



Closing Cyber Coverage Gaps Case Study

THE CHALLENGE

A multi-location food services company was going through a period of rapid expansion and was concerned that their current cyber and privacy coverage did not adequately meet their growing needs. The company contacted Alera Group for a review of their cyber policy and the team uncovered several shortcomings: the company had no broad named insured endorsement for their multiple business entities, their restaurant and gift shop had no coverage for credit card transactions, no business interruption policy was in place in the event of a breach or malware issue and first party forensic and public relations expense limits were low relative to companies of similar size. Overall, the company was unaware of a number of cyber and privacy liability exposures that, in the case of a breach, could leave them financially responsible for credit monitoring services for impacted customers in addition to the costs of notification, new credit cards, account set-ups and more.

THE SOLUTION

Alera Group's team of experts drafted a plan to fix the identified coverage gaps that included higher limits of liability. The team successfully negotiated a competitive new program that expanded the company's coverage to include all business entities. The new program also expanded the full limit of liability allowed by the insurance provider to the company's liability expenses associated with a breach as well as forensic expenses, public relations expenses, credit monitoring expenses and notification costs—all of which previously had small sublimits or were not covered at all.

THE RESULT

The company was delighted with Alera Group's expert services and expeditiously delivered results. As a result of the new cyber and privacy policy, the company was able to avert a potential uncovered claim that could have cost the client between \$100,000 and \$500,000.



DID YOU KNOW

On average, the total cost of a breach to a small business is \$665,000. Larger businesses report that a typical breach costs over \$7 million. With an estimated 78% increase in cyber attacks in 2018, it's as important as ever to make sure your business is properly covered.