

EXECUTIVE RISKS

Crime Insurance

Protect your organization from losses due to business-related crime with Active Insurance.



\$200,000¹

The average cost of a funds transfer fraud (FTF) claim

Small mistakes can add up to a big disaster. An employee secretly pilfering your assets, a busy executive clicking on a phishing email, or a CFO conned into wiring money to a threat actor — there are many things that can go wrong for businesses.

Employee theft costs businesses \$50B annually²

You may think your organization is already protected with your General Liability (GL) Insurance. However, your GL Insurance likely does not cover the financial loss due to criminal acts perpetrated against the business.

All businesses could use more protection from crime

Many small businesses don't think they're at risk of a crime. But since the onset of the COVID-19 pandemic, nearly 1 in 4 organizations with Crime coverage experienced a claim, according to Coalition's Executive Risks survey³.

Defend against bad actors with Crime Insurance

This coverage can help protect your organization from the financial impacts of a wide variety of criminal activities perpetrated by employees or external actors.

¹ Coalition's 2022 Claims Report: Mid-year Update | ² U.S. Department of Commerce | ³ Coalition's 2022 Executive Risks Report



Why you need Crime Insurance

Crime insurance can provide coverage for financial loss and impacts due to various criminal activities.

What is covered by Crime Insurance?

Traditional risks

- ✔ **Employee theft:** loss of or damage to money, securities, or property due to theft or forgery committed by one or more employees
- ✔ **Clients' property:** the loss of or damage to money, securities, or property of a client
- ✔ **Forgery or alteration:** an employee signing the name of the organization with the intent to deceive
- ✔ **Money orders and counterfeit money:** if an employee or the organization accepts payment for merchandise with counterfeit money or money orders

Digital risks

- ✔ **Computer fraud:** loss of or damage to money, securities, or other property resulting from the use of a computer
- ✔ **Funds transfer fraud (FTF):** when cyber criminals redirect an organization's online money transfer to receive the payment instead of the intended recipient
- ✔ **Fraudulent impersonation (social engineering):** how threat actors trick their targets into transferring money
- ✔ **Electronic data or computer programs restoration cost:** in the event of a virus or vandalism

What are some risks that are *not* covered by Crime Insurance?

- ✗ Crimes committed by the business owner or by employees in coordination with the business owner
- ✗ Loss of intangible property, intellectual property, and virtual currency (cryptocurrency)*
- ✗ Indirect loss: the company's inability to realize income, interest, or profit due to a loss of money, securities, or property*
- ✗ Ransomware: Cyber Insurance is also needed for electronic data (in the event of backup failure) and other recovery expenses*

*The good news is Coalition offers cyber coverage to help protect you from these digital risks.

This information is not an insurance policy, does not refer to any specific insurance policy, and does not modify any provisions, limitations, or exclusions expressly stated in any insurance policy. Descriptions on this page are necessarily brief and generalized; in order to fully understand the coverages and other features of a specific insurance policy for a particular customer, you are encouraged to contact Coalition, Inc. at execrisks@coalitioninc.com. Coverages and other features vary based on customer profile and may not be available to all customers.



Real-world claims examples

Executive Risks coverage provides broad protection from fast-moving and unforeseen risks to help businesses become more resilient. Here's how Crime Insurance helps organizations recover (and survive) when the unthinkable happens.



Employee theft

You want to believe your employees are trustworthy and good stewards of your business. However, a small manufacturing company lost more than \$400,000 when an employee stole hundreds of pieces of equipment that were then resold on the internet.



Forgery

Whether it's a physical check or an electronic deposit, every organization needs protection from forgery and fraud. One business in the agriculture sector learned this the hard way after losing \$1.2 million due to an employee forging checks from the company's bank accounts.



Funds transfer fraud

Small businesses are becoming bigger targets for threat actors. For one organization with fewer than 25 employees, the busy CEO was targeted by a bad actor. The threat actor posed as a vendor and convinced the CEO to pay more than \$600,000 in fake invoices.



Fraudulent impersonation

Cyber criminals are getting more sophisticated and targeted in their tactics. A transportation company with hundreds of employees and ~\$100 million in revenue was targeted by threat actors. The accounting department was convinced to wire more than \$500,000 when the threat actor posed as a company vendor.

Why choose Coalition for Crime Insurance?

Coalition is the leading provider of Active Insurance, combining comprehensive insurance coverage and cybersecurity tools to help small and midsize businesses manage and mitigate digital risks.

Active Insurance combines technology and traditional coverage to provide continual risk assessment, protection, and response to address risks that move at digital speed. Active Executive Risks Insurance is designed to help businesses navigate a new world of digital risk.

When disaster strikes, there are claims team members standing by to quickly assist you and comprehensive insurance coverage to help protect against losses.

Policyholders receive access to our Coalition Control platform, which provides automated alerts, expert guidance, and tools to help organizations proactively manage risk.

It's our mission to help protect the unprotected

Manage and mitigate Executive Risks with comprehensive coverage in addition to Crime:

Directors & Officers (D&O) Insurance provides coverage for legal defense fees, settlements, and other costs from liability claims made against an organization's owners, directors, and other officers for alleged wrongful acts or decisions.

Employment Practices Liability (EPL) Insurance provides coverage for employee lawsuits and lawsuits from external parties, such as third-party harassment. The most frequent claims are related to discrimination, harassment, or wrongful termination.

Fiduciary Liability Insurance provides coverage for legal defense fees, settlements, certain civil penalties, and other costs resulting from claims that an organization and its fiduciaries mismanaged benefits plans or assets.



Ready to protect your business?

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