

# Insuring your Cryptocurrency Frequently Asked Questions

## How and why you should think about insuring your cryptocurrency

### Why would I want insurance for cryptocurrency?

Cryptocurrencies, as an alternate method of payment, as an investment, or as a means for raising capital, are valuable assets.

Like any asset, cryptocurrencies are an attractive target for theft or fraud. A quick review of the headlines or a conversation with cryptocurrency owners highlights the losses that have occurred, through cyberattacks, forgetfulness, natural catastrophes, or fraud.

Properly protecting your assets should be high on your priority list, regardless of how you plan to use the cryptocurrencies.

Insurance provides that protection, allowing you to control and manage your risk.

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### What do I need to think about when considering insuring cryptocurrency?

When thinking about cryptocurrency insurance, consider the following:

#### 1. Managing your risks

Protecting your cryptocurrency with something that is physical (e.g. hardware wallets, cold storage devices, recovery seeds) offers limited protection against cyber theft. Placing those physical storage devices in cold storage (e.g. not connected to the internet) dramatically limits your cyber risk exposure. However, those physical items are still vulnerable to theft, fire, flood, and other catastrophes.

#### 2. Partnering with the right experts

Finding the right partner to help you manage those risks is critical. Many insurers are unwilling to cover cryptocurrencies, but there are reputable firms that understand digital currencies.

When working with those firms, you should focus on two key items:

- You should protect, as much as possible, the confidentiality of the location and amount of your digital assets; and
- You should be able to adjust your coverage limits, allowing your coverage and the associated cost to reflect market fluctuations during the policy term.

## Securing your cryptocurrency

### What do I need to do to insure my cryptocurrency?

To insure your cryptocurrency assets, you need to:

1. Create an offline version of your asset, whether as an actual hardware wallet or a recovery seed;
2. Place the offline version in an approved physical location, using either a safe deposit box at any bank or credit union, or an accredited SecurePlus vault facility; and
3. Purchase your insurance policy.

### Are safe deposit boxes the best place to store my cryptocurrency?

Safe deposit boxes at a bank, credit unions, and accredited private vaults are the most secure option available.

Storing digital assets in your home, while potentially more convenient, exposes you to a wide variety of risks, including natural disasters, home invasions, fire, or even water damage. In fact, you are statistically 1,000 times more likely to have your assets damaged or taken at home than if you use a safe deposit box or private vault. To add insult to injury, it is nearly impossible to purchase insurance for crypto assets stored at home.

By using the secure storage provided by a bank, credit union or private facility, you can have access to low cost insurance. This gives you peace of mind and full economic protection in the event your assets are stolen, damaged, or destroyed

### What does your insurance do?

Your digital assets are insured against burglary, robbery, fire, flood, terrorist attacks catastrophes and all natural disasters. This also includes losses from earthquakes, mud slides, and hurricanes, events that are typically excluded by other carriers.

Our insurance does not require a list of property, appraisals, or any other documentation related to the contents of your safe deposit box or vault. What you put in the vault is your business, not ours.

All you need to do is select your coverage amount and pay the premium. Unlike typical homeowner or other property insurance, there is no deductible, so there is no out-of-pocket cost in the case of a loss event.

### But what about my homeowners' policy? Couldn't I use that to cover my cryptocurrency?

A typical homeowners' policy will provide limited coverage of between \$500 - \$1,000 for cryptocurrency.

To get higher coverage amounts, you would need to purchase a personal article floater or a specialty policy. In general, insurance companies have not been willing to issue such policies for cryptocurrency.

If you are fortunate enough to find a company that would provide a personal article floater or specialty policy, you will need to disclose details that you would prefer not to share (i.e. the actual cryptocurrencies and their value) and provide third party appraisals for your cryptocurrency.

**How secure and private is the information I provide to you for the coverage?**

Very secure and completely private. We employ bank-grade security to protect your information, and limit the amount of data that we request in order to provide the insurance coverage.

## Purchasing coverage

### What information is required to obtain cryptocurrency insurance?

You need to provide the following:

1. The name and location of the bank, credit union, or approved SecurePlus vault facility located within the United States where you have rented/leased a safe deposit box or vault;
  - i. You do not need to be a US citizen in order to purchase insurance; however, your cryptocurrency must be stored in a facility located within the United States;
2. The last two digits of the safe deposit box number or the vault identifier;
3. Your contact information, including your date of birth; and
4. A form of payment, whether credit card, electronic check (ACH), wire, or physical check.

If you want to work with a private vault that is not currently accredited as part of our SecurePlus vault program, please contact us and we will work with you and the vault to determine a path forward.

You do NOT need a list of property, appraisals, or any documentation relative to the cryptocurrency you are placing in the secure storage.

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### Is remote secure storage and/or associated shipping and custodian service provided?

If you prefer to work with one of the SecurePlus private vaults and are not in a position to physically deliver your cryptocurrency to the vault, we can arrange a custodial service.

Under that arrangement, you will be provided with a printable mailing label and appropriate protective (i.e. an RFID-protected bag) and tamper evident materials, which you will then use to mail your preferred form of storage, whether a hardware wallet, cold storage device, or recovery seed. The package will be insured during transit to your selected SecurePlus vault, where the vault staff will take custody of the package and place it, unopened, in a dedicated box.

The current standard shipping insurance limit is \$150k, but additional insurance is possible upon request. Alternatively, as part of the custodian service, you can transfer the currency to your hardware wallet after the device has been received at the SecurePlus private vault. Once received, the hardware wallet or other applicable device will be placed in tamper evident packaging and an RFID-protected bag or container, then placed in an individual secure box.

We also offer free concierge services for customers who want to use a SecurePlus private vault. With this service, you are given a subleased box at your chosen facility, and we then coordinate the mailing of the assets to the vault, and oversee its placement in the box. This approach gives you the highest level of privacy; only SDBIC has access to any information about you or your assets. When you want to remove, or add property, simply call us and we will coordinate the necessary steps.

**How do I determine the amount of coverage to carry for my cryptocurrency?**

The coverage amount should be based on the value of the cryptocurrency at the time you place it into the safe deposit box or private vault.

How you store the cryptocurrency, whether on a hardware wallet, a piece of paper, or with some form of metal etching, is entirely up to you. We do not ask you to provide that information and it has no bearing on the insurance issued.

You can purchase up to \$500k of insurance coverage via our online process. Call us at 224-227-6181 for policies over \$500k.

For policies up to \$500k in coverage, you can adjust the total coverage at any time via our online process. You can also cancel at any time; there are no penalties for either making changes or canceling the policy.

Because the values of cryptocurrencies are volatile, we offer an automatic adjustment process. At the beginning of each month, an evaluation of your currency's value can be made. If the value has increased or decreased, your coverage amount can be adjusted and either a charge for increased coverage or refund for a reduction will occur. If you choose this option, you will need to provide us with a listing of your holdings and a valid credit card which we will protect with bank-grade security.

**If I have more than one safe deposit box do I need to insure each one separately?**

Yes, you need to obtain a policy for each box.

There is no limit, however, to the number of hardware wallets you can place in each box. The policy is reflective of the total value.

In some instances, customers wish to have redundancy in their cryptocurrency storage. For example, the customer may decide to store a hardware wallet in one safe deposit box with \$100k of cryptocurrency in one box and then store the recovery seed words and/or passphrase in a separate safe deposit box. In that instance, the customer can choose to insure both boxes, each for \$100k for a total of \$200k, or the customer can choose to insure one box for \$100k. The total amount protected would still only be \$100k, since that is the amount of the asset.

What is not covered, however, is the instance where the customer stores a hardware wallet in a safe deposit box or vault, but keeps a cloned hardware wallet or backup recovery seed in a desk drawer or online, which is then hacked or stolen. The core asset must be protected in some form of secure storage, whether a bank safe deposit box or an accredited vault.

**How much does the cryptocurrency insurance cost?**

The premium is dependent upon the coverage selected. Our general price point is 20 basis points per dollar (\$0.002 per dollar). When you apply online, you will select your coverage amount and receive a corresponding cost. If you are purchasing insurance in conjunction with a hardware wallet or other purchase on ProtectingCoin.com, you will see the insurance cost as part of your checkout cart.

Our insurance is very attractively priced, at rates significantly lower than what you could purchase from other sources such as through your homeowners' policy. Pricing starts at \$25 per year for \$5,000 in coverage.

There are no deductibles, so there is no out-of-pocket cost in the event of a loss.

The cost for the bank, credit union, or private vault box is separate from the insurance cost, as is the custodian service and shipping cost should you choose to go that route. Click [here](#) for insurance rates.

**When does the cryptocurrency insurance become effective if I use the online purchasing option?**

The insurance becomes effective at 12:01 AM on the day following receipt of payment. You will receive a copy of your insurance policy and the associated declaration statement via email.

All policies are issued for a one-year (12 month) period. You can cancel the policy at any time and receive a refund for the remaining period. You can also change the policy coverage amount at any time, either receiving a refund or paying for additional coverage for the remaining period.

All policies automatically renew unless you instruct us otherwise. You will receive an email or written notice from us 30 days prior to your coverage expiration. You will also receive notice if there is a change to your annual premium amount.

You cannot file a claim for flood or hurricane-related loss occurring during the first 14 days from the effective date of the first year of the policy. This applies only to the first year; there are no such limitations on renewal policies.

While the insurance component is quick and easy (generally less than five minutes), it is important to note that you should take into account the time needed to rent/lease a safe deposit box at a bank, credit union, or vault.

**When does the  
cryptocurrency  
insurance become  
effective if I purchase  
via mail or fax?**

If you prefer to mail or fax a completed application form to us, the processing time is one business day from the time your written application is received by our office. The insurance becomes effective 12:01 AM on the day following receipt of payment. You will receive a copy of your insurance policy and associated declaration statement via your selected delivery option.

All policies are issued for a one-year (12 month) period. You can cancel the policy at any time and receive a refund for the remaining period. You can also change the policy coverage amount at any time, either receiving a refund or paying for additional coverage for the remaining period. All policies automatically renew unless you instruct us otherwise. You will receive an email or written notice from us 30 days prior to your coverage expiration. You will also receive notice if there is a change to your annual premium amount.

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## What is covered

### **What property is covered by the cryptocurrency insurance?**

Anything that you can place in a safe deposit box or private vault, and which is legal for you to own, hold, or possess, is covered.

### **What events are covered?**

The insurance protects you from burglary or robbery (including employee corruption), fire, explosion, earthquake, mudslide, flood, tsunami, tidal wave, terrorist attack, hurricane, tornado, landslide, water or sewage from plumbing or sprinkler systems, and any other man made or natural disaster.

If the bank or credit union goes out of business, there is an existing standard regulated process for managing the transfer of the items contained in the bank's safe deposit boxes. If the accredited vault goes out of business, the transfer of items will be managed in accordance with the local laws

## What happens when a loss occurs

**What if I go to my safe deposit box or my vault and some of my property is missing?**

Immediately report the missing items(s) to your bank, credit union, or accredited private vault.

If there is evidence of a forcible robbery or burglary of the bank, credit union, accredited vault and your individual safe deposit box or vault, the loss will be covered even if the robbery or burglary was assisted by a bank, credit union or accredited vault employee.

Coverage does not apply if:

- the property in the safe deposit box was removed by your bank, credit union, or accredited vault in accordance with their applicable and communicated procedures;
- the property was seized by a government agency or taken pursuant to a court order;
- there is no evidence of forcible entry into the safe deposit box yet there is unauthorized access; and
- there is no explanation for the missing property.

**What should I do if a covered event or loss has occurred that involves my safe deposit box or vault?**

Immediately reach out to us at 224-227-6181 to inform us that you believe a loss event has occurred.

Do not remove any property from your safe deposit box or private vault unless directed to do so by the bank, credit union, accredited vault, or our authorized representative.

We may ask to accompany you when opening the safe deposit box or vault to record the damage or loss to your property.

**How do you determine the amount of my covered loss following an insured event?**

In the event of a covered loss, you will be asked to submit a proof of loss statement that details the amount of the loss.

You will be paid the lesser of the full coverage limit that was in place at the time of the covered loss or the cost of replacing the damaged contents and their associated value in safe deposit box or vault.

The payment will be made in US Dollars, generally 30 days after event verification. The value will be determined using Coinmarketcap.com and will be the mean of the price at 12:01 am ET and the price at 12 midnight ET on the date of the loss. The date of the loss will be determined by the time zone of the site where the loss occurs. For non-listed cryptocurrencies, their value in Bitcoins will be used as an intermediate step to determine a value in US Dollars.

## Coverage details

### How long have you been in business?

Safe Deposit Box Insurance Coverage (SDBIC) has been in business for five years. Our initial focus was insurance for owners of safe deposit boxes, but over the last year, we have received a significant amount of interest from owners of cryptocurrency who are looking for a better way to manage their risk and exposure.

Our approach to insurance is unique in the market. We insure the secure storage container within which you place your assets rather than directly insuring the assets themselves. That allows us to provide a product that requires no appraisals or disclosures, that is event driven with clear parameters of what constitutes a loss event, no deductibles, and extremely attractive pricing.

We know this space, both in terms of secure storage (safe deposit boxes and vaults) and cryptocurrency. We provide insurance where other providers will not. We have a healthy portfolio of customers who value the combination of ease of acquisition, privacy, flexibility, and pricing we can provide.

Today we are one of the largest insurer of high value assets stored in secure vaults across the country. We provide a unique, patented product designed to provide comprehensive protection with the utmost privacy together with world class service. We have a Better Business Bureau rating of A+ and a five- star rating on Google.

See what our customers say about us [here](#).

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### Who underwrites your cryptocurrency insurance?

SDBIC's coverage is underwritten by AXA Art, a member entity of the AXA Insurance Company group of companies. AXA is one of the world's top five insurance providers, with revenues exceeding \$125B across a global footprint. They have a Standard & Poor's rating of A+ and have been in continuous operation for over 200 years.

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### What are the available coverage limits?

You can purchase coverage up to \$500,000 online at our website. Additional coverage is available, in blocks of up to \$1M, by calling us at 224-227-6181.

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### Can I add or remove property from my safe deposit box or private vault without notifying you?

Yes.  
One of the unique features of our insurance is that it covers all of the legal contents of a safe deposit box or private vault. Anything that is in the box at the time of the loss is automatically covered up to the coverage limit that you purchased.

You can change your coverage limits by simply logging into the account that you will set up during your initial insurance purchase, selecting "Account Preferences," followed by selecting the "Change My Coverage Limits" button. Alternatively, you can call a customer service representative at 224-227-6181.

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**Is property that I remove from my safe deposit box or vault insured for any period of time?**

No. The coverage only applies to property that is physically inside the safe deposit box or vault at the time of a covered event.

We are working on a new product that will offer this type of service, however, and hope to make it available in the near future.

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**Do I need to own the property in the safe deposit box or vault in order to purchase insurance?**

No. Any property, including cryptocurrency, that is owned or lawfully under your control is covered, up to the coverage limit selected when you purchased the insurance.

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**Do I need to be the named renter or lease holder on the safe deposit box or vault in order to purchase insurance for that safe deposit box or vault?**

Yes. The insured party named on the policy must be a named renter or lease holder on the bank, credit union, or private vault agreement in order for the insurance coverage to be effective.

If there are multiple parties on the rental/lease agreement, only one of them needs to be named on the insurance policy. You also have the option of naming one additional insured party on the policy, if you so choose, in order to maintain consistency in the contractual structures.

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**Do I need to reapply each year for the insurance coverage?**

No. You will receive an email or written notice 30 days prior to the expiration of your policy. The notice will state that the policy will automatically renew for the next one-year (12 month) period. The notice will also notify you if there is a change in the annual policy cost.

Your coverage will remain in place and continue to renew annually, using the payment method you provide us, until you either tell us to discontinue your coverage or you cancel the policy.