

Cyber Claims

CHUBB[®]

SORM Cyber Risk Overview

May 2017

Chubb. Insured.

Disclaimer

The material presented in this presentation is not intended to provide legal or other expert advice as to any of the subjects mentioned, but rather is presented for general information only. You should consult knowledgeable legal counsel or other knowledgeable experts as to any legal or technical questions you may have. Further, the insurance discussed is a product summary only. For actual terms and conditions of any insurance product, please refer to the policy. Coverage may not be available in all states.

SORM Cyber Coverage Endorsement

Privacy and Network Security Liability	\$1,000,000
Regulatory Proceedings	\$250,000
Network Extortion	\$1,000,000
Data Breach Expenses	\$50,000

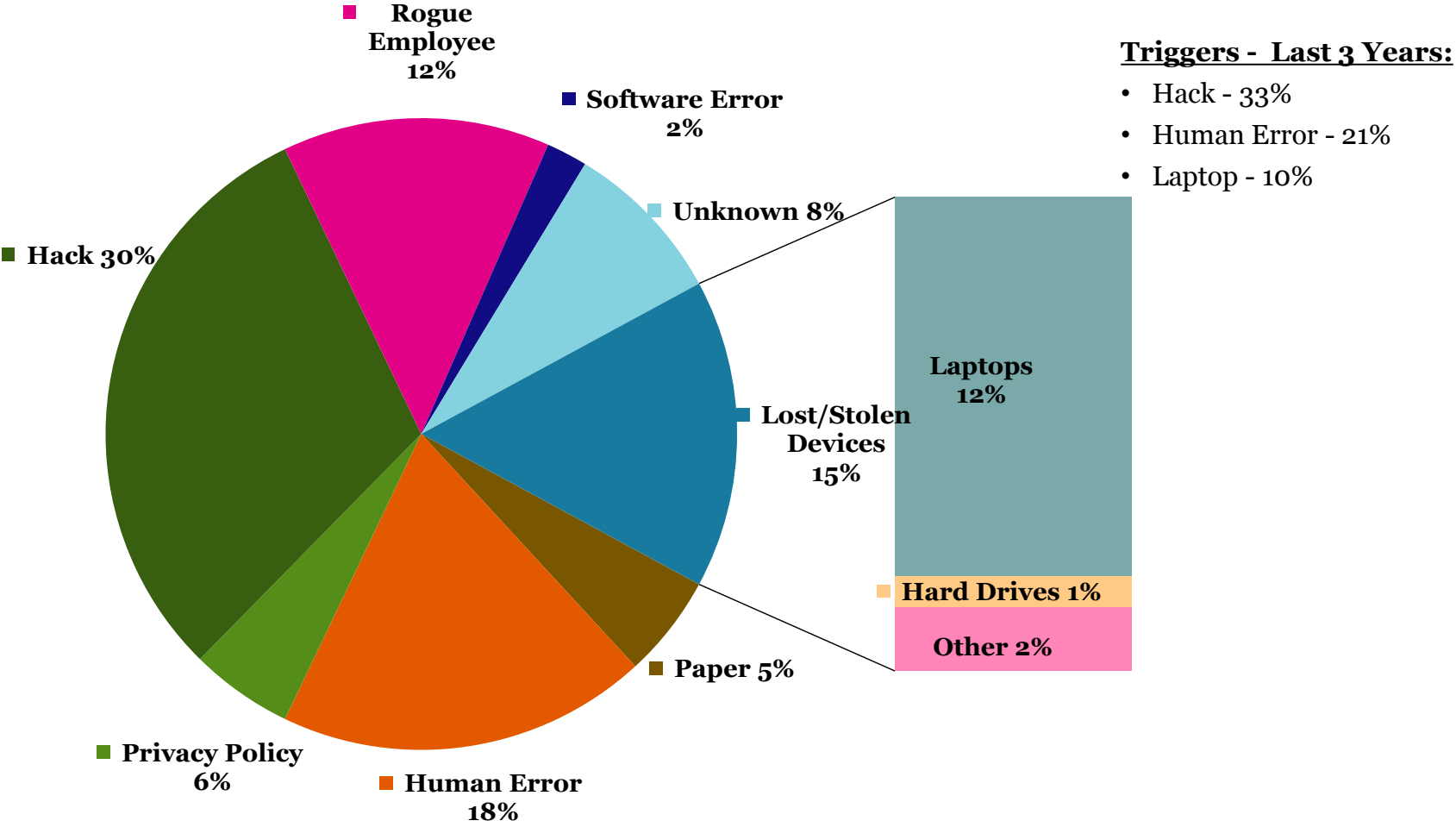
- Privacy Liability - failure to properly handle, manage, store, destroy or otherwise control...
 - Includes Insured & independent contractors
- Claims for Privacy Liability by employees or other insureds are not excluded
- Damages includes Regulatory Fines and Consumer Redress Funds
- Ransomware

SORM Data Breach Expenses

\$50,000 Limit subject to \$0 Retention

- Data Breach Coach
 - Located in Texas
 - Experienced in Public Entity
- **Hotline: 800-817-2665**
24 hrs / 7 days a week
- Data Breach Team
 - vetted and pre-approved
- Data Breach Fund
 - Forensics
 - Law Firm
 - Notification Services
 - Call Center Services
 - Public Relations/Crisis Management
 - Fraud Consultation
 - Credit monitoring/credit freezing/fraud alert services
 - Identity Restoration

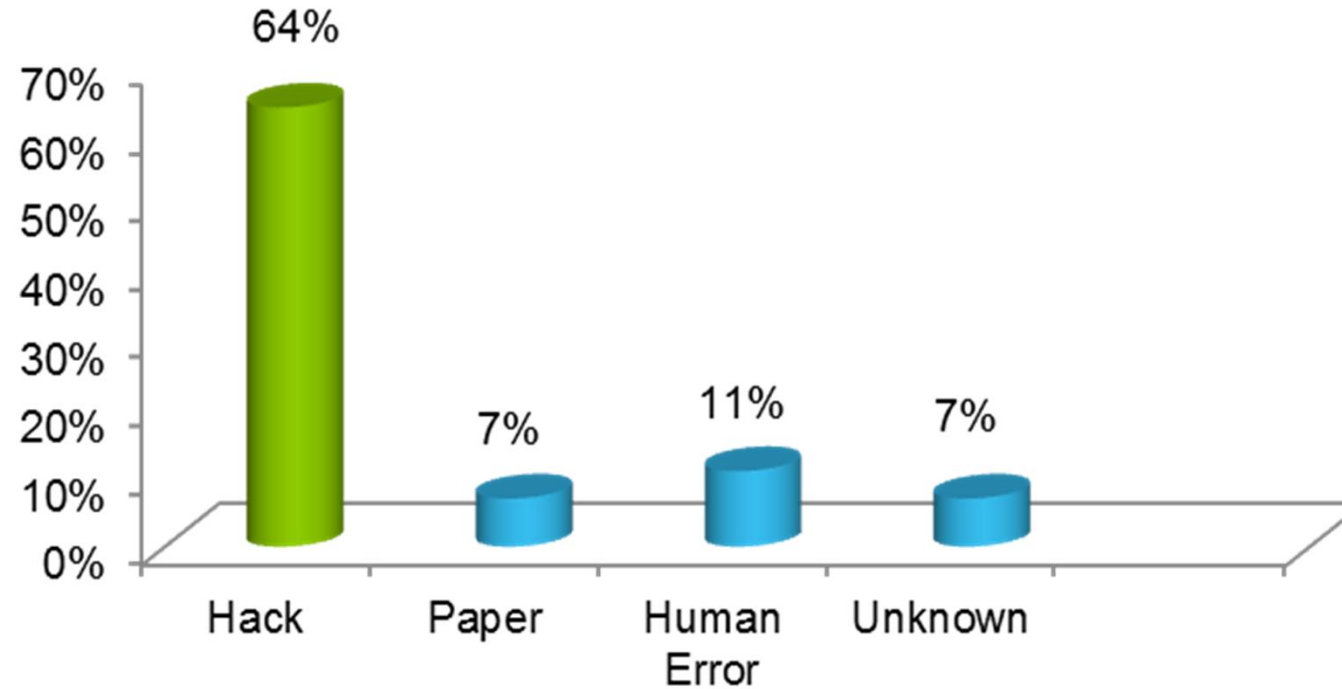
Cyber Incidents – Trends & Observations



Source: ACE/CHUBB claims database

Cyber Claims Triggers - 10 Year Trend

Public Entity

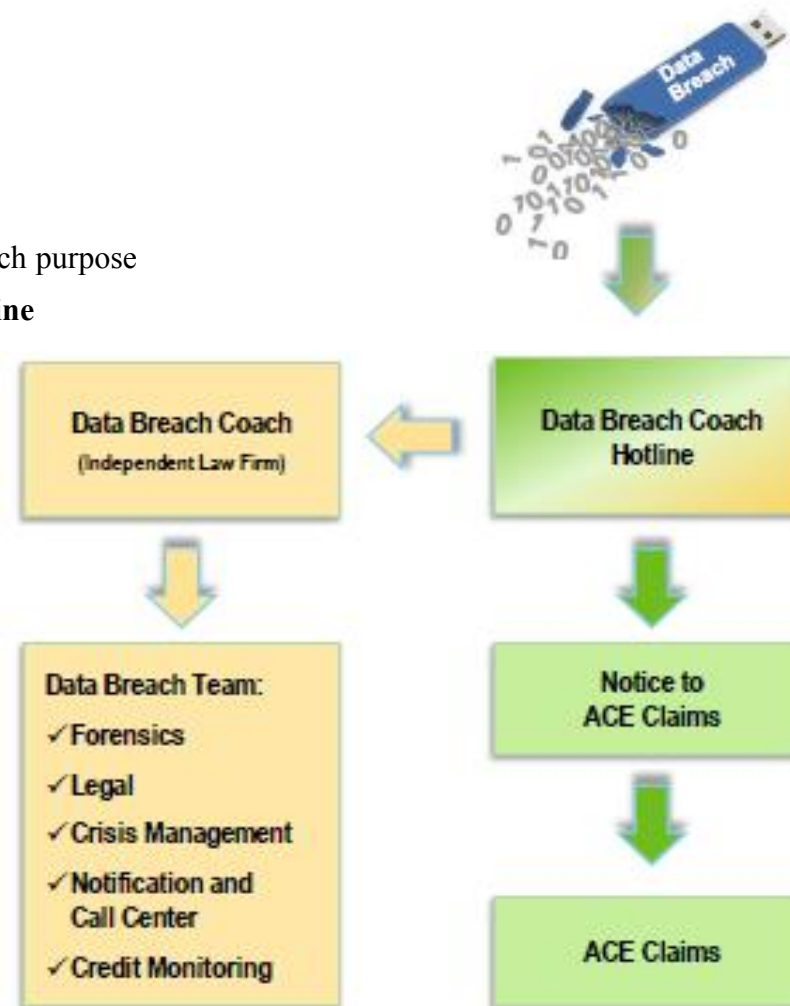


Cyber Claims Trends 2016-2017

- **RANSOMWARE**
-over 85% increase in Ransomware claims in 2016
- **FRAUDULENT WIRE TRANSFER**
--potential coverage if third party claim made

WHAT IS THE PROCESS TO REPORT AN INCIDENT?

- **Pre-Breach Preparation**
 - ❑ Identify decision makers
 - ❑ Consider vendor relationships and selection for breach purpose
- **Contact Data Breach Coach – Data Breach Coach Hotline**
- **Consider Notice to CHUBB Claims:**
 - ❑ ACEClaimsFirstNotice@chubb.com
- **Engage Data Breach Team**
 - ❑ Data Breach Coach
 - ❑ Forensic and Legal Investigation
 - ❑ Notification and Call Center
 - ❑ Credit Monitoring/Identity Restoration
 - ❑ Crisis Management
- **Third Party Claims**
 - ❑ Class Action Lawsuits
 - ❑ PCI Fines & Assessments
 - ❑ Regulatory Proceedings



Public Entity Claims Scenarios

- **Personal tax data of residents was improperly posted on a City's website resulting in the exposure of Personal Information for 921 individuals, including Social Security Numbers**
 - **Costs: \$110,000 for legal fees, notification and call center, credit monitoring and public relations**

- **Public Entity experienced a ransomware incident after an employee clicked on an attachment in an email that installed ransomware. The ransomware encrypted certain files located on two network servers. As part of the ransom attack, the bad actor also advised that it would provide a decryption key in exchange for a ransom payment of two bitcoin. Following investigation, it was determined that no Personal Information was compromised. The ransom was not paid and the Public Entity was able to restore most of the encrypted files by utilizing backups.**
 - **Costs: \$25,000 for legal fees and forensics**

- **Public entity employee fell victim to a phishing attack which enabled a bad actor to obtain the email credentials of this employee. After obtaining access to the employee's email inbox, this bad actor created a forwarding rule which forwarded all incoming emails of the compromised inbox to an unknown email address. After forensic investigation, it was determined that the Personal Information, including social security numbers of approximately 1000 individuals was contained in the compromised email inbox.**
 - **Costs: \$60,000 for legal fees, forensics, notification and call center and credit monitoring.**

The claim scenarios described herein are hypothetical and are offered solely to illustrate the types of situations that may result in claims. These scenarios are not based on actual claims and should not be compared to an actual claim. The precise coverage afforded by the insurer is subject to the terms and conditions of the policies as issued. Whether or to what extent a particular loss is covered depends on the facts and circumstances of the loss, the terms and conditions of the policy as issued and applicable law.