



FSCNY ANNUAL CONFERENCE & EXPO
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What Keeps You Awake At Night?

Everything You Need to Know about Insurance and Security Issues affecting the Check Cashing Industry

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Today's Presentation

- Industry Trends
- Things that keep me up at Night
- Recent Claim Activity
- Q&A



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Industry Trends

- Armed Robbery
 - Review Opening and Closing Procedures
 - Written Policy acknowledged by employees
- Employee Thefts
 - Fraud Triangle
 - Opportunity
 - Rationalization
 - Pressure
- Social Engineering
 - Train employees
 - Have written policy



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Alarm Systems

- When was the last time you spoke to your alarm company about your alarm?
- How does my alarm communicate a problem to the alarm company?
- How can I ensure the communication from my store to the Central Station cannot be compromised?
- What happens if the internet goes down?
- What happens if the phone line is cut?
- What happens if a cell jammer is used?
- What is line security?



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Commercial Check Cashing

- Typically Increases the need for cash on hand
- Review coverage limits with your insurer
- Extra Security needed?
 - More Safes?
 - Two alarms?
 - Transit of cash?



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Contractors & Store Repairs

- NY Law
- Insurance & Risk Transfer
 - Landlord to Check Casher
 - Check Casher to Contractor
- Written Agreement with all parties



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Employment Practices

- 3 areas of exposures
 - 1st Party
 - 3rd Party
 - Wage & Hour
- Am I covered?
- Misconceptions



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Hackers & Cyber Stuff

- Exposures
 - 1st Party
 - 3rd Party
- Average Cost of Breach \$148*
 - *according to Ponemon
- Loss Control
 - Purge records
 - Written Policy and Procedures
 - Review Agreements with 3rd Parties
 - Audit your systems



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Insurance Policies

- Not all are created equal
- Understand what is and is not covered
- Review your policy at least once a year
- Communication is key



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Claims Examples

Three short stories that reinforce the importance of what we discussed



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Armed Robbery \$53,000

- Occurred at opening
- One employee present
- Insurance Company denies claim
 - Policy contained various exclusions the customer was unaware of
 - Two Person Requirement
 - Armed Guards on Premise Requirement



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Social Engineering \$16,000

- Check Casher receives call from money transmitter
- Money transmitter instructs employee to do some test transactions on the system
- Employee follows instructions
- Money transmitter was not actually on the phone



Slip and Fall by contractor \$650,000

- Check Casher hires contractor to do repairs to store
- Contractor's employee falls off ladder injuring themselves
- Contractor employee sues building owner
- Building Owner's lease with Check Cashers allows building owner to pass liability on to the Check Casher
- Insurance Company for Check Casher pays for Contractor's injury



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Questions?

Email ssweeney@marshallsterling.com
for a copy of this presentation

THANK YOU!