

### Management Liability

Directors and Officers

Employment Practices

Fiduciary

### Professional Liability

Media

Miscellaneous

Network Security and Privacy Injury

Technology and Telecommunications

### Crime

**Crime can put a business at risk, whether it is committed by employees or other people.**

- An organization's survival may be threatened by an uncovered crime loss.
- Private and not-for-profit organizations may not have the financial reserves that a large company has to absorb an uncovered crime loss.

**Epack Extra<sup>SM</sup> Crime coverage offers real protection against crime.**

- Epack Extra<sup>SM</sup> has the most frequently requested coverage enhancements built into the policy at no additional cost.
- Epack Extra<sup>SM</sup> is available to a wide array of businesses including manufacturers, wholesalers and distributors, computer technology companies and consultants, service firms, trade associations and membership organizations.
- Covers subsidiaries and premises created or acquired during the policy period
- Automatic coverage for Employee Benefit Plans created during policy period and required to be bonded by ERISA.
- Required minimum ERISA limits available during policy period upon request.
- Epack Extra<sup>SM</sup> Crime coverage applies worldwide.
- A "Loss Discovered" option is available for qualifying insureds.

**Epack Extra<sup>SM</sup> Crime coverages include:**

- Employee Theft, which includes automatic coverage for:
  - Employees
  - Leased employees
  - Non-compensated persons (including volunteers) working for the company
  - Any person required to be bonded under ERISA
- Employee Theft of Client Property
  - Covers loss sustained due to theft of client's money or property by insured's employee while on client premises
  - May help insureds qualify to bid on contracts
- Forgery or Alteration
  - Includes personal accounts of the proprietor, partners, members and officers (including theft by employees)
  - Includes corporate checks and credit or debit card instruments
- Theft, Disappearance and Destruction of Money and Securities
  - Inside/outside coverage of money (cash, checks, money orders, etc.) and securities (stocks, bonds, etc.)
- Robbery and Safe Burglary of Other Property
  - Inside/outside coverage of robbery of tangible property other than money and securities
  - Inside coverage of safe burglary of tangible property other than money and securities
- Counterfeit Money Orders and Currency
  - Covers paper currency, of any country, used in the exchange for merchandise, money or services, at no additional cost. Most companies only cover currency of any country where an insured has operations.
- Computer and Funds Transfer Fraud
  - Computer Fraud & Wire Transfer Communications Fraud combined into one coverage

**Broad coverage for Crime is provided as one part of the Epack Extra<sup>SM</sup> policy. Epack Extra<sup>SM</sup> allows insureds to package multiple coverages on one policy form.**

Management and Professional Liability



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### Coverage Scenarios

#### Employee Theft

An employee of a small private firm embezzles \$250,000 from her employer over a four-year period. The employee obtained the necessary signatures on the checks either by altering the payee upon being signed by an authorized individual or by using a facsimile signature stamp. She then issued checks in her name and purchased items for her personal use. The firm was reimbursed for their loss.

#### Employee Theft of Client Property While on Client Premises

An accounting firm places several of their employees with one of their clients to help complete their monthly payroll. As a part of the accounting firm's placement contract with the client, they are required to provide protection against theft by their employees. One of the accounting firms' employees steals several of the client's laptops. The accounting firm reimburses its client and is paid for their loss.

#### Forgery and Alteration

An unknown individual gains access to an insured's accounts and obtains checking account numbers. The individual creates \$5,000 in fictitious checks using the insured's account numbers and goes to a check cashing business to cash them. The check cashing company contacts the insured requesting it transfer funds for the fraudulent checks they have paid. The insured is paid for the loss and is able to reimburse the check cashing company.

#### Theft, Disappearance and Destruction of Money and Securities

The insured's store manager dropped a deposit at the bank. The insured went to the bank several days later to pick up the deposit slip and was informed that the deposit was never made. The insured confronted the store manager, who said that the deposit was in fact made. The insured contacts the police. The store manager passed a lie detector test when questioned about the matter. The insured does not have ample evidence to show that an employee stole the deposit; therefore, coverage is triggered under Theft, Disappearance and Destruction.

#### Robbery and Safe Burglary of Other Property

An insured had just finished closing his retail establishment for the day. He walked out to leave when an armed robber approached him and forced him to go back into the store. The robber demanded money and forced the insured to open the safe where the daily cash receipts were held. The robber took the money from the safe and left. The insured was reimbursed for the loss.

#### Counterfeit Money Orders and Currency

A customer of an insured purchases \$5,000 worth of goods. The insured receives payment in cash or by money order. The insured later finds that the cash received was counterfeit, or when they attempt to cash the money order they find that it is counterfeit. The insured is reimbursed for the counterfeit currency or money order.

#### Computer and Funds Transfer Fraud

A bank receives a telephone call from a woman posing as an employee of their client, a small not-for-profit scholarship fund. It is the employee's job to request funds transfers. She instructs the bank to wire \$75,000 into the account of a reception hall so they can reserve it for their annual fundraiser. Since the caller has made numerous similar funds transfer requests in the past, the bank wires the funds. The imposter withdraws the funds from the bank account she set up for the non-existent reception hall. The scholarship fund was reimbursed for its loss.

**To learn more about CNA's Management and Professional Liability offerings, contact your agent or broker.**