



Crime Insurance for Private Companies and Non-Profit Organizations

Private and non-profit organizations are increasingly confronted by the risk of fraud and dishonesty in many forms, such as a manager signing off on fraudulent invoices, spoof emails requesting payment to a fraudster's account, a contractor pilfering property from a client's premises, or an intern forging credit card receipts.

AIG's Crime Insurance provides a tailored, worldwide coverage solution for these crime losses, supported by an integrated claims model and dedicated professionals that help resolve matters efficiently and identify loss drivers to help clients make more informed risk management decisions.

Coverage Details

- Coverage for direct financial loss as a result of employee theft, as well as specific types of theft by non-employees such as theft on premises or while in-transit, forgery, funds transfer fraud, and computer fraud
- Coverage for losses of ERISA plan assets
- Broad definition of employee which expands the scope of employee theft-related coverage to apply to independent contractors and consultants in addition to traditional employees
- Coverage is often written on a loss discovered basis, making it applicable to losses that are discovered during the policy period, regardless of when the acts causing the losses occurred

Market-Leading Underwriting and Appetite

- Tailored, sustainable coverage solutions are backed by more than six decades of industry knowledge, resources, and data
- Dedicated underwriters across the U.S. provide best-in-class service to clients and brokers
- Broad appetite ranging from companies with a single location to a multinational footprint across industries and sectors, as well as single and multi-entity (e.g., group insureds) structures
- Holistic multinational capabilities with rapid turnaround help protect clients wherever they operate

Exceptional Claims Support

- Integrated claims model combining underwriting and claims expertise provides clients with exceptional service, a smooth, collaborative claims process, and coverages that address emerging risk trends
- In-house claims expertise helps clients achieve best possible outcomes in the most efficient manner
- Fidelity Research & Investigative Settlement Clause (FRISC) option provides access to an expedited, cost-efficient, and effective claim evaluation and resolution process, especially advantageous for small and midsize organizations

Impersonation Fraud Coverage

Recent trends show criminals taking increasingly creative measures to impersonate executives and other trusted business partners in an effort to induce transfers of the organization's funds to their personal accounts.

AIG's Impersonation Fraud coverage provides protection on a sub-limited basis to insureds from risks such as:

- Impostors posing as senior executives requesting an urgent payment from the insured to a foreign bank account
- Impostors posing as employees of an insured's vendor requesting a change in the vendor's bank account details for future payments
- Impostors posing as an insured's client requesting a change to banking information for reimbursements, refunds, or payments of any kind

Claims Scenarios

Industry: Food Service

Location: Florida

Size: \$5 million annual revenue

A food service insured had an agreement with an armored car company, wherein once cash was deposited and validated in the restaurant's safe, it became the responsibility of the armored car company. Each day's deposits were counted, logged, and secured until the armored car company collected them to transport to the bank. After closing on a weekday, the restaurant manager deposited \$26,249 cash into the safe. At this time, the armored car company received a provisional credit for that amount from the insured's bank for the posting of the cash into their safe. That night, the restaurant was broken into, its safe breached, and the cash stolen. Since the cash deposit was no longer physically available for pickup and delivery to the bank, the armored company made a payment to the bank for the provisional credit and subsequently requested reimbursement from the insured for its loss. The AIG policy paid the full loss amount.

Industry: Project Management

Location: Illinois

Size: \$15 billion annual revenue

An insured construction project manager administered its subsidiary's outstanding time deposits with a bank. At the request of what appeared to be the subsidiary's managing director, the insured transferred \$980,000 of the subsidiary's funds to an external bank account. It was unknown at that time that the subsidiary had suffered an email hack, which first resulted in a spoof email appearing to be from the managing director to the insured requesting an update to payment accounts and a second spoof email requesting the funds transfer. The fraud was quickly discovered, and the insured attempted to recall the transfer, however the receiving bank was unable to return the funds. The full loss amount of \$980,000 was covered by the insured's policy. During and after the claim, AIG worked with the insured to understand weaknesses in its existing internal procedures that enabled the fraud and identified new controls and best practices to reduce the likelihood of recurrence.

Industry: Manufacturing

Location: Ohio

Size: \$1 billion annual revenue

During an accounting audit, a manufacturing insured discovered payments to a vendor that had not been fully vetted. All payments had been issued by the insured's IT manager, who was unable to sufficiently answer questions related to the vendor, goods or services provided, or why payments were not issued via the preferred wire transfer or check methods, arousing suspicion of fraud. The insured performed an initial investigation and discovered several companies with the same name and description, none of which were an actual vendor. At this time, they reported the potential fraud to AIG and utilized the FRISC benefit on their Crime policy. Under FRISC, AIG and the insured engaged a leading third-party forensic firm, who confirmed the fraudulent transactions and completed an exhaustive investigation to determine the full scope of loss. The investigation discovered the IT manager falsified invoices using a generic company name then paid those invoices using his corporate card, directing payments to an online account under his control. The payments were initially small and increased significantly in the latter part of the theft, which occurred over five years. Furthermore, the investigation uncovered several vehicles and properties purchased by the manager using proceeds of the fraud. The complex investigation uncovered a total loss of over \$1 million, which was promptly and fully covered by the AIG policy.

AIG has more than six decades of experience providing management liability solutions for private and non-profit organizations and their directors, officers, and employees. Our extensive experience, expertise, and insights enable us to tailor solutions that meet our clients' individual needs. Coverage is backed by AIG's financial strength, integrated claims model, and proven claim expertise, ensuring that we are there for our clients when they need us most.

Contact

For more information, please contact your local Financial Lines Private Non-Profit Accounts underwriter or email FinancialLines@aig.com.



The scenarios described herein are offered only as examples. Coverage depends on the actual facts of each case and the terms, conditions and exclusions of each individual policy. Anyone interested in the above products should request a copy of the standard form of policy for a description of the scope and limitations of coverage.

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