

Press Release

Fireman's Fund Insurance Company Offers the First Payment Card Security Insurance for Retailers

New Product Includes Coverage for Penalties and Extra Expenses

NOVATO, Calif., (Jan. 06, 2009) – Fireman's Fund Insurance Company is introducing the first coverage for retailers that experience a breach of their payment card security system. A single breach of a payment card security system could cost tens of thousands of dollars in penalties and extra expenses.

While most retailers, merchants, and service providers including restaurants are aware of the risks of credit and debit card fraud, they may not realize the cost and extent of the penalties and other expenses they face from a breach in their payment systems. Main-street businesses are particularly vulnerable because they often don't have the resources to properly manage their risk.

Large or small, any business that falls out of compliance with Payment Card Industry (PCI) Data Security Standards can face steep contract penalties or negative publicity. The cost of compliance can include the extra expenses to upgrade and certify that their software systems are up to date with the latest PCI standards.

A merchant could find itself out of compliance with their applicable data security standards for a number of reasons, including:

- Improperly storing cardholder data on point of sale systems connected to the Internet or wireless networks
- Using system default passwords instead of customized passwords
- Exposing unsecured networks to the Internet

"It is very important for merchants to be aware of and be prepared to absorb the additional expenses associated with a payment card data breach," said Brian Gerritsen, product director, Fireman's Fund Insurance. "A substantial contractual penalty or expensive payment system upgrade could be financially devastating for a small business."

Payment card security insurance offers the following coverages:

- Reimbursement for contractual penalties, chargebacks and payment card reissuing expenses outlined in the business' merchant service agreement
- Upgrades to software and hardware systems (including installation and re-scanning services) to bring the payment system into compliance
- Extra expense for late payment fees and other bank service charges related to the data breach
- Crisis management expenses to restore reputation
- Extra expense for promotional items such as restaurant gift certificates or service coupons for the affected individuals in the data breach

Fireman's Fund also offers unlimited access for customers to tools and resources to help identify data security risks and reduce the potential for losses on the Risk Management Web site. Consulting services will be offered through Trustwave®, the leading information security and compliance company to businesses and government entities throughout the world.

About Fireman's Fund

Fireman's Fund Insurance Company is a premier property and casualty insurance company providing personal and commercial insurance products nationwide. It is rated 'AA-' by Standard & Poor's Rating Services. Fireman's Fund is a member of the Allianz Group (NYSE: AZ), one of the world's largest providers of insurance and financial services. For additional information, visit www.firemansfund.com.

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