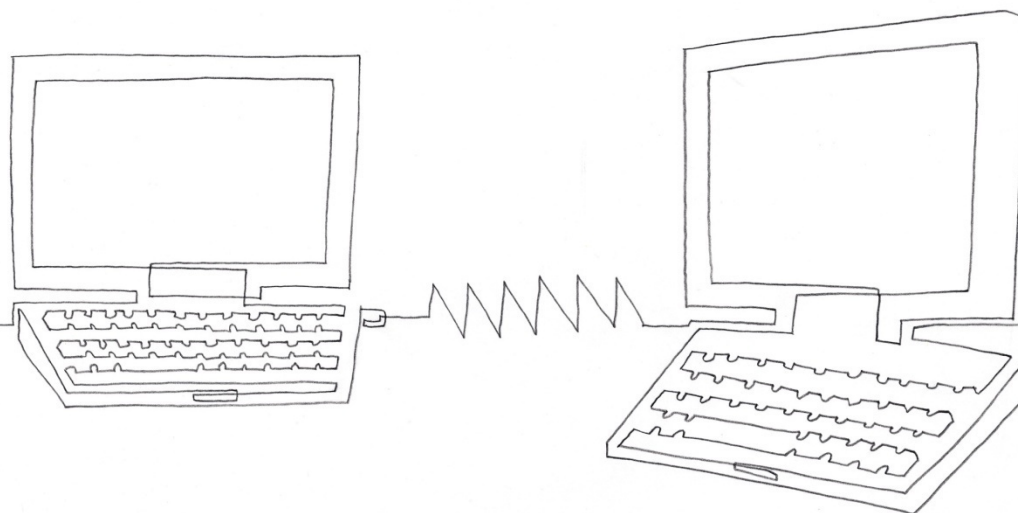


ERISA Advisory Council

Presented by Eugene Eychis

Beazley



What is the process for getting cyber insurance?

- The applicant must complete an application that provides information regarding total plan assets, revenues, and the number of plan participants (current and past participants).
 - The number of plan participants is determined by a review of the applicant's *Form 5500*.
- The applicant will also complete questions regarding their current information security and privacy controls, in addition to details regarding past claims data.
- Application is submitted to the insurance broker who works on placing coverage.

What is the underwriting process for cyber Insurance?

- Information security and privacy controls are reviewed for:
 - Use of firewall and antivirus protection
 - Written computer and information systems policies and procedures
 - Backup and storage of computer systems data
 - Training of employees:
 - What constitutes personally identifiable information or protected health information, how it should be handled etc.
 - Use of Encryption
 - Internal and external communication
 - Encryption of data on laptops or portable computers
- Cost is then determined by evaluating the overall benefit plan size, exposure, controls, and past claims information.

What should it cover?

- Information Security & Privacy liability
- Breach Response Services
 - Computer Expert Services (Forensics)
 - Legal Services
 - Notification Services
 - Call Center Services
 - Public relations & Crisis Management Expenses
- Regulatory Defense and Penalties
- Website Media Content Liability
- PCI Fines and penalties

How does cyber insurance fit in with other insurance such as fiduciary?

- Cyber insurance complements other insurance coverages.
- Cyber insurance forms exclude plan administrator Errors and Omissions liability including violations of any provisions of ERISA or similar federal law.

However well tailored forms will include coverage for:

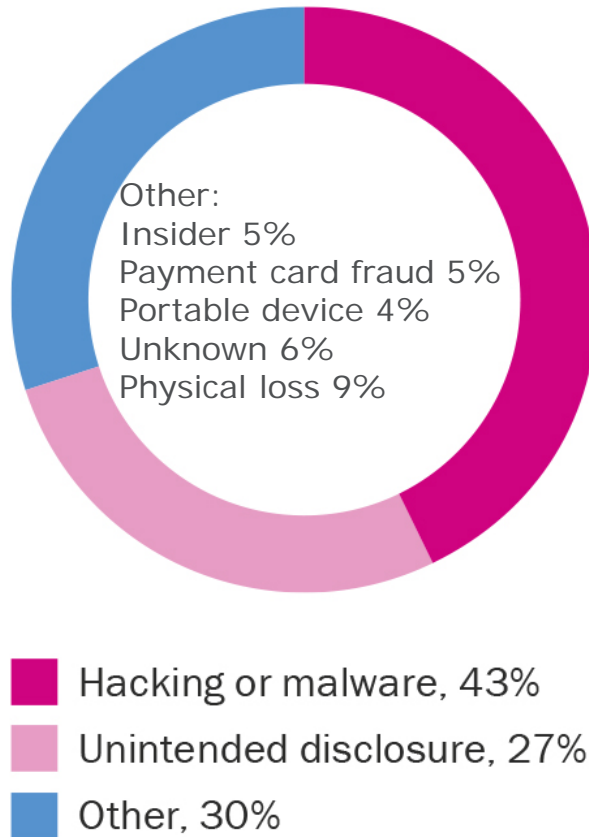
Theft, loss or Unauthorized disclosure of personally identifiable non public information is covered per policy language.

What should you look for in a cyber liability policy?

- Policy limit structure
 - Make sure that breach response services are not eroding the third party limit of liability.
- Risk management tools
- Breach handling
 - Access to a team of experts that focus on helping clients manage data breaches.
 - A focus on the coordination of expert forensics, legal, notification, and credit monitoring, public relations and crisis management.
- Experience
 - Look for an Insurer with experience

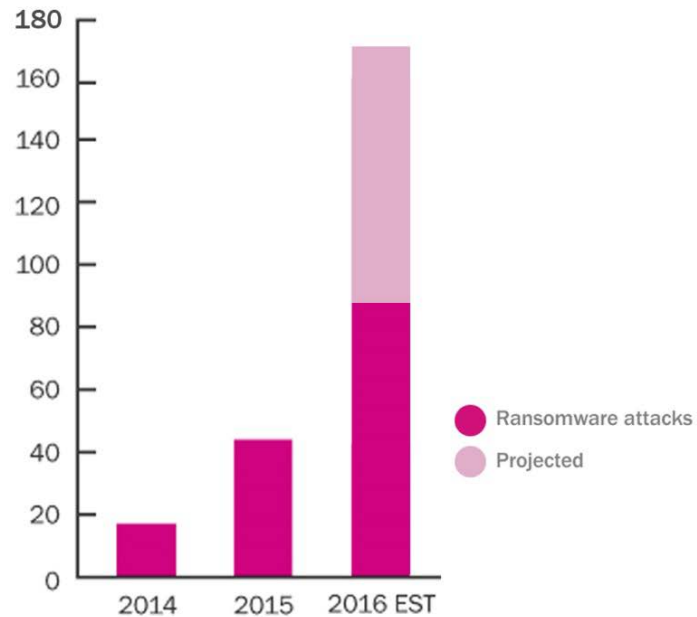
Trends

Financial institutions – Leading breach causes, first half 2016



ransomware attacks

2014 THROUGH END JUNE 2016



Seen here: Number of individual data breach incidents handled by Beazley Breach Response (BBR) Services in the United States that were caused by ransomware from 2014-2016 with 2H 2016 estimated.

Any Questions



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