

Fidelity & Crime

The vast majority of companies in New Zealand employ people to provide and sell products and services.

The common cliché is that your employees are your greatest asset. They can also be your biggest liability.

It is estimated that in New Zealand employee theft and fraud accounts for some \$1billion of loss per year to New Zealand companies. These can be such losses as stealing pens ranging up to full-scale manipulation and fraud. Often this is carried out by those who are in highly-trusted positions and many of those convicted have been with a company for quite a period of time. There has been much publicity regarding those who have defrauded businesses and trusts to sustain gambling; to send to Russia for future “husbands”; and to fund Nigerian scams.

Employee dishonesty can have a potentially fatal impact on any business. Most money that is stolen is disposed of quickly and there is little chance of recovering it. A Fidelity Guarantee policy includes cover for employee theft of money and securities.

A high-quality policy does not require the employee to be convicted before the insurer will pay out. If it can be proved that the employee has stolen from you then the insurer will pay the claim even if the evidence does not achieve a conviction through the legal system. In many cases the insurer will even cover the investigation costs to help you prove your loss.

As with most insurance policies the idea is to protect the balance sheet of a business and ensure continuity and viability of that business. Should the business have to pay out of its own reserves or facilities then the balance sheet is weakened. Not insuring adequately or at all can potentially lead to the end of the business.

No business should be without this cover.

Apex can provide cover for all of your insurance needs, whether Property, Liability, Marine, Accident & Health, Trade Credit and beyond.

We tailor-make to your requirements dependant on your business needs.

Claims examples:

- **An assistant accountant at a company had complete control over the payroll system. The employee had worked for the company for twelve years and over time the business had gained more trust and had faith in her abilities. The company was unaware the employee had developed a taste for the pokies at the local pub. The employee decided to ‘borrow’ some of the company’s money to fund her habit. She added several fake employees to the payroll system and was sending additional salary payments into her own account. By chance, a query from the bank manager to the secretary, on a day when the employee was ill, sparked a review by the business owner. The business owner discovered the number of employees versus the number of salary payments did not equate and further investigation unveiled the scale of the employee’s theft. She had stolen \$55,000, none of which could be recovered as it had been ‘invested’ in the pokies.**
- **A Hamilton office administrator stole \$277,000 from her employer. She was employed by a road signage installer, but within six weeks of joining the company she had begun stealing from it and the offending continued undetected for the next five years. She used the money to build a home and a children’s playhouse.**

To discuss further or for any queries, please contact your Apex Broker or our Technical Manager, Mark Robb:
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