



Iowa Chiropractor

THE CLIENT

A thriving chiropractic practice in northwest Iowa with more than 5,000 patient records on file, digitally stored on the premises or on a cloud provider. This presented an enhanced risk for a cyber breach.

THE CHALLENGE

Kingsgate identified the potential for cyber liability if a breach should occur on the practice's site or on its cloud provider's site.

Many business owners believe if they don't store their customers' data on site or if they hire a third party to manage their tech, the other party would be liable in the event of a cyber breach.

A cyber breach could have cost this chiropractor \$750,000.

However, agreements with tech service providers typically include a provision that either limits the provider's liability for data loss or dramatically minimizes the actual cost of the breach.

Because of the signed agreement, the business owner would be on the hook to pay the majority of the costs associated with a breach, even if it was the fault of the third-party provider.

THE SOLUTION

Although standard property and casualty carriers often provide cyber endorsements on their policies, that coverage is typically not sufficient. Instead, Kingsgate solicited bids for cyber liability insurance from carriers that specialize in this coverage

Kingsgate placed a cyber liability policy for the chiropractor's practice, successfully closing what had been a significant gap for the client.

If you'd like Kingsgate to review your cyber agreements and tech coverages, contact us today for a free quote.

A Critical Coverage Gap

A general liability policy pays for property damage or bodily injury. "Property damage" is defined as:

- A. Physical injury to **tangible property**, including the loss of use of the property that occurs at the time of the physical injury; but
- B. **Electronic data is not considered tangible property**. A general liability policy does NOT cover liability associated with holding the data of others.

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