

Cyber Risk Insurance: Policies, Claims and Coverage

Seton Hall University School of Law
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SERVE | ADD VALUE | INNOVATE

What is “Cyber”?



Cyber Insurance Market Overview

- Admitted Market vs. Nonadmitted Market
 - Standard policies | Manuscript policies
- Cyber insurance – in its infancy, but maturing
 - Increasing number of carriers are writing cyber insurance
- Marketplace capacity
 - Currently estimated to be \$1B – \$2B
 - Projected to grow to \$5B, or more



Consumer Perspective

- Consumer awareness
 - News reports
 - Personal experiences
 - Government activity
 - Education (Agents | Brokers | Insurers)
 - C-Suite | Board of Directors Priority
- Cyber insurance take-up rate



Cyber Insurance

- Insurance coverage approaches
 - Stand-alone insurance policies
 - Commercial Package Policies
 - Roll-on coverage to existing insurance policies (e.g., Businessowners, D&O, Professional Liability, etc.)
- Common coverages and rating approaches
 - 1st and 3rd Party coverages
 - Domestic vs. international coverage expectations
 - Revenue/Assets | Number of Records

Are there any businesses
without a “cyber”
exposure?



Cyber Resources

- Betterley Reports (Cyber Risk | Tech E&O | Media Liability)
- Data Loss Data Breach (<http://datalossdb.org/>)
- Identity Theft Resource Center (<http://www.idtheftcenter.org/IN-THE-NEWS/Alerts/>)
- Insurance Information Institute (*Cyber Risks: The Growing Threat* [June 2014])
- NetDiligence (*2014 Cyber Liability and Data Breach Insurance Claims Report*)
- Ponemon Institute (May 2014 *Cost of Data Breach Studies* and September 2014 *Is Your Company Ready For A Big Data Breach?* Study)
- Verizon (April 2014 *Data Breach Investigations Report*)
- White papers | Webinars (Insurers – Brokers – Law Firms – Vendors)
- Industry and cyber-specific conferences



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