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# Who is your favorite superhero?



# Superman's Weakness?



# Kryptonite!



# Personal Weakness



# Paying Attention

- What Egyptians knew, but only in symbolic form.  
*(Jordan Peterson; professor at U of Toronto)*
- Capacity to pay attention moves us beyond what we know.
- Highest psychological function.
- Powerful force, beyond modern rational “box like” thinking claiming we’re absolutely right.
- What we want from friends and family.
- Children can’t live without it.
- Advertisers pay for it.

# Attention!



# What is our Business' Weakness?





Fire?- 1% *ref. U.S. Citizens-Randy Watson, CLU, BCE August, 2009 Examiner*



# Auto Claim? 7-14% ref. Crash statistics used by the Science Channel



# Work Comp Death?- 3.9% ref. safetynewsalert.com



# Cyber Security- 43% Symantec



# How do we define cybersecurity?

- Ability to protect or defend the use of cyberspace from a cyber attack.

-**NIST definition** (*National Institute of Standards and Technology*)

# NIST- Guidelines

- Identify
- Protect
- Detect
- Respond
- Recover

# NIST

**National Institute of  
Standards and Technology**  
U.S. Department of Commerce

During the 2018 RSA conference  
(April 16<sup>th</sup>-20<sup>th</sup>) by Dell Technologies  
Inc.'s they opened the conference by  
asking people on the front line of the  
cyber security,

*“Are we winning the battle against  
cybercriminals?”*

*And if not, what can be done to  
reverse the tide?”*

*-Latest Hacking News-4/15/18*

The gloomy agreement of the experts was united, which was, “Not only are we losing the war, but the scope and severity of successful attacks is accelerating.”

Paul Kurtz former National Security Council Member answer to the first question saying, “It’s not even close. We are taking it on the chin day after day.”

The CEO of Cryptonite LLC, Mike Simon agreed and said that the situation is, “extremely serious. We’re seeing a massive ramp-up at the start of 2018 in a number of different areas, particularly intellectual property theft.”

*-Latest Hacking News-4/15/18*



# Energy Industry Concerned Cyber Attack May Lead To Catastrophic Consequences

*April 20, 2018 Latest Hacking News*



**Tripwire study by  
Dimensional Research. 151  
IT/Security Professionals  
from Energy, Gas & Oil  
companies.**

**Cyber attack concerns:**

**70% -attack would lead to  
explosion.**

**97% -operational shutdown**

**96% -affect safety of employees**

**62% -Lack of investment in  
security controls**

**45% -ransomware would have a  
big impact**

***57% -catastrophic event would  
have to occur to invest in cyber  
security***



# Now Russia can stop the Power Grids with its Cyber Weapon

*June 12, 2017- Latest Hacking News*

- ***CrashOverride*** malware disrupted Ukraine Energy System.
- **1/5** of Kiev's electricity generation shut down.
- **With modifications it could be deployed against the U.S. electric transfer-** *Sergio Clatagirone*
- ***“It’s the culmination of over decades of theories and attack scenarios,” Clatagirone warned. “It’s a game changer.”*** *-Sergio Clatagirone- Dragos (cybersecurity firm)*

# Russian Cyber-Attack Puts UK Energy Sector On Alert

*April 19, 2018-Latest Hacking News*

- Security services in UK & USA have issued a joint warning
- Former chair of the Commons defense committee, Lord Arbutnot of Edrom- , *“If you take down the electricity network, you very quickly take down everything else as well. The vulnerability is real.”*

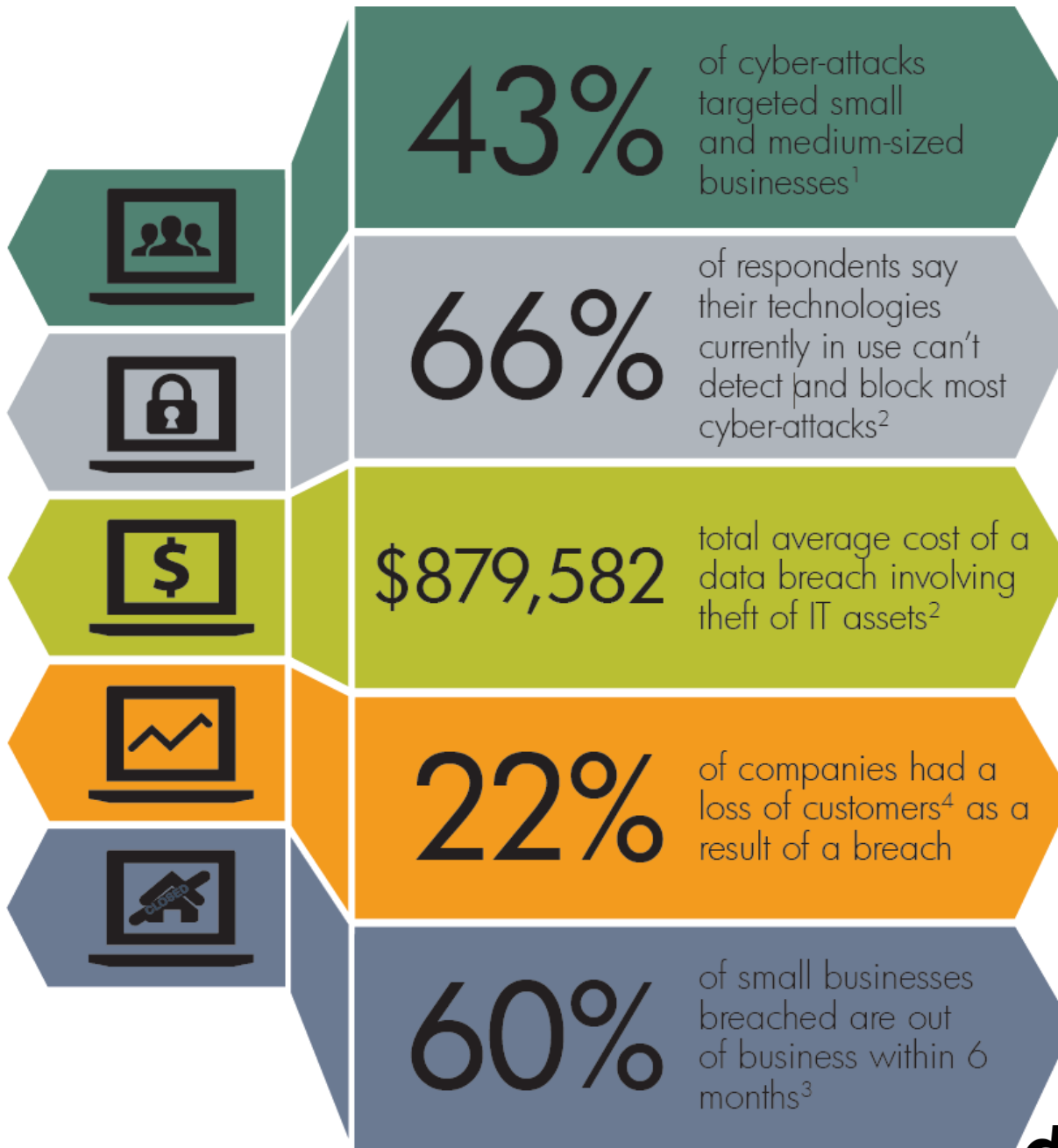
Harvey Sverdlove, chief technology officer at Edgewise Networks Inc stated, “The tools the criminals use haven’t gotten that much more sophisticated, but the volume of breaches has exploded.”

*-Latest Hacking News -4/15/18*

Brian Krebs who is the author of Krebs on Security blog wrote on high profile incidents such as Panera and Equifax breach and says that, “Companies don’t have a lot of incentive to write secure code or to produce secure web sites and apps because they view the cost of doing so to outweigh the cost of fixing it when things are discovered or broken.”

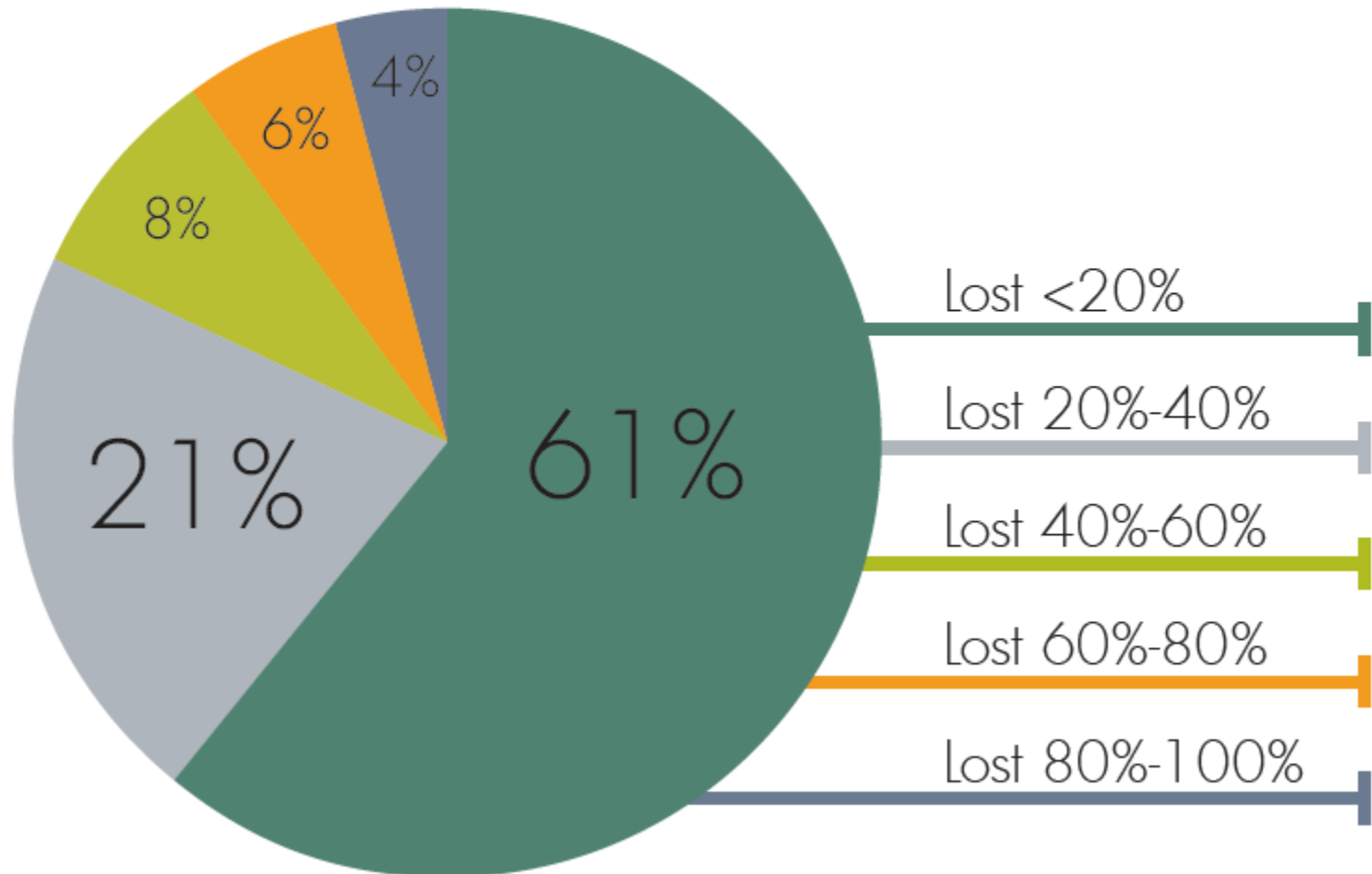
Tory Hunt the founder of HavelBeenPwned.com says that, “It’s like asking if we’re winning the war against our fingernails. They keep growing back.”

*-Latest Hacking News- 4/15/18*





# Percentage Of Customers Lost By Companies Due To Attacks<sup>4</sup>



# Equifax Inc.

NYSE: EFX - Oct 3, 4:00 PM EDT



110.45 USD ↑ 2.64 (2.45%)

1 day

5 day

1 month

3 month

1 year

5 year

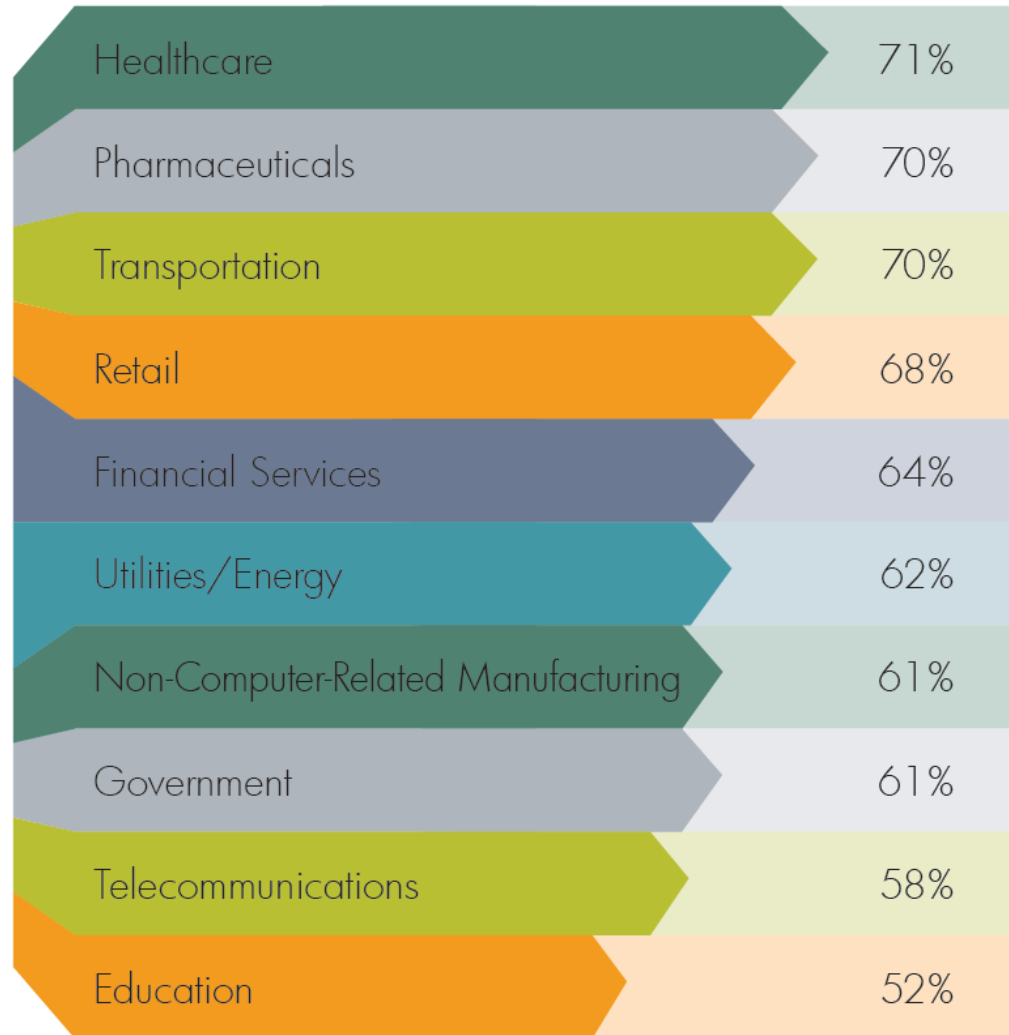
max



Open 108.00  
High 112.46  
Low 107.08

Mkt cap 13.30B  
P/E ratio 23.36  
Div yield 1.41%

# Security Vulnerability By Industry<sup>4</sup>



1. Source: Symantec

2. Source: The 2016 State of SMB Cybersecurity - Ponemon Institute and Keeper Security

3. Source: National Cyber Security Alliance

4. Source: Cisco 2017 Security Capabilities Benchmark Study, [www.cisco.com/go/acr2017](http://www.cisco.com/go/acr2017)

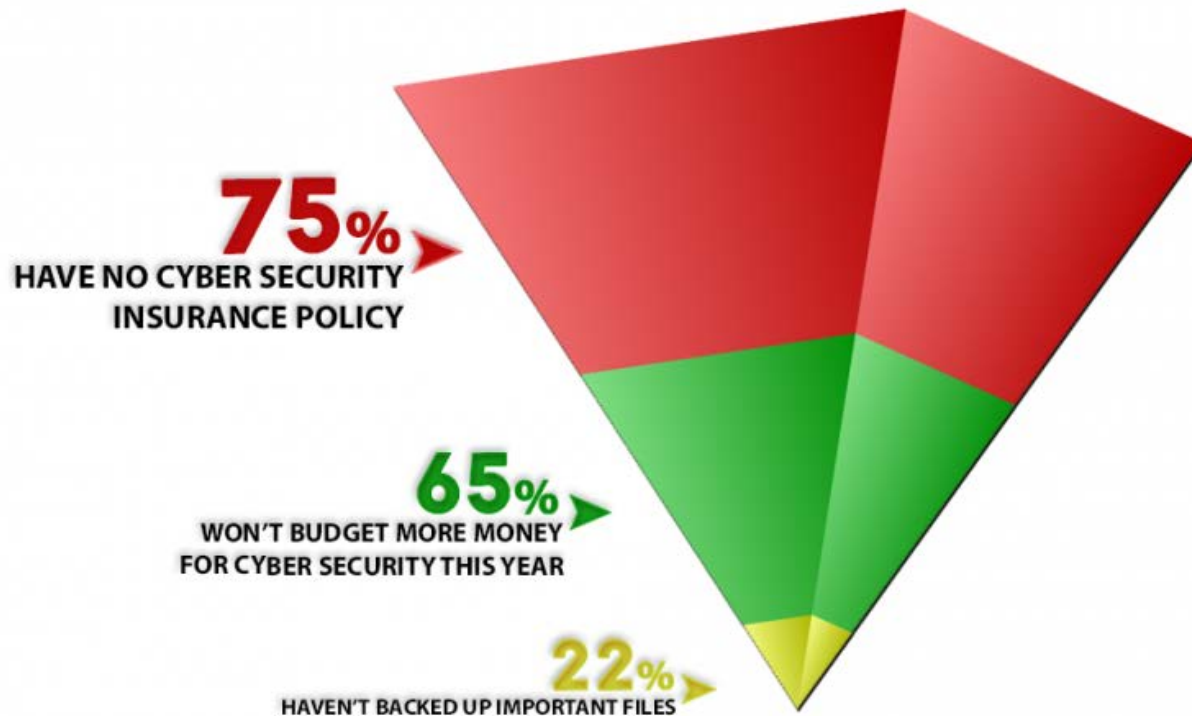
If you think insurance is confusing , Cyber Insurance is even more confusing.



# #1 Budget?

## Small Business Budgets Little for Cyber Security

As Attacks Rise, Preparedness Not a Priority Just Yet, Either



Small Business  
**TRENDS**

Source: IDT911  
More Charts: <http://sbt.me/charts>  
© 2016, Small Business Trends, LLC

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**#2**.....the new challenges for them (risk managers) include getting the **right coverage** from the insurance market and ensuring their companies have **enough coverage** in the event of a major breach.....

*What Cyber Exposures and Coverage Gaps Keep Risk Managers Up at Night  
-By Amy O'Connor, Insurance Journal, 4/5/18*

## #3 Policy Differences

Christaan Durdaller, states there are more than **120 different players** in the cyber market and that is a challenge for agents and brokers, and their customers.

“I think there’s still a lot of difference in each policy form and what it is designed to cover. It’s important to **dig into the policy** and understand what it covers,” Durdaller said. “Each policy varies carrier by carrier and it’s important buyers understand that.”

.....with such a knowledge gap in the cyber market and misinformation about where coverage like business interruption responds, as well as emerging risks such as reputational threat, **having a relationship with a knowledgeable cyber broker** has become essential for risk managers.

*What Cyber Exposures and Coverage Gaps Keep Risk Managers Up at Night*  
-By Amy O'Connor, Insurance Journal, 4/5/18

# Best Practice Cyber Policy

- Admitted
- Full Policy Limits
- 1<sup>st</sup> & 3<sup>rd</sup> party protection
- Full Prior Acts (pre-existing conditions)
- Single Retention
- Zero Dollar Retention for Breach Response Counsel (waiver of deductible)



# Best Practice Cyber Policy p 2

- **Media Liability** (includes paper, electronic & pda)
- **Covers TCPA lawsuits** (telephone consumer protection act)
- **Voluntary notification provided** (breach or intrusion)
- **Cyber Deception** (Social Engineering-direct or email phishing)
- **Telecommunications Fraud** (intentional misuse)

# Best Practice Cyber Policy p3

- PCI-DSS Assessment (payment card fines & penalties)
- Dependent/Contingent/Reputation Business Income (service provider web, SAS, etc.)
- Primary Coverage
- Expanded definition of an employee (volunteers)
- No Failure to Maintain Exclusion  
(software updates/patches)

# 1<sup>st</sup> Generation Insurance Policies

## 1<sup>st</sup> Generation

- Admitted or Non-Admitted policy
  - Prior acts exclusion
  - 1<sup>st</sup> party, 3<sup>rd</sup> party may be endorsed
  - Business Income may be endorsed
  - Media restrictions defined
  - Ransomware may be endorsed
  - Notification only if breached
  - Social Engineering must be endorsed
  - Sub-limits of coverage
  - PCI assessment excluded
  - Failure to maintain systems exclusion
  - Fines/Penalties Exclusion
  - Lengthy application process (paper or online)
  - *Insurance company narrowing coverage with many questions.*
- **Base Policy**
  - **Limited Coverages Available**
  - **Restrictions/Exclusions**

# 2<sup>nd</sup> Generation Insurance Policies

- **Broader Coverage**
- **Includes 3<sup>rd</sup> Party**
- **Full Limits**

## 2<sup>nd</sup> Generation

- Admitted policy
- Full prior acts coverage
- 1<sup>st</sup> & 3<sup>rd</sup> Party Coverage
- Business Income
- Media Liability coverage includes paper, electronic, PDAs
- Cyber Extortion includes ransomware and ability to pay currency.
- Voluntary notification provided
- Cyber Deception includes social engineering
- Full limits apply on all 7 coverages
- Full limits apply to PCI-DSS assessment.
- Single retention applies for each event.
- Streamlined online application
- Fewer questions
- Broad Coverage form

# 3<sup>rd</sup> Generation Insurance Policy-2017+

*\*\*3 years ahead of the industry*

- No retention for use of breach response counsel.
- Reputation business income loss included
- Credit monitoring extends beyond 1 year if recommended by breach counsel.
- **Primary** if other coverage is found in a professional, E&O or medical malpractice policy.
- Failure to maintain exclusion removed
- No unencrypted portable media exclusion used for non-compliant risks.
- Security breach response provided on a “pay on behalf” basis
- Expanded coverage for PCI to include reimbursements, PFI fees/expenses, fraud recoveries and assessments.
- “Private Information” definition expands coverage to “proprietary or confidential information held by the insured or a third party.
- Expanded definition of “employee” includes interns and volunteers.

# The importance of policy enhancements in cyber insurance

Cyber criminals are constantly working to hone their methods and better their strategies, and if insurance companies are to continue providing adequate coverage they need to be doing the same with their cyber policies.

*-Joe Rosengarten, March 21,2018-Business Insurance America.*

**DIS Cyber Policy Coverage Audit**

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GL Endorsement

**ABC Insurance**

**\$1 million**

**\$5,000-\$25,000**

**\$1 million**

endorsement

sub-limits

25,000

Only computer attack

Excluded

No regulatory fines

25,000

5,000 sub limit

Excluded

25,000

Available to add

Excluded

Inside Limits

Available to add

within limits

Does not cover Property

Reimbursement Policy

Web-site Only Coverage

12 month prior validation required

*\*\* Coverages in blue added to all new and renewal policies after 9/1/17.*

*This does not represent a guarantee of coverage and should not be interpreted as legal advice, as we are not qualified to provide legal advice.*

*See actual policy forms and endorsements for coverage.*

# Intrusion or Breach- Now What?

- Incident Response Plan
- Law Enforcement
- Breach Notification Laws
- Forensics & Breach Investigation
- Credit Monitoring Services
- Legal Help
- Public Relations
- Insurance Claim
  - Look for 24 hour service & All inclusive services.



# What Is InsurTech?

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**Insurance Technology**

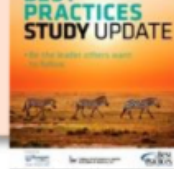
**Venture Scanner**

<p><b>Automotive</b></p>	<p><b>Employee Benefits</b></p>	<p><b>Enterprise/Commercial</b></p>	<p><b>Health/Travel</b></p>	<p><b>Data/Intelligence</b></p>
<p><b>Consumer Management</b></p>	<p><b>Insurance Technology</b></p> <p><b>Venture Scanner</b></p>		<p><b>Comparison/Marketplace</b></p>	
<p><b>Education/Resources</b></p>			<p><b>Infrastructure/Backend</b></p>	
<p><b>User Acquisition</b></p>	<p><b>Life, Home, P&amp;C</b></p>	<p><b>P2P Insurance</b></p>	<p><b>Product</b></p>	<p><b>Reinsurance</b></p>

# InsureTECH Facts

- Here to stay
- Tremendous investor interest
  - \$2.5 billion invested in 2015, \$1 billion in 2016
  - \$1 Billion in Q2 2017
- Innovations in insurance
- Changing buyer experience
- 3<sup>rd</sup> party data helps shorten the application process.
- Better, faster

# What is the Rush?



“Change is coming ... This is not futuristic in the sense of measuring it in years from now. It’s on our door step, this is the next two years or shorter, it will be iterative, it will only get better and better and better. There won’t be one winner, there will be a number of them.”

- Chubb CEO Evan Greenberg, 2017

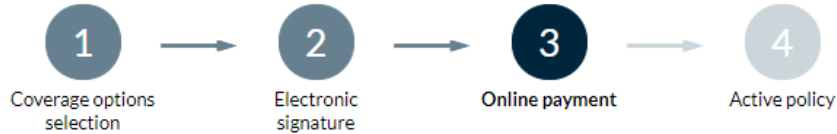
“Neither RedBox nor Netflix are even on the radar screen in terms of competition.”

- Blockbuster CEO Jim Keyes, 2008

What if we could combine a 3<sup>rd</sup> generation cyber form with InsureTech Technology to offer an automated solution for Associations, Franchises and Businesses Vendor Management?



You're almost done! Please click the blue "PAY ONLINE" button below



Note: you will be directed to a third party payment system for processing your credit card or online check payment.

[PAY ONLINE](#)

We accept these credit cards at this time:



## Your Quote

Quote No RPS-Q-0418045M/1

Cyber Liability Insurance ⓘ


**\$750.00**


Aggregate limit of liability: **\$1,000,000**

- Coverage A Privacy Liability
- Coverage B Regulatory Claims
- Coverage C Security Breach Response Coverage
- Coverage D Security Liability
- Coverage E Multimedia Liability
- Coverage F Cyber Extortion
- Coverage G Business Income and Digital Asset
- Coverage H PCI DSS Assessment

Retention: **\$2,500.00**

Premium: **\$750.00**

 Application

 Quote Certificate

## Your quotes

- ▶ Active (1)
- ▶ Removed (1)
- ▶ Expired (0)

Quotes can be accessed in the future through a link sent to your e-mail address

[Save quotes >](#)

BUSINESS INSURANCE

# U.S. INSURANCE AWARDS

Celebrating Today.  
Creating Tomorrow.

Insurtech Initiative of the Year  
**WINNER**

**Risk Placement Services Inc.**





# Cyber Liability & Data Breach Insurance

## Did You Know A Lost Or Stolen Laptop Could Cost You Nearly \$50,000?



The financial implications for a small business or independent contractor affected by a data breach can be devastating. In fact, studies show that **60 percent of small businesses go out of business within six months of experiencing a data breach.**\* The best way to prevent becoming a part of this sobering statistic is to protect your business by having the right insurance coverage in place.

This Cyber Liability and Data Breach Insurance program provides small businesses and independent contractors with the necessary insurance coverage to help protect against the financial burden created by a data breach.

**Pricing as low as \$199 annually. Quoting and binding this valuable coverage takes just minutes.**

\*Source Verizon Data Breach Investigations Report

- [Log In](#)
- [Become A Member](#)

### Pricing Information

Insured Revenue	\$250K Limit	\$500K Limit	\$1M Limit	\$2M Limit
\$0 - \$1M	\$199	\$299	\$400	N/A
\$1 - \$2.5M	\$310	\$399	\$599	\$799
\$2.5M - \$5M	\$410	\$550	\$750	\$999

# Pay attention to what you can do.

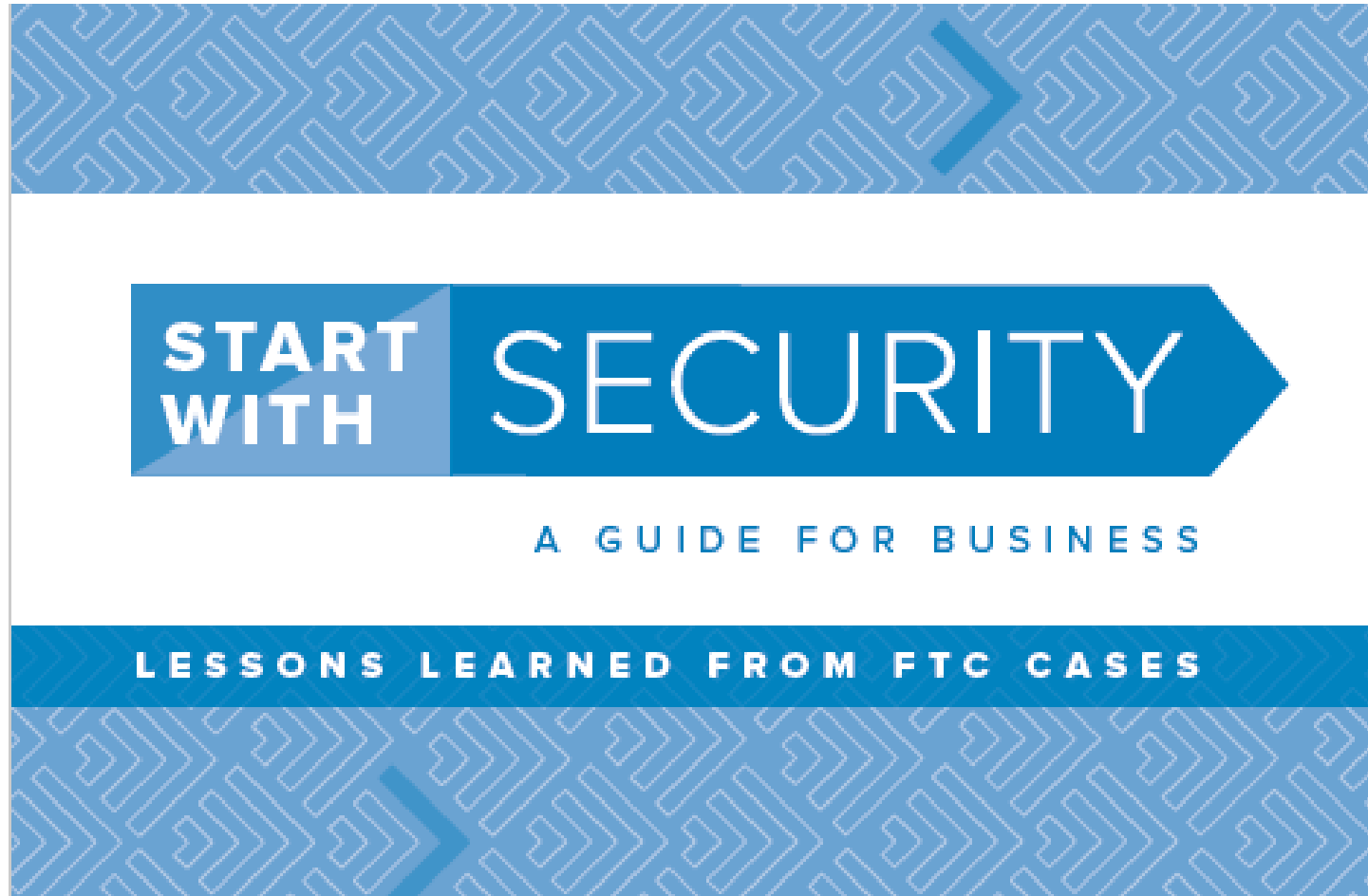
- Protect Reputation & Balance sheet.
- Secure 3<sup>rd</sup> generation cyber liability coverage.
- Implement a 'First Response Team'.
- Implement a 24 hour data breach hotline.
- Vet out your 3<sup>rd</sup> party vendor's security.
- Support education & partnerships.
- Safeguard operations from a Cyber Security incident.



# Who will pay attention if you don't?

- FTC case
- *47 states, 15 Gov., 27 National Credit Reporting Agencies*
- *HIPAA Fines*
- *Class Action lawsuits from lawyers/customers.*

# FTC-10 lessons Learned from cases





**“We’ve analyzed their attack sir and there is a danger. Should I have your ship standing by?”**  
**Governor Willhuf Tarkin (Grand Moff) replied,**  
**“Evacuate!?! In our moment of triumph? I think you overestimate their chances!”**



# Thank you!

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