

Timely Cyber Coverage Rewrite Protects Company from Costly Ransomware Attack

THE CHALLENGE

David Johnson, Managing Partner of Virtus Benefits in Nashville, Tennessee, was working with one of his clients to examine their business insurance needs. Upon looking at their coverage, he realized that their needs were exceptionally complex; additionally, he recognized that this complexity might leave them exposed in ways they were unable to recognize.

THE SOLUTION

David reached out to Zachery Slade, a Property and Casualty expert from GCG Financial in Deerfield, Illinois, to have an expert conduct a thorough review of the client's coverage. Zach reviewed the client's coverage using the Alera Coverage GPS, providing a one-page visual analysis of all the ways the client was and was not protected. Throughout the course of the renewal, Zach and David discovered the client had no cyber liability insurance — a significant coverage gap based on current claim trends and the number of personal files being stored. After being informed of their exposure, the client decided to cancel and rewrite their coverage mid-term, despite renewing only a few months before.

THE RESULT

Within a few months of implementing the new coverage, the client experienced a cyber-attack due to an employee clicking a suspicious link in a phishing email, ultimately resulting in a ransomware demand in excess of \$700,000. Within 24 hours of filing the claim, Alera Group immediately engaged the carrier to implement a breach response plan, including legal and IT forensics all covered under the policy. The client was thrilled with the claims response and delighted that his investment of \$5,000 for \$3,000,000 in coverage was paid back in full.

DID YOU KNOW



95% of cybersecurity breaches are due to human error. Cyber-criminals and hackers infiltrate companies through their weakest link, which is almost never in the IT department. About 70% of ransomware attacks in 2018 targeted small businesses, with an average ransom demand of \$116,000. With 204 million ransomware attacks carried out globally last year alone, cyber liability insurance can provide valuable protection to businesses of all sizes!