

Employee Dishonesty Cover

What is it? – Theft of money in your care/trust or from clients by your employees is not covered under the general policy conditions. This extension allows you to get cover for this if you are found to be legally liable as employer. Dishonest actions by employees may also lead to claims not being paid to your clients that you could be held liable for, this cover will protect you.

Who needs this cover? – Every FSP should very seriously consider this type of cover.

Why do I need it? – You run the risk that staff might steal or defraud your clients. This could lead the FSP to be legally liable.

Give me examples of possible claims:

Case Study One: Employee A receives an instruction from a long standing client to withdraw R100 000 from an investment. She gives the instruction for R150 000 to be transferred and changed the instruction mail from the client. After the payment is made to the client she contacts the client to say that an error was made and there was an overpayment of R50 000. A false letter from the investment company is sent with a request to pay the R50 000 back and providing bank details. Turns out the bank details are for Employee A's mother in law...

How much cover do I need and how much will it cost?

Cover is linked to your general amount of cover. If you for example choose R 4 000 000 general cover your cover for this extension if chosen will also be R 4 000 000.

You decide the cover that best suits your possible exposure. Your business activities will dictate this.

The premium will be 5% of the general premium amount and will be indicated on your quote.

Are there deductibles? – The deductible applicable will be aligned with the type of activity performed.

Please take note that this document is an information document only and not the binding policy wording.

Please consult the policy wording that will be binding on your policy
