

ACI's 10th National Forum on Cyber Data Risk Insurance

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Selling and Marketing Cyber Policies for Small and Middle Markets

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Tweeting about this conference?

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Selling & Marketing Cyber Policies for the Small & Middle Markets

- **The History of Cyber Insurance**
 - Generally
 - Specific To the small/middle markets



What is the “Small” and “Middle Market”?

- **What is a “Small” or “Middle Market” Risk?**
- **Cyber Profile of the Small/Middle Market vs. Larger Market Risk**
- **Cyber Issues Unique to the Small or Middle Market**
 - Underwriter Perspective
 - Broker Perspective
 - Client’s Perspective



Do traditional lines provide privacy coverage?

General Liability

- Excludes employee-related claims
- Excludes professional-service related claims
- Excludes IP infringement save in advertising

Professional Liability

- Often excludes privacy, security, and media
- Does not cover costs of breach notifications, credit monitoring, and identity remediation
- Excludes regulatory defense, actions, fines, and penalties
- Courts have found that business and IT systems are not professional



The Current State of the Small & Middle Market

- **Cyber Endorsements under D&O, E&O and PL, GL Policies**
 - Limits
 - Coverage
 - Pricing
 - Interest level
- **The New ISO Endorsement**



The Current State of the Small & Middle Market

- **Is there a “Standard” Approach In the Cyber Market?**
- **The Policy: “Standard” Coverage Grants**
 - Third Party Liability Coverage
 - First Party Coverage
 - Expense
 - Cost Coverage



The Current State of the Small & Middle Market

• Policy Differentiators

- **Before the Breach: The “Bells and Whistles” offered to the small/mid-market accounts:**
 - Loss Control and Risk Management Services
 - Risk Assessment Services
 - Newsletters/Legal Updates
 - Usage
- **The Breach: Policy Responses to the Breach Incident**



Cyber for the Small & Mid-Size Markets: **RETAIL ACCOUNTS**

- **Composition of the Market**
- **Key Issues Specific to the Industry**
- **Examples of Cyber Claims/Incidents**
- **Specific Coverage Needs**
- **Underwriting Issues**



Cyber for the Small & Mid-Size Markets: **HEALTHCARE ACCOUNTS**

- **Composition of the Market**
- **Key Issues Specific to the Industry**
- **Examples of Cyber Claims/Incidents**
- **Specific Coverage Needs**
- **Underwriting Issues**



Cyber for the Small & Mid-Size Markets: SCHOLASTIC ACCOUNTS

- **Composition of the Market**
- **Key Issues Specific to the Industry**
- **Examples of Cyber Claims/Incidents**
- **Specific Coverage Needs**
- **Underwriting Issues**



The Future of the Small & Mid-Size Cyber Market?

- **Threats they face**
- **Opportunities**
 - Coverage Enhancements?
 - New Product Development?
 - Additional Services?

