

FIDELITY COVERAGE



CONSIDER THE FOLLOWING POSSIBLE LOSS SCENARIOS:

\$1,100,000

Officer and management of shipping for a cutlery manufacturer were in collusion to load trucks with merchandise for later sale at flea markets and small retail shops, while pocketing the proceeds. A controller ultimately reported the scheme to the company.

\$47,000

A job foreman was given a company credit card to handle miscellaneous purchases at the satellite office. The actual expenses were for fixtures for his personal residence.

\$65,000

A warehouse supervisor of a large retailer sells portions of merchandise and pockets the proceeds. The loss occurs over a two-year period. The supervisor had been named "Employee of the Year" several times over his 17-year career.

\$345,000

A regional sales director inflated inventory of computer software products for alleged seasonal sales pushes. A portion of the inventory stored at the director's building was sold "out the back door" unbeknownst to corporate headquarters. The loss took place over a four-year period.

\$244,000

An employee alters deposit slips after being reviewed by the owner. The individual prepared two deposit slips, with one going into the company's account and the other going into the employee's bank account. The embezzlement was allowed to continue for three years because the employee handled both bookkeeping and deposit activities for the company. Due to the size of the loss, the employer was forced to lay off several valued employees.

These are only examples of losses sustained by various companies. Coverage ultimately depends on the facts of each case and the terms, conditions, exclusions and limitations of each policy.

