

Commercial Risk Advisor

June 2019

Standard commercial insurance policies may provide some protection from criminal acts, but they often do not cover losses resulting from fraudulent activities.

Provided by:

Lloyd Sudd Insurance Brokers Ltd

Benefits of Crime Insurance

While you may think your business would never be the victim of a crime, the harsh reality is that nearly every business can become a victim. In this day and age, criminals (including employees) do not need direct access to cash to steal from you—merchandise, supplies and securities are all fair game. Standard insurance policies may provide some protection from criminal acts, but they often do not cover losses resulting from all types of fraudulent activities. Crime insurance was developed to deal with the limitations of other policies and extend protection to include coverage for a wide variety of wrongdoings:

- **Coverage for the misuse of funds**—It is likely that a number of your employees have access to company funds or financial information. In some cases, employees may abuse this access for personal gain. Crime insurance can protect organizations from the misuse or illegal transfer of funds, ensuring your finances are safe from internal criminal acts.
- **Insurance for goods in transit**—Goods in transit are particularly vulnerable to employee theft and, in some cases, organizations may not notice anything has been stolen until it is too late. What's more, if the theft takes place outside of the organization's premises, it can be difficult to prove, often leading to drawn out and expensive legal battles. Crime insurance policies can provide ample protection for goods in transit and reduce the likelihood of extreme losses whenever you send or receive products.
- **Coverage for forgery and alteration**—Your employees may have access to cheques that they can easily alter for their own gain. Crime insurance policies provide coverage for losses that result from the forgery or alteration of a cheque.

The only way to ensure your company has the protection it needs is through crime insurance. To discuss your unique risks and to learn more about crime insurance policies, contact your insurance broker.

The following parties should be notified in the event of an impairment as soon as possible:

- Insurance company or companies
- The local fire department
- Safety managers, or relevant managers and supervisors
- Staff
- Building owners or their designated representative



Fire Protection Impairment Programs

A fire can be extremely damaging to your organization, and while a fire protection system may be able to protect against many threats, impairments are an inevitable part of a fire protection system's life cycle. An impairment is any time that a fire detection, alarm or suppression system is out of service or unable to operate to the full extent of its intended design. During an impairment, the chances of a fire developing and causing major damage is greatly increased.

There are two types of impairments: planned (the system is purposely put out of service for maintenance) and unplanned (the system is unintentionally out of service). These are further grouped into two different levels of severity—major and minor:

1. **Major**—The impairment lasts more than ten hours and/or affects multiple systems.
2. **Minor**—The impairment lasts for fewer than ten hours and is limited to a single system.

Ensuring safety and efficiency during an impairment requires a great deal of work, planning and coordination. To be prepared for an impairment, organizations should develop a written program, assign responsibilities to staff and train employees in the procedures to be followed during an impairment. The written program should outline exactly what to do before, during and after an impairment based on its type and severity, as well as assign and detail the role and responsibilities. The most important role to consider is that of the impairment supervisor, who will implement and manage the fire protection impairment program, take care of scheduling planned impairments and carry out the plan during unplanned impairments.

Above all, the goal of a fire protection impairment program is to minimize the risk of a fire developing and spreading during an impairment while maintenance, repairs and tests are performed to the system. Before an impairment period, or upon discovering an unplanned impairment, the impairment supervisor should obtain a copy of the organization's fire protection impairment program form and fill it out. This form must be updated as progress is made to include further details of the impairment and repair process.

To learn more about fire protection impairment programs, contact Lloyd Sadd Insurance Brokers Ltd today.