



FALL
2025

FIRST LOOK!

**CLEAR LOAN AGREEMENTS,
PROPER INSURANCE,
AND THOROUGH
DOCUMENTATION ARE
ESSENTIAL TO PROTECT
BUSINESSES AND
VALUABLE ITEMS WHEN
BORROWING FOR DISPLAY.**

**Take a look inside
to learn more!**

The Casino Times

with the Fidelity / Crime Division

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Risk Transference in Fine Art
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- Understanding Insider Threats
in Casinos



Letter from the President, Stephanie Hoboth: Celebrating 30 Years of Exceptional Fidelity / Crime Protection

2025 marks the 30th anniversary of Great American Insurance Group's Fidelity / Crime Division, now the 3rd largest crime insurer in North America. This success is attributed to exceptional service, comprehensive coverage, and a strong commitment to the market. The division's growth and stability have been supported by the trust of brokers and customers, with many celebrating long-term relationships of 15, 25, and even 30 years with us!



Evolution of Fidelity / Crime

The world has changed tremendously in the last 30 years. The rapid evolution of technology has affected how criminals commit crimes. However, one fundamental aspect of employee dishonesty has never changed: employees with the motivation to steal will do so when the opportunity exists. Thieves will go the path of least resistance, where the weakest internal controls are. By adapting policy coverage to match changing exposures, we have evolved to meet the needs of our customers. We help to educate our customers on minimizing their risks to prevent losses and have helped them to avoid catastrophic losses to their business. We offer continuing education classes about crime coverage to educate our brokers, and we offer loss control services to help insureds become better risks.

Over the past 30 years, we have added to our suite of niche products. We offer traditional crime coverage for mercantile, governmental, and financial entities. In addition, we offer coverage for armored cars, gaming risks, and Native American risks. We added coverage for kidnap and ransom 20 years ago and are proud to offer \$65 million in capacity. More recently, we added Fine Art coverage to our suite of products. Our dedicated Fine Art team is experienced in this class and is always looking for ways to assist our customers.

Thank You!

Our long-term success is credited to the dedication of underwriters, claim professionals, and support specialists.



A special thank you is extended to our brokers and insureds for their trust and support over the years.

Thank you for believing in us. We owe our success to you and will continue to work hard to keep that trust and serve your needs.

We look forward to another 30 years of serving the fidelity / crime industry!



From Gallery to Gaming Floor: Risk Transference in Fine Art Loans for Casinos

**Andrew Gristina, Divisional Assistant
Vice President**

Great American Insurance Group - Fidelity/Crime

In the hospitality and entertainment industry, it is common to borrow valuable objects for public display. These items may include jewelry, couture, memorabilia, and fine art. Such objects enhance customer experience and create emotional connections.

To manage these loans effectively, it is crucial to:

- ✓ Establish a clear and concise loan agreement.
- ✓ Define the responsibilities of each party, especially regarding insurance.
- ✓ Document the condition of items before and after the loan.

Insurance and Risk Management for Loaned Items

When borrowing valuable items, it is essential to have appropriate insurance coverage. This ensures that any damage or loss is adequately compensated. The loan agreement should specify who is responsible for insuring the items and the insured value.

Proper documentation is vital for managing loaned items. This includes detailed descriptions, photographs, and condition reports. Regular inspections should be conducted to ensure the items remain in good condition throughout the loan period.



The Importance of Clear Agreements

Loan agreements are essential for managing the risks associated with borrowing valuable items. By establishing clear terms, defining responsibilities, and ensuring proper documentation, businesses can protect themselves and the items they borrow.

While this may seem like a great deal of work, the old saying holds true: an ounce of prevention is worth a pound of cure. If a loss occurs and there is no clear agreement on which party's insurance is responsible, or if coverage is insufficient, unresponsive, or not in force, resolving the issue can take months or even years, potentially ending in costly litigation.



Just like the objects themselves, no two fine art or valuable property loans are exactly alike.

Securing the right resources and planning ahead are essential to a successful and secure loan process.

Great American's Fidelity / Crime Division offers limits of up to \$50 million for Fine Art insurance, with tailor-made solutions to fit the needs of insureds. From antique furniture and contemporary art to rare books and wine, each collection is unique. Fine Art insurance helps ensure these valuable pieces are safeguarded against loss, theft, or damage. Discover how our team of experts, with their specialized knowledge and passion for the arts, can help provide robust coverage tailored to your unique needs.

Professional Support Tailored Solutions from Fidelity / Crime

The good news is that professionals are available to help. Consult your insurance broker to assist with drafting the loan agreement and verifying appropriate coverage. Engage a professional fine art logistics firm to manage transportation, installation, and condition reporting. While these services may be more expensive than using a standard carrier, they offer the expertise and infrastructure necessary to ensure proper chain of custody and care for valuable property.






From antique furniture
and contemporary art to
rare books and wine

Understanding Insider Threats in Casinos

Lowers Risk Group

Insider threats in the casino industry represent a significant challenge, encompassing fraudulent activities, theft, and other forms of misconduct perpetrated by employees or associates. These threats can severely impact a casino's financial stability, reputation, and regulatory standing.

Insider threats within casinos can take various forms, including:

-  **Fraudulent Activities:** Employees manipulating gaming outcomes, misappropriating funds, or engaging in collusion with patrons to defraud the casino.
-  **Theft:** Direct stealing of cash, chips, or other valuables by staff members, exploiting their access to gaming areas and financial assets.
-  **Sabotage and Espionage:** Deliberate actions aimed at damaging casino operations or stealing intellectual property and trade secrets.

A notable example of an insider threat in the U.S. casino industry involved a casino executive at a northeastern US location. In 2019, the executive was charged with embezzling over \$1.1 million from the casino where he had worked as a financial manager.

Case Overview



Position and Access: The fraudster had access to the casino's accounting system and used his position to divert funds into his personal accounts.



Theft Method: He created fake accounts and altered financial records to siphon money over several years. His actions went undetected for a long time, as he took advantage of weak internal controls and his role's trust.



Discovery: The theft was uncovered after the casino conducted a routine audit. Investigators traced the fraudulent transactions back to the bad actor, who had been covering his tracks by falsifying financial documents.



Outcome: He was arrested and charged with several counts of theft, conspiracy, and other crimes. He faced severe legal consequences, including potential prison time and restitution to the casino.

This case highlights the importance of regular audits, effective internal controls, and vigilance against insider threats in the highly regulated and security-conscious casino industry.



Mitigation Strategies

To combat insider threats, casinos can implement several strategies:



Stringent Hiring Practices: Conduct comprehensive background checks during recruitment to identify potential red flags.



Employee Training and Awareness: Educate staff on ethical standards, the consequences of insider threats, and the importance of maintaining integrity.



Segregation of Duties: Divide responsibilities among employees to prevent any single individual from having unchecked control over critical processes.



Robust Internal Controls: Establish systems such as dual-control procedures, mandatory supervisory approvals, and continuous transaction monitoring to detect and prevent collusion.



Advanced Surveillance Systems: Utilize technologies like CCTV, facial recognition, and activity monitoring to oversee casino operations and identify suspicious behaviors.



Whistleblower Protections: Create secure channels for employees to report unethical conduct without fear of retaliation.



Regular Audits: Perform frequent internal and external audits to assess the effectiveness of security measures and identify potential vulnerabilities.

By proactively addressing insider threats through these measures, casinos can better protect their assets, uphold their reputations, and ensure a secure environment for both employees and patrons.





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