



Travelers Wrap+® Funds Transfer Fraud and Computer Fraud

Funds transfer fraud and computer fraud are threats that every organization must plan for, particularly in light of the 2008 survey conducted by the Computer Security Institute (CSI). It found that the average annual losses that survey respondents suffered due to computer fraud was \$289,000 and nearly \$500,000 for financial fraud.

Why you need protection

“Phishing” scams make it easier than ever for criminals to access your assets. The Federal Trade Commission commented in its special alert SA 147-2009 dated August 26, 2009 that Web-based commercial EFT origination applications are being targeted by malicious software, including Trojan horse programs, key loggers and other spoofing techniques, designed to circumvent online authentication methods. These attacks could result in monetary losses to financial institutions and their business customers if not detected quickly.

Combined coverage from Travelers offers the most protection

While your internal controls are extremely important to guard against these threats, they’re not foolproof. Maintaining a strong, updated security software system, including virus protection, an Internet firewall and other security measures are critical to ensure your organization’s welfare. It’s also important to make sure you have the correct insurance coverage. Travelers Wrap+ Electronic Funds Transfer Fraud Coverage and Computer Fraud Coverage, purchased together, can protect your assets against what can be complex and unique perils as described in the claim examples below.



McAfee risk management support to help protect you

To better help you avoid being victimized, McAfee, a leading software security provider, will supply risk management support to Travelers. Under the arrangement, you’ll receive articles and other risk management-related information and you may be entitled to receive a discount on McAfee’s industry-leading security software. You will be provided an 800 number that will connect you directly to McAfee specialists who will answer your questions.

Claim examples

Electronic Funds Transfer Fraud

- A company’s finance director opened an email with an attached zip file that contained a virus. The virus obtained the user ID and password to the company’s account with its bank. Immediately thereafter, a fraudulent electronic wire transfer initiated by persons unknown caused \$147,000 to be wired from the company’s bank account to an unknown bank account in Arizona. The money was withdrawn before it could be recovered.

Travelers Wrap⁺ Funds Transfer Fraud and Computer Fraud

- A company's payroll supervisor logged on to the payroll account and noticed three payments totaling \$704,632 had been wired from their account. The supervisor immediately reported the transactions as unauthorized. The bank shut down the account and was able to recover all but \$238,781. The FBI and Homeland Security investigated and determined that someone had gained access to the vice president of finance's username and password via computer programs that had been surreptitiously downloaded onto the vice president's computer.
- A company's bank allegedly sent it a letter advising of a new security program. The company then received an email that appeared to be from their bank. The company's employee opened the email, which allowed a Trojan horse computer virus to get in. It was able to read key strokes from the insured's computer, thereby enabling the perpetrator to obtain banking and password information and initiate a fraudulent electronic wire transfer from the insured's account. This ended up causing a loss to the company of \$683,000.
- After he's fired, a former employee used his supervisor's password to enter the insured's unlocked building and used the supervisor's computer. He initiated transactions using his bank routing code to receive fake reimbursements purportedly made to the company's customers.

An experienced market leader

- Since 1853, we've provided effective insurance solutions to a wide range of industries
- A.M. Best* has assigned Travelers a financial strength rating of A+
- With over 50 offices, we possess national strength and local presence
- Our dedicated claim group offers extensive industry and product knowledge

Get the protection you need, today and tomorrow

Choose Travelers for your electronic funds transfer fraud and computer fraud coverages and you'll have access to risk mitigation articles, security guidelines and discounted McAfee software security. To learn more about this comprehensive program, talk with your independent insurance agent or visit travelersbond.com.

Computer Fraud

- A company's Web site was hacked into by an employee of one its customers who changed her employer's bank routing code on the Web site to her own. When the company paid her employer for services rendered, the money went directly into her account instead.

*A.M. Best's rating of A+ applies to certain insurance subsidiaries of Travelers that are members of the Travelers Insurance Companies pool; other subsidiaries are included in another rating pool or are separately rated. For a listing of companies rated by A.M. Best and other rating services visit www.travelers.com. Ratings listed herein are as of June 3, 2008, are used with permission, and are subject to changes by the rating services. For the latest rating, access www.ambest.com.



Travelers Casualty and Surety Company of America and its property casualty affiliates
One Tower Square
Hartford, CT 06183

travelersbond.com

.....

This material does not amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by Travelers. It is not a representation that coverage does or does not exist for any particular claim or loss under any such policy or bond. Coverage depends on the facts and circumstances involved in the claim or loss, all applicable policy or bond provisions, and any applicable law. Availability of coverage referenced in this document can depend on underwriting qualifications and state regulations.

© 2009 The Travelers Companies, Inc. All rights reserved. 59545 New 11-09