



Blanket bond protection against employee dishonesty

FINANCIAL AND PROFESSIONAL SERVICES | FINANCIAL INSTITUTION CRIME COVERAGE

Employee dishonesty is an ongoing threat for firms that manage investments for both individuals and corporations. Travelers has your solution. The Travelers Financial Institution Bond, Form 14 includes an investment company blanket bond that is the premier choice for protecting brokers, advisors and funds from employee dishonesty. The bond provides a wide range of coverage for financial losses including larceny and embezzlement by employees, as well as certain other exposures.

Mandatory protection for investors and financial institutions

Securities commissions across Canada require the purchase of blanket bond coverage in order to be licensed to operate as a stockbroker, securities dealer, exempt market dealer and other financial advisor roles. This coverage protects the public from embezzlement of their funds while protecting financial institutions against employee theft and third-party fraud.

The Travelers Financial Institution Bond, Form 14 is the financial industry's premier choice for coverage against employee dishonesty.

Travelers' Financial Institution Bond, Form 14 provides broad coverage and options to meet clients' unique risks, including:

- Employee dishonesty against the firm and its clients
- Coverage for destruction and theft of money and securities inside and outside the firm's premises, as well as at its banking premises

- Coverage for forged firm cheques, and acceptance of forged security documents and counterfeit currency
- Computer fraud and funds-transfer fraud by third parties hacking into the firm's system
- Worldwide territory
- The option of a "per loss" form with a limit of liability that is fully reinstated after a loss, so the limit will not erode as it would under an aggregate form
- Availability of audit expense coverage, which provides coverage for audits or examinations required for proof of loss from dishonesty, fraud, larceny or embezzlement committed by an employee
- Coverage for additional Canadian offices established by the firm
- Broad definition of "employee," including 60 days coverage from the date of termination of employment for former employees
- Mail coverage for securities sent to other locations

Limits of liability

\$25 million limit of liability

Following are examples of the kinds of crimes that would be covered by the Travelers Financial Institution Bond, Form 14:

- A broker transfers funds from a client's account into his own account and fabricates monthly statements to cover up the theft
- A mutual fund agent has his clients make cheques payable to his own company and misappropriates the funds
- A financial institution employee fraudulently transfers money into her personal account
- Ponzi schemes

Claims are handled by Travelers claims professionals in our offices in Vancouver, Calgary, Toronto and Montreal.

Submission checklist

- Completed application
- Most recent audited financial statements
- Auditor's letter to management on internal controls (if applicable) and management's response

About Travelers

At Travelers, we do things right when things go wrong. We are committed to keeping pace with the ever-changing needs of our customers, and anticipating their needs for the future. In Canada, Travelers Insurance Company of Canada and St. Paul Fire and Marine Insurance Company are the Canadian licensed insurers known as Travelers Canada.

To learn more about **Travelers Financial Institution Crime Coverage** and any of our other professional and financial solutions, contact your local Travelers office.

Montreal

514.875.0600
800.361.9427

Toronto

416.366.8301
800.268.8481

Calgary

403.265.6252
800.479.3887

Vancouver

604.684.6574
866.684.6574



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