

Crime Protection Claims Scenarios



Agriculture

- ⌚ 450 staff
- ⌚ \$170M turnover

Background

The Insured discovered that a long standing contractor (who was also a former employee) had been misappropriating funds over a 6 year period by adding an additional 0 to his weekly contractor payments. The contractor was then creating fake invoices for fictitious purchases to conceal the fraud. The total stolen was quantified at \$9.8M.

Outcome

The Policy was triggered and cover was provided under Clauses 2.2 for the Insured's direct financial loss. Payment was made at the full Indemnity Limit.

Payment: \$1,000,000

Professional Services

- ⌚ 300 staff
- ⌚ \$140M turnover

Background

A contractor engaged the services of the Insured to provide early payment of invoices to their clients. Over a period of 8 months, the contractor produced fake invoices and purchase orders for the Insured to pay. An employee of the Insured discovered the fraud and the total loss was \$150,000.

Outcome

The client claimed the fraud under their Crime policy and indemnity was granted.

Payment: \$146,000.

Auto Repairer

- ⌚ 10 staff
- ⌚ \$2M turnover

Background

Whilst the Directors of the Insured were away on holiday, an employee fraudulently signed and banked cheques in the Directors' names. The employee had set up a number of fake suppliers in the Insured's accounting system and made payments to these suppliers after banking the cheques. The total amount stolen was \$170,000.

Outcome

The Insured claimed under the Crime section of their Management Liability policy and indemnity was granted for the direct financial loss

Payment: \$165,000.

Motorcycle Retailer

- ④ 32 staff
- ④ \$20M turnover

Background

The Insured entered into a contract with a credit representative to act as an intermediary between the Insured and credit providers in the purchase of motorcycles for their clients.

On numerous occasions the credit representative paid commissions and brokerage totaling \$18,000 into their personal account rather than passing them on to the Insured. The fraud was discovered by an employee who stumbled across a folder containing the fake invoices on the Insured's shared public drive.

Outcome

The Insured claimed under their Crime policy and indemnity was granted in relation to the direct financial loss as a result of the fraud.

Payment: \$15,000.