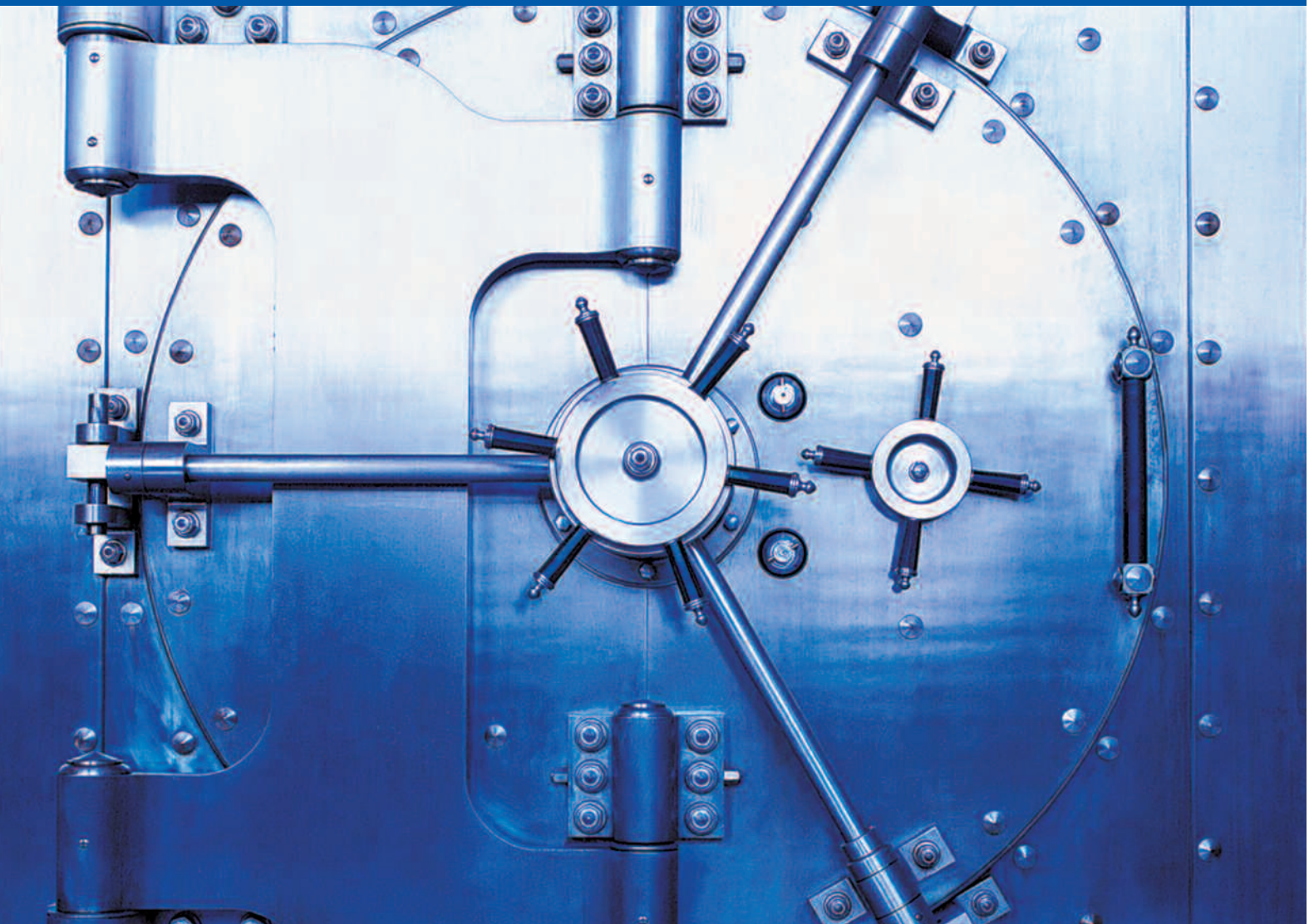


Commercial crime and fidelity coverages

Detection is okay.  
Prevention is better.



## Protect yourself with commercial crime and fidelity coverages from Zurich

There's truth to the adage that an ounce of prevention is worth a pound of cure. Zurich can help you limit your exposure to embezzlement, employee theft, forgery and more with insurance solutions that serve the needs of commercial enterprises, backed by strong risk engineering\* support that helps improve profitability. Our target industries are gaming and hospitality, governmental entities, labor unions and all other classes of business with up to 1,000 employees.

Here is a snapshot of the scope of products included in the "ounce of prevention" Zurich offers to help you reduce preventable losses to your business:

- Commercial crime policy
- Employee theft and forgery policy
- ERISA bonds
- Fiduciary Responsibility Select Insurance Policy
- Governmental crime policy
- Labor organization bonds



\*Risk engineering services provided by Zurich Services Corporation.

## Crime is a significant cost of doing business

Many people underestimate the costs and prevalence of embezzlement and employee theft in virtually all types of business. Current estimates indicate these dishonest activities cost American firms a staggering \$1.5 trillion each year. Misconceptions regarding employee theft leaves many employers open to this risk. For example, they don't realize that:

- While most incidents of employee theft involve theft of cash, many other items of value may be stolen – from office equipment to warehouse merchandise.
- The average embezzler is usually a trusted employee and considered a friend by their co-workers.

## Commercial crime policy

The most effective and economical way to protect business assets is by bonding all employees and protecting against losses caused by criminals. Zurich's commercial crime policy helps compensate an employer for loss of money or other property caused by the dishonest act of its bonded employees. It even covers you for money, securities or other property lost due to robbery, burglary, misplacement, disappearance, damage or destruction. Employee benefit plan coverage is also built into the policy form.

Some features and options available include:

- Forgery or alteration
- Inside the premises – theft, disappearance and destruction of money and securities; robbery or safe burglary of other property
- Outside the premises – theft, disappearance and destruction of money and securities and loss of other property from actual or attempted robbery
- Computer fraud
- Money orders and counterfeit paper currency
- Optional endorsements, including but not limited to: client's property, funds transfer fraud, extortion, designated agents and leased workers



## Employee theft and forgery policy

This policy is designed for risks that do not have a need for other crime coverages provided under the Commercial Crime Policy. Coverage includes employee theft and forgery or alteration. Employee benefit plan coverage is built into the policy form.

## Governmental crime policy

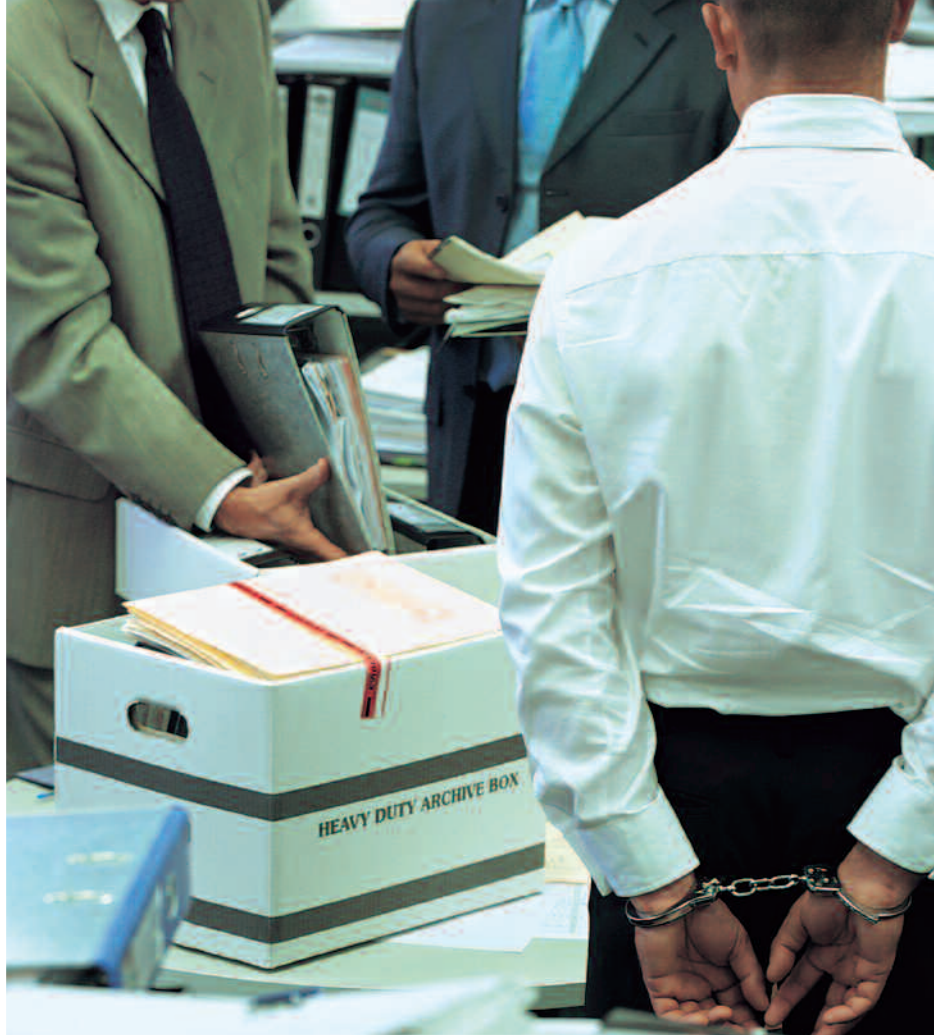
The Governmental Crime Policy is intended to provide crime coverage for governmental entities. Employee benefit plan coverage is built into the policy form. Some additional features and options include:

- Employee theft – per loss
- Employee loss – per employee (optional coverage)
- Forgery or alteration
- Inside premises – theft of money and securities
- Faithful performance coverage
- Inside premises – robbery or safe burglary of other property
- Outside premises
- Computer fraud
- Funds transfer
- Money order and counterfeit currency

## Employee Retirement Income Security Act (ERISA)

Many companies offer pension plans and/or profit sharing programs as part of an employee benefit package. These programs are managed by appointed individuals associated with that company's plan, known as fiduciaries.

In 1974, ERISA was enacted by the federal government to regulate most types of employee benefit plans. To protect the plan and the money in these funds from fraud and dishonesty committed by individuals, this federal act requires that the appointed fiduciaries be bonded. The coverage is intended to protect



the plans from dishonesty and fraud committed by individuals who are associated with them.

## ERISA bonds

According to ERISA, the amount of bond coverage necessary for each plan is equal to no less than 10 percent of the amount of plan funds handled, subject to a \$500,000 maximum bond amount.

## Fiduciary Responsibility Select Insurance Policy

Under the provisions of ERISA, a fiduciary is required to perform each piece of work with the competence and care of those who ordinarily do such work. Falling short of this standard may leave you or your organization open to lawsuits, with the threat of being liable for substantial damages. Even if the suit is settled in your favor, defense costs could be devastating to your organization's bottom line, potentially threatening your personal assets.

Zurich's Fiduciary Responsibility Select Insurance Policy can help you address these risks and offers the additional advantage of coverage for negligent acts, errors or omissions of the insured in the administration of the plan.

Features include:


- A broad definition of who is insured, including the directors, officers, trustees and employees of the company (the plan sponsor) and the plan
- Protection of directors' and officers' personal assets
- Coverage for certain losses resulting from claims first made against the insured during the policy period for a "wrongful act" committed prior to or during the policy period
- Marital estate coverage
- Coverage available for a wide range of employee benefit plans, including pension, profit sharing, medical benefits, group life, disability benefits and other benefit and welfare programs of the sponsor organization
- Automatic coverage for newly acquired or created plan(s) that represent less than or equal to 10 percent of the fair value of the total assets of all the plans of the company

## Labor unions

The Labor Management Reporting and Disclosure Act (LMRDA) of 1959 established reporting and disclosure of financial information by labor organizations to prevent abuses in handling assets belonging to labor organizations. On an annual basis, each labor organization is required to file a financial report disclosing their financial condition with the Secretary of the Department of Labor.

Any labor organization employees who handle funds or property - including officers, agents or shop stewards - are bonded against acts of fraud or dishonesty, whether performed alone or in collusion with others. Each employee's bond will be fixed at the beginning of the employer's fiscal year at not less than 10 percent of funds handled, to a maximum of \$500,000.

Zurich has been in the labor union fidelity bond business since the inception of the LMRDA in 1959 and is a leader in providing fidelity bonds to local and international labor unions and related entities. We have an experienced staff of claims attorneys that understand labor union business and how to handle the claims.



Zurich's Fiduciary Responsibility Select Insurance Policy offers the additional advantage of coverage for negligent acts, errors or omissions of the insured in the administration of the retirement plan.

## Claims

You have many alternatives when choosing a carrier for your business. At Zurich, service excellence is one point of differentiation. The claims organization has established a set of best practices defining the core elements of the claims service process, which raises the bar for our competitors. Adherence to these best practices underscores our commitment to consistently providing quality services, responsiveness and technical excellence. We offer these advantages as well:

- Six ways to report a claim to our reporting care center 24/7: internet, toll-free phone call, fax, mail, e-mail and file transfer protocol
- E-business tools provide online access to your claim information
- Litigation management that can generate effective litigation outcomes and create legal cost savings

## Learn more about how Zurich can help you protect your business

Zurich provides a wide range of coverages to help protect the assets and reputation of your business. We offer solid coverages, realistic prices and a high level of service, including claims, risk engineering\* and more. Years of experience give our underwriters and customer service staff the strong knowledge you want your insurer to have.

For more information on the products and programs Zurich offers for your business, contact your independent agent or broker. Or call us at 800-382-2150 – and visit our Web site at [zurichna.com](http://zurichna.com).



\* Risk engineering services provided by Zurich Services Corporation.



*Because change happenz<sup>SM</sup>*

**Zurich**

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