TRAVELERS

Fidelity and Crime Coverage

COVERAGE HIGHLIGHTS

Employee dishonesty is costly and pervasive.

Why you need protection

The Association of Certified Fraud Examiners, Inc. recently found that the characteristics of employee fraud are similar regardless of where the fraud occurred and that a typical organization will lose five percent (5%) of its revenues to fraud each year.*

Maintaining strong, enforceable internal controls is a priority for many organizations, regardless of their size. Yet even the best internal controls, background checks and audit practices, no matter how well conceived, frequently fall short of stopping a trusted employee from engaging in fraudulent activity. The average loss caused by employee dishonesty is $140,000 with one in every five cases reporting a loss of at least $1M.*

Coverage highlights

Travelers fidelity and crime coverage offers multiple insuring agreements to provide protection for exposures such as loss from forgery or alteration, loss of money and securities and reimbursement for claim expenses.

Additionally, funds transfer fraud and computer fraud are threats that every organization must consider. These perils may include malicious software, such as Trojan horse programs, and spoofing techniques designed to circumvent online authentication methods.

Travelers electronic funds transfer fraud coverage and computer fraud coverage, when purchased together, can protect your assets against what can be complex and unique perils.

Claim scenarios

Stolen inventory – $345,000

A regional sales director took on additional inventory of products for alleged seasonal sales pushes. In reality, a portion of that inventory was sold "out the back door" unbeknownst to corporate headquarters. That same sales director had been named "Employee of the Year" several times over his 17-year career.



20 percent

The number of employee dishonesty cases that result in a loss of at least $1M.*

False payment – $1,600,000

In less than a year, a sales supervisor located outside of the United States caused a loss of $1.6 million to his employer. When customers legitimately purchased and received goods, the employee stole their payments for his own use. The employee attempted to cover up the loss by substituting fraudulent checks drawn upon other third party entities. The employer was under insured, so insurance only paid $500,000, leaving the employer on the hook for $1.1 million.

*Association of Certified Fraud Examiners 2012 Report to the nations. http://www.acfe.com/rttn-highlights.aspx

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- We've provided effective insurance solutions for more than 150 years and address the needs of a wide range of industries.
- We consistently receive high marks from independent ratings agencies for our financial strength and claims-paying ability.
- With offices nationwide, we possess national strength and local presence.
- Our dedicated underwriters and claim professionals offer extensive industry and product knowledge.

Travelers knows Fidelity and Crime Coverage.

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