

CYBER LIABILITY: MARKET GROWTH AND HOW TO USE YOUR PRODUCT

MILWAUKEE BAR ASSOCIATION



FREEDOM TO MOVE FORWARD



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GOAL:

- Emerging Trends
- Incident Response Do's and Don't's
- Preventative Measures
- Insurance Industry/Market Updates

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EMERGING TRENDS

- *Vendor* Engineering
- Regulatory Actions
- Third Party Subrogation



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CYBER LIABILITY COVERAGE OVERVIEW

Cyber Liability Coverage

3rd Party Liability

- All Defense Costs
- Civil Litigation
- Regulatory Investigation
- Card Issuer/Bank Litigation
- PCI Fines/Penalties
- All Settlements
- Media Liability
- Errors & Omissions – (Optional)

**SHARED
AGGREGATE**

1st Party Liability

- Cyber Crime
- Reimbursement of Expenses
 - Business Interruption/Income
 - Forensics Expense
 - Notification Costs
 - Public Relations
 - Credit Monitoring
 - Breach Coaching
 - Legal Counsel
 - Extortion

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INCIDENT RESPONSE

DO'S AND DON'T'S

■ Do's

- Have a written plan
- Test your written plan (even informally)
- Engage legal representation **first!**
- Contact your insurance representative (if applicable)
- Alert all applicable leadership (see written plan)

■ Don't's

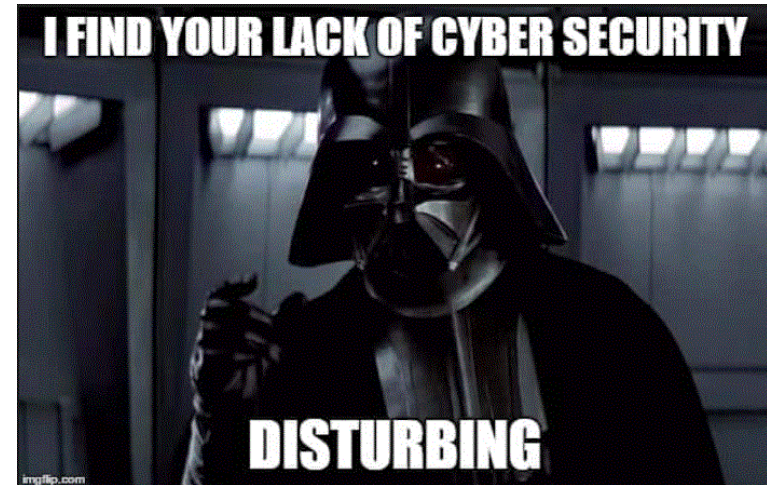
- Assume your corporate inside/outside counsel is experienced in data breaches
- Allow your internal IT or Outsourced IT to try and “fix” the problem
- Hire third parties without consulting your insurance policy
- Alert customers or outside parties without consulting legal (even if obligated to under specific time frame)

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PREVENTATIVE MEASURES

- Privacy Policies
- Clean Desk
- Dual Authentication
- Cyber Security Committee
- Patching
- Log Data (Microsoft 365)
- Awareness



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CYBER LIABILITY

MARKET / COVERAGE TRENDS

■ Marketplace

- North America Largest
- 28% Year over Year Growth
- \$14B by 2022
- Carrier Base – 170
 - ▶ *Top 5 = 51%*
 - ▶ *Top 10 = 69%*
- Capacity - \$500M
- US Loss Ratio = 32.4%
- Ransomware Fastest Growing

■ Coverage

- System Failure
- Consequential Reputational Harm
- Post Breach Consulting
- Cyber Crime
- Additional Insured / Waiver of Subrogation
- Free Risk Management Tools
- Tabletop Testing

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CYBER UPDATES AVAILABLE ON THE M3 BLOG

www.m3ins.com/blog

