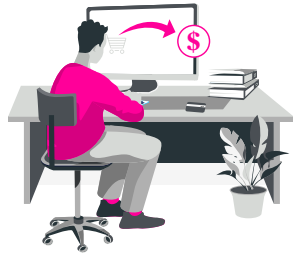


Expensing fraudulent financial crime

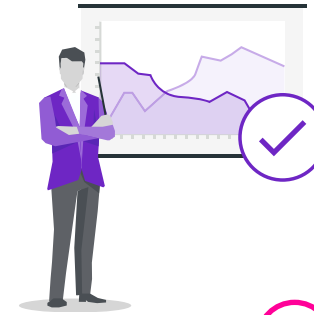


1. The Event

A former VP of a Californian electronic components subsidiary was alleged to have stolen money from the company via fraudulent expense claims.

Using his personal credit card, online purchases were made, cancelled and then refunded to the individual directly.

The insured were unable to recover any of the stolen funds from the individual.



2. The Problem

Initial estimates put the loss at over \$5.0m, but after swift investigations by Chubb's claims handler Magdalena, this was calculated at \$3.6m.

The impact suffered came directly from the company's bottom line, impacting profit and loss. Magdalena knew the customer needed immediate support.

3. The Solution

Magdalena agreed to settle the loss and Chubb paid \$3.4m, net of deductible, four months from notification. In doing so, Chubb took over the recovery efforts, leaving the customer to focus on their business. Both the third party's home equity and salary were used as part of the recovery calculations, with a lawsuit filed in California.

4. The Outcome

Despite of the significant initial loss, the insured was able to recover it through its crime policy. Magdalena moved quickly to action settlement and investigation. In assuming control of the recovery action, Chubb enabled the insured to focus on its business and wellbeing.

Financial claim against former employee

Policy Triggered:

Crime policy

The Chubb difference:

- ✓ **Proactivity**
We have actively pursued recovery efforts against the accused.
- ✓ **Technical ability**
We were able to investigate the suspect transactions, despite the accused's attempts to conceal them.
- ✓ **Speed**
We settled within four months of the claim being reported.