

Crime Insurance – Example of Claims

1. Expenses Cover

A retail electronics company made a claim for £150,000 after it discovered that a number of its employees had stolen expensive electronic goods and equipment through sales across a number of its retail outlets. The employees had managed to obtain personal details of customers, including their account/ credit card details and used this information and other colleagues' passwords to access the orders and sales system, and put through fraudulent orders and issue fictional invoices. This fraudulent activity only came to light one year after the first theft. The insured were covered for investigation costs into the crime, computer clean-up costs and also public relation consultancy fees, as hacking into the personal data of the customers was a highly sensitive issue and a PR company were hired to ensure minimal media attention.

2. Ownership and Client Extension

A warehouse which stored retail goods and supplied them to a retail outlet, reported a theft to the police, after it transpired that a warehouse employee had been stealing expensive goods during the course of their employment. The insured were in a contractual relationship with the retail outlet and had paid for the goods in advance.

3. Crime Discovery Period

A photography company discovered that it had made payments for chemicals, repairs and spares that had not been received. Upon further investigation, it discovered that an employee had set up a bogus supplier and was submitting false invoices. The fraud continued for over five years and the total amount stolen exceeded £250,000. This discovery was made a few months after the company had changed ownership and therefore had not renewed their insurance policy after expiry.

For a real-life scenario explained by our director please follow the below link:

Neal's Yard Dairy – £300,000 Cheese Scam

https://www.linkedin.com/posts/alexandermargolin_cheesemakers-in-shock-as-300000-of-produce-activity-7260273490224672768-2X1g?utm_source=share&utm_medium=member_desktop&rcm=ACoAAApOglUBI7d86nF8ZMxk6DQ82fZrVEb3uLs

****This content was sourced and adapted from Pen Underwriting. A big thank you to our insurance partner for providing these helpful examples and insights, which we've tailored for our website.***

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