

Crime

COVERAGE

Broad protection for peace of mind.

When explaining the coverage details of the Crime offering to your customers, it's easier to highlight the impact of the coverage with specific claim examples.

We've illustrated common claim examples and how coverage will apply.



Employee Dishonesty

The Situation

Your customer, a computer wholesaler, employs several staff to run the office and warehouse. The office accounts clerk, who does not have authority to access the warehouse area, was caught on surveillance entering and removing a laptop and several tablets. Further investigation revealed that the clerk had also been illegally withdrawing money from the company by issuing cheques to a fictitious vendor.

The Result

Coverage is provided for the loss of the laptop, tablets and the money that was illegally withdrawn.

The Situation

Your customer, a computer sales and service provider, secured a contract with a local university to upgrade desktop computers. The company sends an employee to the university for a week to carry out the installation of the upgrade. After the contract was completed, the university discovered that laptops and tablets were missing and that your customer's employee had stolen them.

The Result

Coverage is provided for loss sustained by the insured's client resulting from the dishonest act committed by the insured's employee. Your customer had to compensate the university \$7,000 for the stolen items and as a result, the policy reimburses your customer.



Theft, Robbery or Burglary

The Situation

Your customer operates a telecommunications retail store. Armed robbers stormed into the store just before closing and left with smart phones, smart watches and the cash from the day's sale. While there they also smashed glass display cases.

The Result

Coverage is provided for the loss of cash, merchandise and damage to the display cases.

The Situation

Your customer is the Canadian distributor for a brand name line of watches. The sales representative, an employee, receives an order for several watches. They prepared the order and took the watches home to deliver them the next morning. Their house was broken into during the night and along with their personal contents, the order for the watches was stolen.

The Result

Coverage is provided for the watches that were stolen from within the living quarters of a messenger. As an employee of your customer, the sales representative meets the definition of a messenger.



Fraud

MONEY ORDERS OR COUNTERFEIT MONEY

The Situation

The insured operates a hunting and fishing equipment store. A customer came in wanting to buy two items at a total cost of \$6,000. The customer does not have a credit card and the insured advised that they accept money order, bank draft or cash. The customer came in the next day with a \$5,000 bank draft issued by the bank and \$1,000 in cash and picked up the items. The insured later discovered that the cash was counterfeit. When the insured tried to cash the bank draft, he discovered the bank draft was also fake; it was not issued by the bank.

The Result

Coverage is provided for the fake bank draft and counterfeit currency.

COMPUTER FRAUD

The Situation

Your client is a wholesaler and retailer of computers and electronics. Unbeknownst to your client, an unknown third party had hacked into their computer system and made the following instructions:

- Entered a series of invoices for cheque payment totalling \$6,500 to a fictitious vendor.
- Inputted an order for five laptops for immediate delivery to a fictitious vendor via a bona fide warehousing and logistics company.

It was only later at the end of the month that they realized that they had been defrauded.

The Result

Coverage is available for the loss of \$6,500 from the cheque payment and the cost of the five laptops.

FORGERY OR ALTERATION

The Situation

Your customer hired a handyman on contract for seasonal maintenance of his store. He issued the handyman a cheque of \$1,000 as an initial payment. The handyman disappeared and never showed up to fulfill the contract. Upon checking his bank account, your customer discovered that \$4,000 instead of \$1,000 was withdrawn from his account. The handyman had altered the cheque and successfully withdrew an additional \$3,000.

The Result

Coverage is available to the insured for the loss of \$3,000 as a direct result of the alteration of the cheque by the handyman.

The Situation

Your client owns a dental practice. Her car was broken into and among the items stolen was her wallet containing cash and a credit card issued under her practice. The theft was reported to the police and credit card company. Upon review of the credit card statement, there was a charge of \$1,500 for the purchase of a stereo system a day after the reported theft. An investigation revealed the thief had used your client's credit card to make the purchase and forged the signature on the credit card paper slip.

The Result

Having fully complied with the terms and conditions of the credit card, the charge will likely be reversed by the credit card company. However, in the event it is not, coverage is available through Forgery or Alteration Coverage.

FUNDS TRANSFER FRAUD

The Situation

Your customer is a major winter clothing wholesaler with suppliers in Canada and the United States. The company's accounts payable officer often sends facsimile instructions to the bank to wire money to US-based suppliers. The bank received a facsimile from whom they thought was the accounts payable officer to wire \$6,000 to a new supplier located in the US. The bank proceeded with the instruction. It was later discovered that the facsimile did not come from the accounts payable officer, but was from an unknown third party in the US purporting to be the officer.

The Result

Coverage is provided under Funds Transfer Fraud for both Canada and the US.



Social Engineering Fraud

The Situation

An accounts payable clerk received email instructions from someone who appeared to be their vendor advising that they have changed banks. The email contained instructions on company letterhead with information on the current bank account and the new account. The clerk then made the change in the system. Several months later when the vendor followed up for payment, it was discovered that the vendor had never changed banks and that someone had pretended to be them. The total amount transferred to the fraudster's account was \$25,000.

The Result

Social Engineering Fraud coverage, when purchased with a Crime 2.0 policy is available to the insured for the loss of \$25,000 as a direct result of the money transfer.