

# NEWFRONT

CASE STUDY

## *Recovering (and improving)* coverage for a machine learning company



### The Challenge

A machine learning (ML) and data-analytics company that uses predictive models in the consumer-credit marketplace approached Newfront looking for help with insurance. They had lost their cyber coverage and were unable to find any underwriters willing to even provide quotes.

This company presented a unique challenge for coverage, as they handled a great deal of personal data, including credit scores, and had past claims. “The company fell into the perfect storm,” said Tim Dunleavy, Senior Vice President at Newfront. “They had no coverage, the previous broker wasn’t diving deeply into the issue, and we were in the middle of a very difficult market environment.” Industry wide, cyber coverage rates and deductibles were rising dramatically, carriers were more selective in offering terms, and the market required enhanced security for coverage. Yet cyber coverage was non-negotiable for this company. Some of their most important third-party contracts required it, meaning they were at risk of being out of compliance.

### The Strategy

Dunleavy started with reconstructing the strategy from the previous brokerage and engaging the Newfront’s cyber team for guidance. “I peeled the onion and realized that there was a better story to tell the market,” he said. A former underwriter, Dunleavy examined the company’s application from the perspective of the carrier. He worked closely with the company’s legal and IT leadership to illuminate steps the company had actually taken to alleviate underwriter concerns.

The revamped application was well received by the carrier community. Once a number of underwriters were engaged, Dunleavy set up calls between them and the client’s general counsel to address any final questions and ensure that everyone was comfortable prior to releasing quotes.

### The Solution

Not only did Newfront gain a new client and secure coverage for them, but Dunleavy found a cyber option that was significantly less expensive than what the company had paid in years past. In 2022, Newfront implemented the coverage at a 15% discount from what the company had paid before. Newfront also put together a game plan to continue to improve pricing over time as long as the company avoided claim scenarios. This strategy paid off: In 2023, the renewal was at a 25% premium reduction. With that savings, the client was willing to bump up their coverage. “We were able to increase their coverage from \$2 million to \$5 million, all while keeping the cost about the same,” Dunleavy said.

Recently, Newfront has built out its cyber team, which has helped with coverage across the Newfront client base. “We’ve had continued tremendous success since the investment of our new cyber group,” Dunleavy said. The cyber team has been deeply involved with this ML client, advising them on emerging risks and how to further improve their cyber security processes.

# 15%

IN PREMIUM REDUCTION AFTER  
FIRST YEAR WITH NEWFRONT

# 25%

IN PREMIUM REDUCTION AFTER  
SECOND YEAR WITH NEWFRONT