Financial Institutions Insurance

The Uhl Agency

Commercial Crime / Fidelity Bond Overview

Coverage Definition:

This insurance indemnifies advisory firms against the loss of loss of money or other property sustained through dishonest acts.

Covered acts include larceny, theft, embezzlement, forgery, misappropriation, wrongful abstraction, willful misapplication or other fraudulent or dishonest acts committed by an employee (whether acting alone or in collusion with others).

Typical crime insurance only covers losses to a firm's own money or property; however, insurance is also available to cover the theft of client funds.

Typical crime / fidelity bond coverage parts include:

- Employee theft
- Forgery or alteration
- On-Premises coverage
- Off-Premises of in-transit coverage
- Money orders and counterfeit currency
- Computer crime
- Funds transfer fraud
- Client coverage

Often included under Employee Theft is coverage for theft to the firm's own employee benefit plans (as required under ERISA). This differs from Non-Custodial ERISA / Fiduciary Fidelity Bonds, which cover theft to clients' employee benefit plans on which advisors act as fiduciaries.

Who We Are:

Started in 1958, The Uhl Agency is an independent insurance agency located in Dayton, Ohio. We specialize in writing executive liability lines of insurance for registered investment advisors, broker dealers, mutual funds complexes, private equity, and hedge funds.

The Uhl Agency recognizes every business is unique and that a proper business insurance program takes into account the individual needs of each business. We will work with you to develop a program that addresses your exposures while not breaking the bank during the process.

Sample Claim:

An ex-employee of an advisory firm sends an email into the firm and impersonates a client who is well-known for being difficult. The email requests that $20,000 be promptly wired to a new bank account and the ex-employee provides the account information in the email.

Assuming that the client will not want to be bothered with a phone call verifying the request, an advisor in the firm completes the transaction. The client learns of the theft several weeks later and threatens to sue the advisor as well as the firm.