



Rogers Insurance – Client Presentation

Network Security and Privacy Breach Insurance

Presented by

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Emerging Exposures

Systems Evolutions

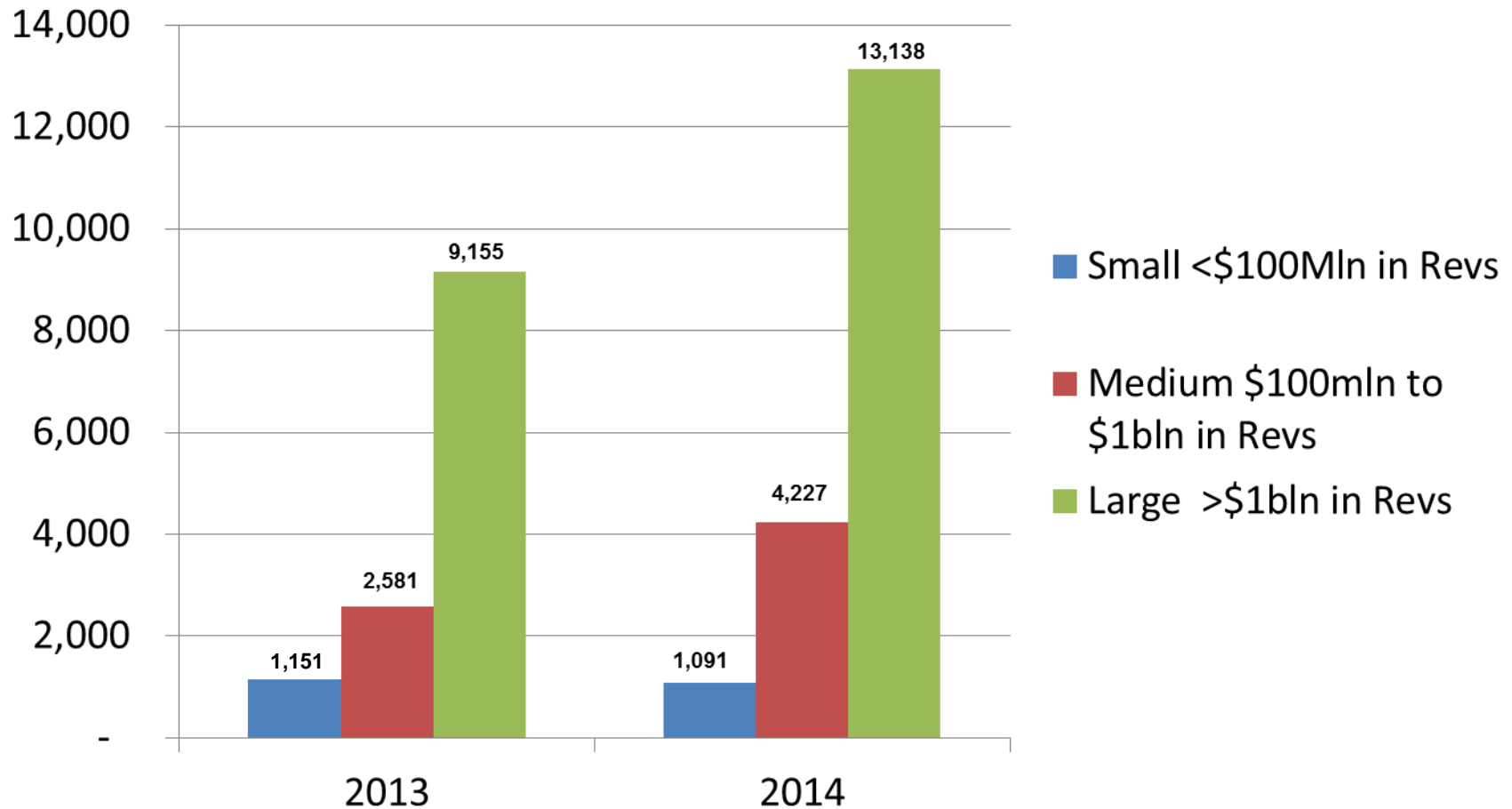
- Social Media and Big Data
- Cloud Computing
- Bring Your Own Device
- Hyper targeting
- Mobile Payment Solutions

Regulatory Activism

- Privacy Commissioner of Canada and Provincial Counterparts
- Other Regulators (ex. OSFI)
- US States Attorneys General

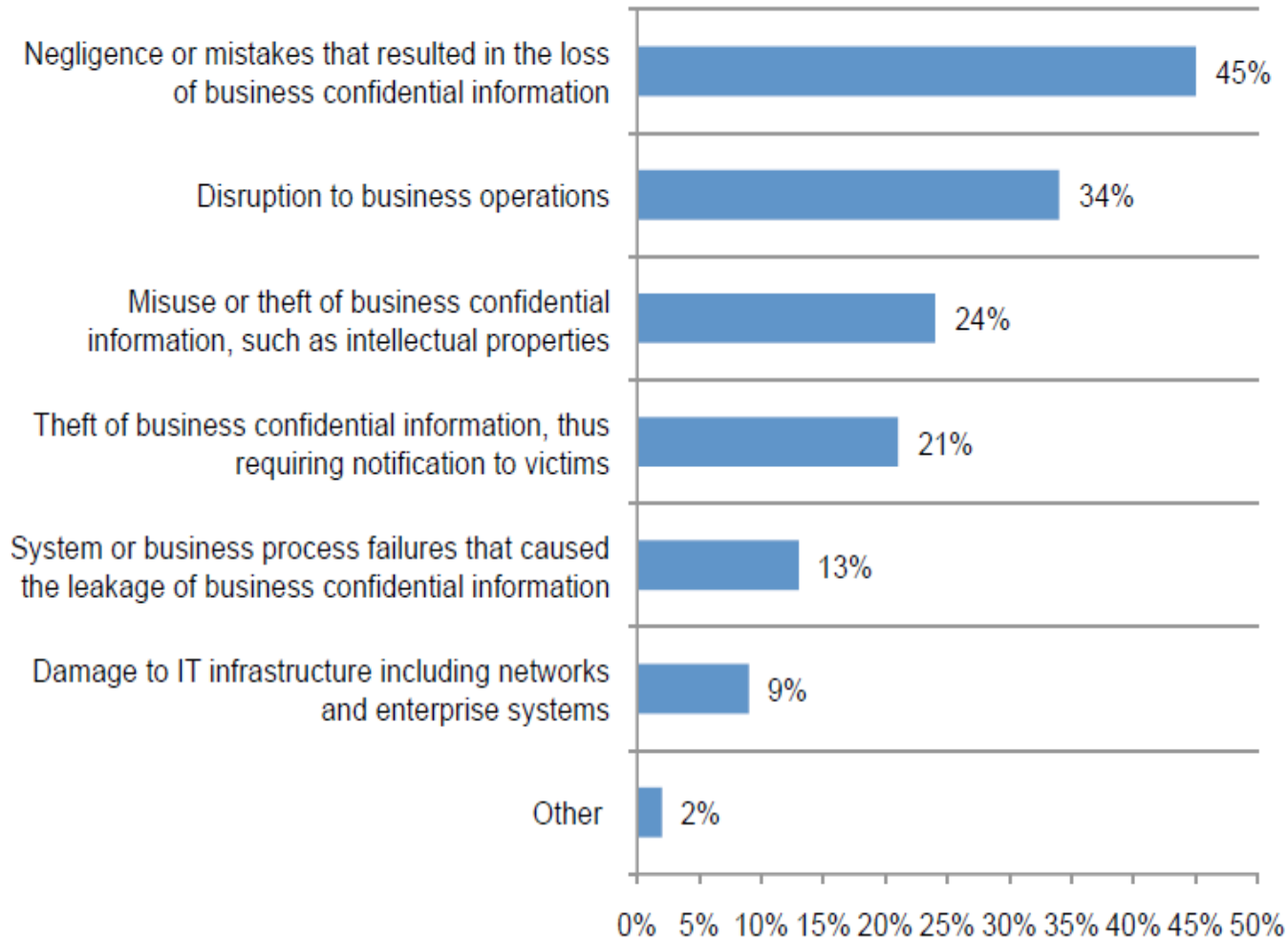


Detection of Security Incidents⁽¹⁾





Security exploits in the last 24 months⁽²⁾





Communicating the Issues⁽³⁾

33%

C-Suite Executives expect that their organization will be subjected to a Cyber Attack

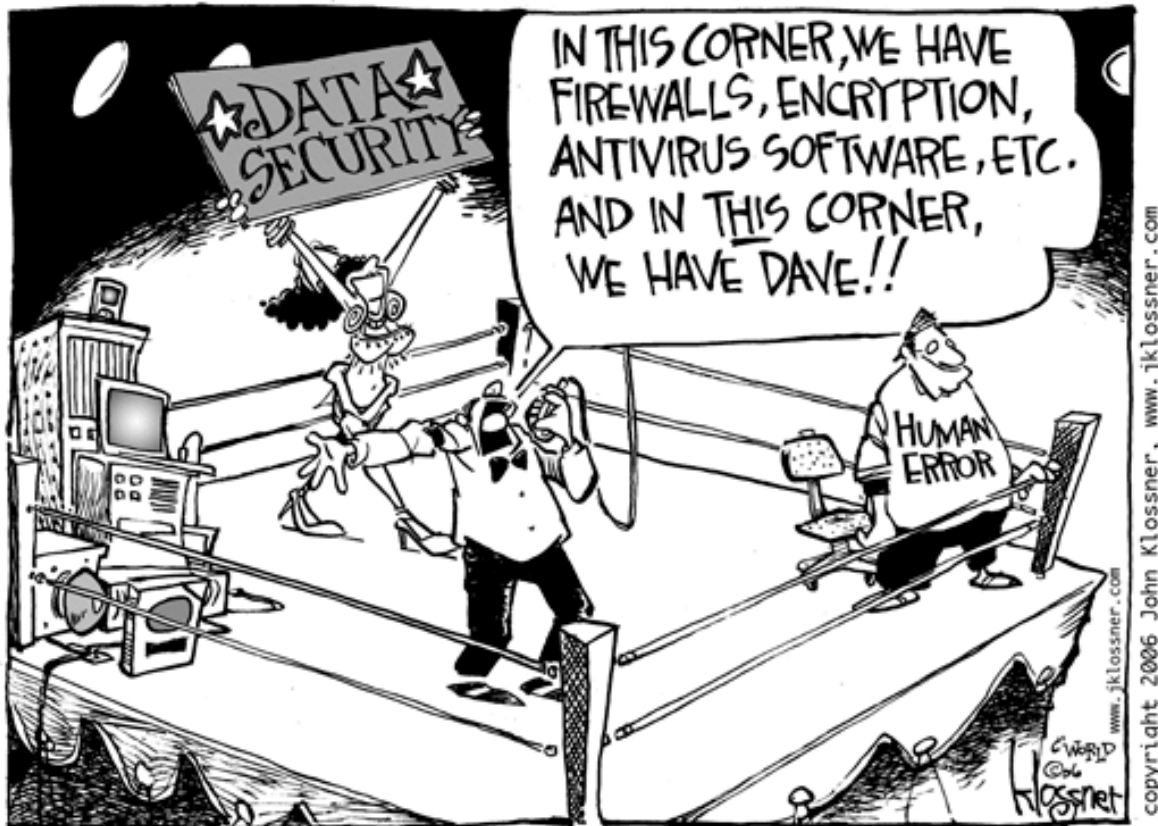
63%

Senior Management expect such Cyber Attack in the next 6 months

64%

Senior Management have not communicated their concerns to the C-Suite level executives

No matter how good your IT department is...



Who's your Dave?

The “Perfect” Risk – An Underwriter’s Wish List

Q: What makes your organization a good risk to insure?

A: You are able to manage and survive an event in the absence of insurance.

- If you had a privacy or cyber breach, would you be just a bit shaken, badly maimed or outright killed in action?
 - Incident response plan (IRP)
 - Disaster recovery plan (DRP)
 - Business continuity plan (BCP)
 - Responsive and pro-active IT procedures
 - Payment Card Industry (PCI) compliance
- Controls in place that set expectations you have of your employees to take ownership and be aware of their responsibilities to protect sensitive information and do you require all employees to take annual training with respect to:
 - Social media / appropriate use of e-mail and Internet at work policies
 - Information Security and Privacy policy / Records management policy
 - Mobile device security policy

**No plan survives first contact
with the enemy**

The “Perfect” Risk – An Underwriter’s Wish List

- Governance – how engaged are the executive management and the board of directors in understanding security concerns?
- Is your industry or your brand a lightning rod?
- Where are your customers and employees domiciled?
- What are your Network Security and Privacy due diligence requirements when selecting vendors and sub-contractors?
- Do you maintain an inventory that helps you understand what kind of data do you have and how you compartmentalize it:
 - Personally identifiable information
 - Personally identifiable healthcare information
 - Confidential third party corporate client information
- How critical to your operations is your e-commerce platform?
- Do you plan and run tests of your protocols and apply the lessons learned from those tests to keep your policies, procedures and responses current and effective?

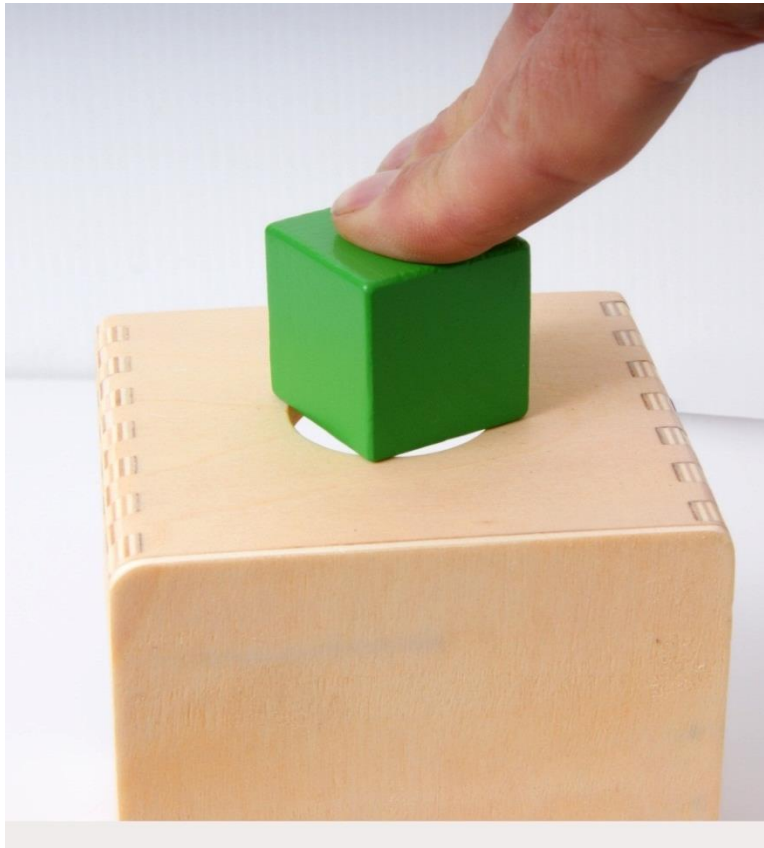


"OFFHAND, I'D SAY WE HAVE AN
ACCOUNTABILITY PROBLEM!"



Traditional Products Versus Cyber Insurance

Gaps in Traditional Coverage



- General Liability
- Business Interruption
- Commercial Crime
- Professional Liability
- D&O Liability
- Kidnap, Ransom & Extortion Insurance



Cyber Liability Exposures

- Defence Costs
- Compensatory Damages arising from **Injury**

SECURITY AND PRIVACY

- Unauthorized access to non-public information of others in your care, custody or control (PRIVACY)
- System to system issues, like virus transmission (CONDUIT)
- Impaired access that causes customers to suffer financial damage (IMPAIRED ACCESS)

CONTENT

- Intellectual Property infringement (CONTENT)
- Defamation, product disparagement, dissemination of private facts (REPUTATIONAL)

Some First Party Breach Related Exposures (Response & Mitigation)



Notification

- Crafting the content of the notification
- Notification dissemination and Customer response management



Public Relations

- **Crisis Management**
- Advertising & Press Releases
- Call Centre Operations
- Other Services for Affected Persons: Credit Monitoring



Forensics

- Cost of forensic examination
- Cost to remediate discovered vulnerabilities
- Response to extortion threats



Legal

- Legal advice
- Compliance requirements
- Liability assessment

The Cyber Market





CyberSecurity by Chubb®



Chubb Insurance Company of Canada
www.chubbinsurance.com

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This literature is descriptive only. Whether or not or to what extent a particular loss is covered depends on the facts and circumstances of the loss and the terms and conditions of the policy as issued. Claims examples are based on actual cases, composites of actual cases, or hypothetical situations. Actual coverage is subject to the language of the policies as issued.

Private & Confidential