur while cash, cheques / postal orders / postal stamps are being handled. The policy normally provides cover under two sections

a) Transit section

It covers loss of cash as a result of robbery or theft or similar actions whilst it is carried outside by the insured or her authorised employees.

The transit section specifies two amounts:

- i. **Limit per carrying:** This is the maximum amount that insurers may be required to pay in respect of each loss.
- ii. **Estimated amount in transit during the policy period:** It represents the amount to which the rate of premium is to be applied to arrive at the amount of premium.

Policies can be issued on “**declaration basis**”, similar to the practice in fire insurance. Insurers thus charge a provisional premium on the estimated amount in transit and adjust this premium at the time of expiry of the policy, based on actual amount in transit during the policy period, as declared by the insured.

b) Premises section

This section covers loss of cash from one's premises / locked safe due to burglary, housebreaking, hold up etc. Other features of the policy are normally the same as of burglary insurance (of business premises) that we have discussed under Learning Outcome C above.

Fidelity Guarantee Insurance

Companies suffer financial loss due to what are termed as white collar crimes like fraud or dishonesty of their employees. Fidelity guarantee insurance indemnifies employers against