

VISA® Corporate Liability Insurance

Security for your
corporate purchasing



VISA Corporate Liability Insurance

Another way businesses count on VISA Commercial Card Programs.

In addition to the many benefits that corporate clients realize with VISA Commercial Card Programs, they can count on the security they need in the event of card misuse.

Although instances of cardholder misuse are rare, they do occur. That's why VISA Commercial Card Programs offer Corporate Liability Insurance, a comprehensive coverage program for companies with two or more employees.

Under this program, the company is covered for any Unauthorized Charges made by an employee on his or her VISA Commercial Card. The criteria for determining which charges are considered to be Unauthorized Charges, as well as a company's obligations, are outlined in this brochure.

Also included are the answers to the most commonly asked questions about VISA Corporate Liability Insurance, and what to do in the event that your company needs to file a claim.

Please take a few minutes to review the details of the VISA Corporate Liability Insurance Program, and then keep this brochure for future reference. For more information, see the section entitled **Inquiries**, or contact your VISA Commercial Card Program Representative at your financial institution.

This brochure is not a contract of insurance. The descriptions and explanations of coverage in this brochure are only a summary of the VISA Corporate Liability Insurance Program. Please refer to the Policy and Certificate of Insurance for a complete description of the terms, limitations, conditions and exclusions that apply. This coverage may be cancelled, changed or modified at the option of the VISA Card Issuer at any time without notice.

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Some Helpful Definitions

Before reviewing the VISA Corporate Liability Insurance Program, you may find these definitions helpful:

“Affidavit of Waiver” means a written request sent to the VISA Issuing Financial Institution by mail, telegram, fax or telex from the Eligible Company requesting the VISA Issuing Financial Institution to waive the Company’s Unauthorized Charges in accordance with the terms and conditions of this program.

“Cardholder” means the designated employee of an Eligible Company who is over 18 years of age and who is authorized to use the VISA Commercial Card for Eligible Company business only. The Eligible Company will not name any person to receive a VISA Commercial Card on any of its present or future accounts if that person has been named at any time by the Eligible Company in an Affidavit of Waiver.

“Charges” mean the amounts, billed or unbilled, including purchases and cash advances, charged to the Cardholder’s VISA Commercial Card.

“Eligible Company” means a corporation, partnership, sole proprietorship or any other entity which has signed and still has an active and in-force VISA Commercial Card Account Agreement with the VISA Issuing Financial Institution.

“Date of Notification of Employment Termination” means the date the Company gives or receives a written notice of immediate or pending employment termination of a Cardholder or the date on which the Cardholder leaves the Company’s service, whichever is earlier, or if the Cardholder is a member of a bargaining unit of a union and the employer contract includes grievance procedures, the date the Company files a grievance with the labour arbitrator recommending the Cardholder’s employment be terminated.

“VISA Commercial Card” shall mean a VISA Commercial Card issued by the VISA Issuing Financial Institution to the Company. VISA Commercial Cards include VISA Business Card, VISA Commercial Card, VISA Corporate Card and VISA Purchasing Card. Please contact your VISA Commercial Card Program Representative at your financial institution to determine if your company is enrolled.

“Waiver Date” is the date on the Request for Waiver Letter sent from the Eligible Company to the VISA Issuing Financial Institution.

What Is VISA Corporate Liability Insurance?

The VISA Corporate Liability Insurance Program allows Eligible Companies that have established a VISA Commercial Card Account Agreement to request the VISA Issuing Financial Institution to waive the Company's liability for certain Unauthorized Charges made by its employee Cardholders.

Who Provides this Insurance?

This program is insured by Royal & Sun Alliance Insurance Company of Canada.

What Is the Maximum Amount of Insurance?

The VISA Corporate Liability Insurance Program will waive the Company's liability for Unauthorized Charges up to \$100,000 per VISA Commercial Card subject to the terms, conditions, limitations and exclusions in the Policy and Certificate of Insurance.

What Are Unauthorized Charges?

"Unauthorized Charges" are Charges to a Cardholder's VISA Commercial Card incurred by a Cardholder:

- which are charged without the approval of the Eligible Company and/or which do not benefit the Eligible Company directly or indirectly in whole or in part; or
- for which the Eligible Company has reimbursed the Cardholder but the Cardholder has not paid the VISA Issuing Financial Institution.

Provided that such "Unauthorized Charges":

- are billed within the seventy-five (75) days preceding the Date of Notification of Employment Termination, or preceding the date the VISA Issuing Financial Institution receives the request from the Eligible Company to cancel the VISA Commercial Card account on which Unauthorized Charges were incurred; and/or
- are unbilled up to fourteen (14) days after the VISA Issuing Financial Institution has received a request to cancel the Cardholder's VISA Commercial Card but were incurred prior to such request being received and provided the Eligible Company must have notified the VISA Issuing Financial Institution within two (2) business days of the Notice of Termination of Employment;

- are discovered not later than seventy-five (75) days after the termination of:
 - (a) the insurance policy; or
 - (b) the insurance in respect of the Eligible Company; whichever occurs first.

Auditors fees incurred with the Insurer's written consent solely to substantiate the amount of the claim are covered.

What Charges Are Not Covered?

The following Charges are excluded and not covered by this policy, whether they are Unauthorized Charges or authorized Charges.

- 1** Charges made by partners, owners, or principal shareholders who own more than five percent (5%) of the Eligible Company's outstanding shares, or persons who are not employees of the Eligible Company at the time Charges were incurred.
- 2** Interest or fees imposed by the VISA Issuing Financial Institution on outstanding unpaid Charges.
- 3** In cases where the VISA Issuing Financial Institution invoices the Cardholder, any amount on a cheque submitted by a Cardholder which is not paid by the Cardholder's Financial Institution, if the Cardholder has, within the last twelve (12) months, submitted any other cheque to the VISA Issuing Financial Institution which was not paid by the Cardholder's Financial Institution.
- 4** Charges to purchase goods or services for the Eligible Company or bought for someone else if instructed or approved by the Eligible Company will not be covered. However, these Charges would be covered if the VISA Issuing Financial Institution bills the Cardholder directly, where the Eligible Company has reimbursed the Cardholder and the Cardholder has not paid the VISA Issuing Financial Institution.
- 5** Charges billed by the Cardholder more than fourteen (14) days after Date of Notification of Employment Termination.
- 6** Charges billed by the Cardholder more than fourteen (14) days after the VISA Issuing Financial Institution receives the request by the Eligible Company to cancel the VISA Commercial Card.
- 7** Charges billed on the Date of Notification of Employment Termination if such Notification of Employment Termination was not sent to the VISA Issuing Financial Institution within two (2) business days of the Date of Notification of Termination.

- 8** Charges billed where the Eligible Company has not notified the VISA Issuing Financial Institution in writing to cancel the VISA Commercial Card within two (2) business days of the Eligible Company's intention to cancel or no longer authorize usage of the Cardholder's VISA Commercial Card.
- 9** Charges resulting from either a lost or stolen VISA Commercial Card or Charges to a VISA Commercial Card account which is closed, frozen or ninety (90) or more days delinquent.
- 10** Cash advances, after the Date of Notification of Employment Termination or immediately after the VISA Issuing Financial Institution receives the request by the Eligible Company to cancel the VISA Commercial Card, in excess of \$300.00 per day per Cardholder, or a maximum of \$1,000.00 per Cardholder, whichever is less.
- 11** Any interest on money owing.
- 12** At the time the Charges were incurred, the Eligible Company had less than two (2) VISA Commercial Cards.

What Are the Responsibilities of Your Eligible Company?

Notifying the VISA Issuing Financial Institution

The Eligible Company may request the VISA Issuing Financial Institution to waive the Eligible Company's liability for Unauthorized Charges only if the Eligible Company meets all of the following requirements:

- 1** The Eligible Company must use its best efforts to retrieve the Cardholder's VISA Commercial Card from the employee and must notify the VISA Issuing Financial Institution in writing to cancel the VISA Commercial Card within two (2) business days of the Date of Notification of Employment Termination or within two (2) business days of the Eligible Company's intention to cancel or no longer authorize usage of the Cardholder's VISA Commercial Card.
- 2** The Eligible Company must notify the VISA Issuing Financial Institution in writing to cancel the VISA Commercial Card within two (2) business days (see Sample Letter 1 attached) of:
 - (a) the Date of Notification of Employment Termination or;
 - (b) its intention to cancel and/or no longer authorize usage of the Cardholder's VISA Commercial Card and;

- (c) the Cardholder's name, VISA Commercial Card number, home address and, if the employee was terminated, the last known business addresses.
- (d) If the VISA Commercial Card was retrieved from the Cardholder and, if so, the date it was retrieved and confirmation that such card is still in the Eligible Company's possession or the credit card is enclosed therein.
- (e) the Eligible Company requests the waiver of Unauthorized Charges.

Notifying the Cardholder

In cases where the VISA Issuing Financial Institution sends its statements directly to the Cardholder, the Eligible Company must deliver to the Cardholder or send by first-class mail in writing, a notice (see Sample Letter 2 attached) stating the Cardholder's VISA Commercial Card has been cancelled, and instruct the Cardholder to:

- immediately discontinue all use of that VISA Commercial Card;
- immediately pay any outstanding amounts owed to the VISA Issuing Financial Institution; and
- immediately return the VISA Commercial Card to the Eligible Company.

If the Eligible Company knows that a Cardholder is receiving reimbursement for Charges but is not paying the VISA Issuing Financial Institution for those Charges, the Eligible Company must promptly give written notice to the VISA Issuing Financial Institution.

How to Make a Claim

An authorized official of the Eligible Company must send an "Affidavit of Waiver" (see Sample Letter 3 attached) to the VISA Issuing Financial Institution in writing by mail or fax. The Affidavit of Waiver must be sent within thirty (30) days of the employee's Notification of Employment Termination or the date of the Eligible Company's intention to cancel the Cardholder's VISA Commercial Card.

All claim documents must be filed with the Insurer within six (6) months from the **employee's Date of Notification of Employment Termination.**

Recovery

If the Eligible Company recovers any amounts for Unauthorized Charges from any source after the Eligible Company has filed an Affidavit of Waiver with the VISA Issuing Financial Institution, the Eligible Company will remit all such amounts to the VISA Issuing Financial Institution. The Eligible Company agrees to assign any rights it may have to collect such amounts from the Cardholder to the VISA Issuing Financial Institution. The Eligible Company agrees to assign any rights it may have to collect such amounts from the Cardholder to the Insurer.

The VISA Issuing Financial Institution agrees to forward any recovered amounts to the Insurer, if the Insurer has already reimbursed the VISA Issuing Financial Institution for the Unauthorized Charges.



Other Insurance

This program does not cover losses that are covered by other insurance, and/or losses that would have been paid if this program did not exist. Losses that are above those covered by other insurance as noted, but less than the limit of this coverage, are eligible for payment.

This brochure is not a contract of insurance. It contains only a summary of the principal provisions of the Policy. In the event of any conflict between the description of coverage in this brochure and the Policy, the Policy will govern.

Termination

Coverage under the Policy will automatically terminate on the earliest of the following:

- 1** the date the Eligible Company's VISA Commercial Card account agreement is cancelled;
- 2** the date the insurance policy terminates; or
- 3** thirty (30) days after the date of written request for cancellation by the VISA Issuing Financial Institution.

Misstatement

Any fraud, misstatement or concealment by the Eligible Company either in regard to any matter affecting this insurance or in connection with the making of a claim shall render this insurance null and void.

Currency

All claims will be paid in Canadian dollars.

Sample Letters

To comply with the Visa Corporate Liability Insurance Program, you will need to send three letters as outlined in this brochure under **What Are the Responsibilities of Your Eligible Company?** and **How to Make a Claim**. The following Sample Letters are intended for your use to satisfy these requirements. See the back panel for Sample Letter 3.

Sample Letter 1

(NAME OF COMMERCIAL CARD)
CORPORATE LIABILITY INSURANCE
Sample Letter 1 (Terminated and Non-Terminated Employee)
Request to Cancel Card

Date _____

Name	VISA Commercial Card Centre
Company	(Name of Financial Institution)
Address	Address
City, Province, Postal Code	City, Province, Postal Code

Re: Request for Cancellation of VISA _____ Card

To (Name of Financial Institution) Representative:

Our employee gave notice and/or received oral or written notice of termination and/or left the Eligible Company's service. (In the case of a Cardholder who is a member of a bargaining unit, a grievance has been placed with the labour arbitrator recommending that the Cardholder's employment be terminated.) We request that this account be cancelled immediately.

Account Number _____	Home Telephone Number _____
Employment Termination Date _____	Business Address _____
Cardholder's Name _____	Business Telephone Number _____
Home Address _____	

We understand that in order to request that Unauthorized Charges be waived on the above-numbered account we must file an Affidavit of Waiver as described in the (Name of Commercial Card) Liability Waiver Certificate within 30 days of the Date of Notification of Employee Termination (as defined in the policy).

Please be advised that:

Charges (Check One):

- The Eligible Company was billed for Charges made by the Cardholder.
- Where statements were sent directly to the Cardholder, the Cardholder has been contacted in writing and directed to immediately pay all outstanding Charges. A copy of the letter sent to the Cardholder is attached.

Retrieval of Card (Check One):

- Our Company has retrieved the (Name of Commercial Card) which has been enclosed.
- Our Company has retrieved the (Name of Commercial Card) which is in our possession.
- The Cardholder is still in possession of the (Name of Commercial Card) but has been contacted in writing and directed to discontinue all use of the (Name of Commercial Card) and to return the (Name of Commercial Card). A copy of the letter sent to the Cardholder is attached.

If I can provide further information I can be reached at _____
(Telephone number/Fax number)

Yours truly,

Signature

Title (Must be Corporate Officer)

Note: This letter must be forwarded to your financial institution within two (2) business days of the Date of Notification of Employment Termination.

Sample Letter 2

(NAME OF COMMERCIAL CARD)
CORPORATE LIABILITY INSURANCE
Sample Letter 2 (Terminated and Non-Terminated Employee)
Written Notification to Employee of Card Cancellation

Date

Name

Company

Address

City, Province, Postal Code

Employee Name

Home Address

City, Province, Postal Code

Dear (Employee Name):

Please be advised that we have cancelled your (Name of Commercial Card) (account number: _____), and that your rights to use the card ended when you ceased to be an employee of our Company. Please discontinue immediately all use of the card and return it to us if you have not already done so.

If you were billed directly by the VISA Issuing Financial Institution, you must immediately pay any outstanding charges that you owed on the card.

Thank you for your co-operation in this matter.

Yours truly,

(Authorized Signature)

Sample Letter 3

(NAME OF COMMERCIAL CARD)
CORPORATE LIABILITY INSURANCE
Sample Letter 3 (Terminated and Non-Terminated Employee)
Affidavit of Waiver

Date _____

Name _____
Company _____
Address _____
City, Province, Postal Code _____

VISA Commercial Card Centre
(Name of Financial Institution)
Address _____
City, Province, Postal Code _____

Re: Request for Waiver of Charges Under Policy _____
Account Number _____
Cardholder's Name _____
Claim Number _____
(as assigned by the insurer)

To (Name of Financial Institution) Representative:

I wish to certify the above named Cardholder with an Employment Termination Date of _____ according to the terms of the above policy has used his/her (Name of Commercial Card) to make Unauthorized Charges or cash advances, totalling \$ _____ which did not benefit our corporation.

Attached you will find a list of the Charges that we have discovered to date (provide copies of Cardholder's statements and indicate which charges were Unauthorized Charges).

We would like to request waiver of these Charges under the terms and conditions of the policy number listed above.

Yours truly,

_____ Signature	_____ Title
_____ Witness Signature (Must be Corporate Officer)	_____ Witness Title (Must be Corporate Officer)

Note: This letter must be forwarded to your financial institution within thirty (30) days of the Date of Notification of Employment Termination.

Inquiries

Please direct any claim inquiries to:

Royal & Sun Alliance Insurance Company of Canada
Attention: Claims Management Services
Sheridan Insurance Centre
2225 Erin Mills Parkway, Suite 1000
Mississauga, Ontario L5K 2S9

Within the Toronto Region, telephone (905) 403-2283.
Outside the Toronto Region, telephone 1-800-544-2971.
Please refer to the program and the policy number
(provided by your Financial Institution).