

# EMPLOYEE THEFT UNDER THE RADAR, IF AGENTS COULD TURN BACK TIME?, & RLI'S NEW PRODUCER PORTAL LAUNCHED WITH REDESIGN AND ADDITIONAL SITE FEATURES

## Employee Theft Under The Radar

Employee theft is estimated to cost American business over \$50 billion annually. More than just cash is stolen; physical supplies and inventory, and business equipment are also purloined, but business owners don't seem too concerned according to a CNBC/SurveyMonkey Small Business Survey. When asked, "What is the most critical issue facing your business?" only one percent said the threat of crime or vandalism. But that may be because an estimated 75% of all employee theft goes unnoticed.

Employee theft statistics:

- The typical organization loses 5 percent of its revenues to fraud each year.\*
- The average loss caused by employee dishonesty is \$140,000 with one in every five cases reporting a loss of at least \$1M.\*
- It averages 18 months to discover a fraud scheme.
- Background checks, even when they are used, are of little help to employers to mitigate fraud.\* Most occupational fraudsters are first-time offenders with clean employment histories.
- Up to 75% of all employees steal at least once and half of those steal multiple times. 55% of employee theft is done by managers.

Technological advances can be both good and bad. Increased ease of doing business can leave businesses exposed to new and complex funds transfer fraud and computer fraud threats.

Travelers fidelity and crime coverage offers multiple insuring agreements to provide protection for exposures such as loss from forgery or alteration, loss of money and securities and reimbursement for claim expenses. Additionally, funds transfer fraud and computer fraud are threats that every organization must consider. These perils may include malicious software, such as Trojan horse programs, and spoofing techniques designed to circumvent online authentication methods.

Social engineering fraud is a confidence scheme that intentionally misleads an employee into sending money or diverting a payment based on fraudulent information that is provided to the employee in a written or verbal communication such as an email, fax, letter or even a phone call. Travelers offers coverage that can protect your assets against what can be complex and unique perils.

Travelers put together a quick (under two minutes!) video to help explain it. Watch "Fidelity and Crime - Demystify Management Liability" now and feel free to share this with your clients.

**Fidelity/Crime** from Travelers covers employers for direct loss as well identity fraud reimbursement and reasonable claim expenses. Fidelity Crime can be obtained singly or as part of **Wrap+ for Executive Liability for Private Companies**. You can pick and choose the coverages your client needs and leave off what they don't. In the future you can add new or drop old coverage as needed.

### Features Common to All Liability Coverages:

- Additional Defense Coverage
  - Additional Defense Limit of Liability
  - Survives exhaustion of base limit
  - Available for each liability coverage elected or shared
- Defense options
  - Duty to Defend (100 percent predetermined allocation)
  - Reimbursement
- Single retention for claim triggering multiple liability coverages and no retention if unable or not permitted to indemnify
- Worldwide coverage - claims made or occurring
- Foreign parent corporation coverage as co-defendant
- Severability of application representations
- Subsidiary acquisition - 25 percent of assets

- Extended Reporting Period
  - Bi-Lateral
  - 3-year run-off available for pre-determined premium
  - Report potential claims
  - Elect by liability coverages
- Duties in the event of claim - triggered by knowledge of Executive Officer

**Click the links below to learn more about available options, access highlight and sell sheets, and more:**

- Directors and Officers Liability Insurance
- Employment Practices Liability Insurance
- Fiduciary Liability Insurance
- Miscellaneous Professional Liability (E&O) Insurance
- CyberRisk
- Kidnap and Ransom
- Identity Fraud Expense Reimbursement

As part of the coverage, your clients receive access to *Risk Management Plus+ Online*<sup>®</sup>, a one-stop resource that provides a comprehensive set of tools to help protect their organization from costly litigation. To learn more, visit [www.rmplusonline.com](http://www.rmplusonline.com). To access the Wrap+ please log into Big "I" Markets and look for Wrap+ products in the commercial product listing. Please note that the Community Homeowners Associations and Healthcare Organization are not currently available through Big "I" Markets.

\* Association of Certified Fraud Examiners 2012 Report to the Nations

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## SPECIAL FEATURE

### If Agents Could Turn Back Time?

InsurBanc's David Tralka recently participated in a podcast for *On Point with Peter van Aartrijk*. In the podcast, Tralka discussed what he has learn from agency owners throughout the years. He speaks about the agency owners he has met with, who are close to retirement, and what they would say to their younger selves if they could go back in time. Owners often look back with ideas of how they could have run their agency differently or what improvements they could have made.

You can access the full podcast here.

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## RLI's New Producer Portal Launched with Redesign and Additional Site Features

RLI has launched a redesigned, enhanced portal this summer, offering producers an improved digital experience in a user-friendly, self-service format. If you're a licensed producer for RLI's Personal Umbrella or Home Business products your invitation to register for the portal and set up your account is in your inbox or will be on its way soon.

The revamped portal was initiated to update RLI's existing portal technology and create a consistent, end-to-end, service-focused experience for producers.

"RLI's new portal is the result of extensive user research and listening closely to customer feedback," said RLI Underwriting Supervisor Tim Flanagan. "Because it is for agents and producers, we asked about their preferences and ideas, then used that information to design a new self-service experience just for them."

Some of the changes that producers experience on the new site include:

- A modern, clean and simple design and navigation, allowing them to quickly find what they're looking for and take action fast.
- One point of access to manage their RLI business using a single login.
- New features like enhanced site search, form and marketing materials, emailing capabilities and other self-service tools that make it faster and easier to complete key tasks.
- A personal profile with a quick view of the products and agencies producers are authorized to represent.

Future enhancements are coming soon! Based on advanced analytics and customer feedback, the RLI team will continue to add product lines and functionality to the portal.

Learn more about RLI personal umbrella at [www.iiaba.net/RLI](http://www.iiaba.net/RLI).

## WEBINARS

### The Never-Ending Problems with Certificates of Insurance

Big "I" Virtual University

**Date: Wednesday, August 15**

**Time: 1:00 - 2:30pm EST**

**Cost: \$49 (includes live presentation, recording and written transcript)**

**Summary:**

Ridiculous requests and tough situations regarding certificates of insurance (COI) NEVER go away. Every week the Big "I" Virtual University gets multiple questions about the proper use of COIs. Many are common questions, but on occasion, we get a question that hasn't been asked before.

Agents can never become complacent or lazy when dealing with COI issues, and although you are probably tempted, never give up or give in to the stupidity - stand and fight!

In this session, we will review the purpose of certificates (old information), answer the 21 (probably more) most common questions we receive, and will explore some of the more unusual questions we've heard as well.

VU webinars offer comprehensive looks at industry issues. If you are looking for quick strikes of knowledge check out the VU's 20-minute Lightning Learning series that will focus on Contractual Risk Transfer and Total Cost of Risk for the month of August. Please send any questions to VU staff.

**Registration:**

[CLICK HERE TO REGISTER](#)

### Lightning Learning for August

Big "I" Virtual University

**Dates: August 7, 16, 28**

**Time: 11:30 - 11:50am EST**

**Cost: \$9.99 for all three sessions**

**Summary:**

The VU's August Lightning Learning series features three 20-minute sessions dedicated to Contractual Risk Transfer and Total Cost of Risk Even if you can't participate in the live sessions, you will receive a link to the on-demand recordings and can listen to them at your leisure. Register once and attend:

- **August 7 - Your Insureds and Contractual Risk Transfer**  
Understanding contractual risk transfer is a key requirement for staying out of trouble when you insure contractor risks. But even if you don't insure construction-type operations, you will be subject to contractual risk transfer language at some point, you can count on it. This session answers seven related FAQ's.
- **August 16 - Explaining the Total Cost of Risk (It's More Than Premiums)**  
What the insured doesn't understand is that insurance is not about the price of insurance (which the commercials seem to tout), it is about the cost of risk. In this session we detail the seven costs of risks insured must consider; the agents job to explain them.
- **August 28 - Coinsurance - Down and Dirty Explanation**  
Co-insurance provisions found in property policies exist primarily to assure that the insurance carrier receives adequate premium for the coverage provided. Without a coinsurance condition, and its applicable penalties, insureds might be willing to purchase an amount of coverage somewhat less than the value of the subject property because of the statistically low probability of a total loss. This session dispels the myth that co-insurance is as easy as  $\text{Did/Should} \times \text{Loss} - \text{Deductible} = \text{Payment}$

Consider presenting conference style for the entire agency to benefit. Please send any questions to VU staff.

**Registration:**

[CLICK HERE TO REGISTER](#)

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## TWO FOR TUESDAY TRIVIA

Be one of the first five with the correct answers and win a \$5 gift card (Starbucks, Dunkin' Donuts, Baskin Robbins, or Krispy Kreme).

**Congratulations to this week's winners - Cheryl Sedich (CT), Jim Thomas (NJ), Janet Lackey (OH), Cynthia Kress (NV), & Richard Wharton (MO).**

1. Born on this day in 1884, this Wizard of Oz cast-member (despite dubbing rumors) did their own singing. - **BILLIE BURKE aka Glenda the Good Witch**
2. What are the four sets of additional insured covered by Chubb that are not included on a typical BOP? - **1) Other Persons Or Organizations Pursuant To Contract Or Agreement 2) Lessor Of Leased Equipment 3) Managers Or Lessors Of Premises 4) Vendors**
3. Alexander Graham Bell did not think the phone should be answered with "hello" but with this term. - **AHOY**

### TIE BREAKER

TB - A horn shark named Miss Helen was recently shark-napped from a San Antonio Aquarium. What unusual device was used to smuggle her out of the aquarium? - **BABY STROLLER**

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## LAST WEEK'S MOST CLICKED LINKS

Here are the top three items that got BIM agents clicking from our last edition... see what you missed!

1. Chubb - Small Commercial Appetite Guide
2. Jewelers Mutual - Jewelry Insurance
3. Chubb - Small Commercial Enhancements

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## BIG "I" MARKETS SALE OF THE WEEK

Congratulations to our agent in Missouri on an Affluent Homeowner - New Business sale of **\$24,166** in premium!