

Commercial Crime Insurance

Factsheet

The risk to your business of crime loss is ever present. The determined fraudster or thief will exploit control weaknesses in even the most well prepared organisations. Developments in technology and communication bring both additional protection and increased opportunity to defraud.



Risks to your money, property and securities

Businesses are exposed to internal crime carried out by employees and external crime perpetrated by third parties:

- Theft, fraud or dishonesty by employees acting alone or in collusion with others
- Theft or burglary of property, money or securities
- Forgery of documents to obtain funds or goods
- Fraudulent alteration of cheques to obtain funds or goods
- Passing counterfeit money
- Manipulation of your computer system, programs or funds transfer system
- Credit card fraud
- Extortion of money using threat of injury to an employee's family member
- Third party deceiving an employee to transfer funds erroneously
- Fraud or dishonesty by employees of outsourcing company
- Toll and line charges as a result of unauthorised access of your telephone system by a third party.

Additional costs to your business after a crime loss

Even once a crime is discovered the cost to your business continues:

- Costs of establishing the amount of the loss
- Business interruption costs, such as rental costs for temporary replacement equipment or premises and staff overtime
- Cost of reconstituting data
- Loss of interest that would have been earned on the stolen funds
- Costs of defending an action to enforce payment of a forged cheque
- Cost of a forensic expert to assist with investigation and production of proof of loss for insurance claim
- Cost of engaging public relations firm to limit adverse effects of negative publicity.

Claims examples

There is no typical crime loss, as these examples of claims by organisations insured with Zurich demonstrate. In each the perpetrator exploited a position of trust and took advantage of their employer.

Smoke and mirrors

A project manager, located interstate from head office, recruited additional staff to work on a significant new opportunity with a blue chip company. Management became concerned as work on the tender for the new deal had gone on for a lengthy period but no contract had been signed. After attempts by management to get answers, the project manager resigned and it emerged that the opportunity with the blue chip company did not exist. The project manager, it seemed, had wanted to ensure her own continued employment by fraudulent means. The insured's claim is for the wage roll it was duped into paying, in excess of \$1m.

A lucrative liquor venture

An employee of a government body was in charge of ordering stock, including supplies for staff and business functions. Questions were raised over the excessive amounts of alcohol being ordered and the fraud was discovered. Over a two year period the employee had ordered and invoiced his employer for top shelf products which he on sold to others or consumed himself. The loss claimed is in excess of \$400,000 with claim preparation and investigation costs to boot.

Untoward overtime

The senior manager at a care facility was able to obtain wage and overtime payments to which he was not entitled. The fraud came to light after a new manager would not approve further overtime. The employee subsequently resigned and made a claim for unpaid overtime. In attempting to reconcile the employee's time sheets against payments, the insured discovered discrepancies that had resulted in overpayments of \$180,000. The insured also incurred investigator costs of \$20,000.

Broad coverage that offers protection for your business

Strong controls are the first line of defence against theft, fraud and dishonesty. Make Zurich Commercial Crime Insurance part of your strategy to protect your business and you can be sure of market leading coverage with best in class features:

- broad protection for loss of money, property and securities from a wide range of criminal activity
- no requirement to show 'manifest intent' or to identify a fraudulent or dishonest employee
- each loss limit of liability (inter-related criminal acts clause applies to multiple losses)
- one deductible applies to loss from inter-related criminal acts
- extensive cover for additional costs to your business that result from a crime loss
- worldwide coverage
- broad definition of employee, including volunteers and retired employees on contract
- employee superannuation funds are covered
- subsidiary includes incorporated joint ventures controlled by the insured
- cover for loss sustained at any time

Extensions of Coverage

- Business interruption
- Care custody and control cover
- Client liability
- Continuous cover
- Contractual penalties
- Court attendance costs
- Data reconstitution costs
- Erroneous funds transfer
- Extended discovery period up to 12 months
- Extortion
- Interest
- Investigation costs
- Legal expenses
- Loss investigator
- New subsidiaries
- Outsourcing
- Partners
- Public relations expenses
- Run off cover for ceased subsidiaries
- Telephone system fraud.

How Zurich can help

- Dedicated Commercial Crime underwriting professionals possess the industry experience and understanding to provide secure and resourceful solutions to meet customers' needs – in New Zealand and globally
- Substantial capacity – NZD 25m
- Risk management supported by thought leadership, risk insights and industry knowledge, including recommendations to help you fight crime against your business
- Our experienced Financial Lines claims team provides us with the resources to not only manage the complex coverage issues in-house, but also to provide our insureds with years of valuable experience in claims management. We can assist our insureds to resolve their claim in a practical, cost-effective and satisfactory manner.

Choose Zurich for your international Crime Insurance Program

A Zurich International Crime Insurance Program ensures our customers can be confident that they have consistent coverage and service and, that wherever in the world a loss might occur, their claim will be paid.

Zurich has over 40 years of experience in managing international insurance programs. In excess of 6,400 global programmes are handled for large corporate customers encompassing over 46,000 local policies issued by our extensive global network and handling 150,000 claims annually. Zurich can deliver:

- globally compliant commercial crime programmes across 180 countries
- global team of expert claims professionals on hand to deal with your claims
- access to our global network of legal service providers who can assist in minimising your loss and pursue recovery of the loss wherever possible.

A solid foundation

Zurich New Zealand is part of the Zurich Insurance Group, a leading multi-line insurance provider with a global network of subsidiaries and offices. With about 55,000 employees, the Zurich Insurance Group delivers a wide range of general insurance and life insurance products and services for individuals, small businesses, and mid-sized and large companies, including multinational corporations, in more than 170 countries.

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