



Cyber and Agents E&O

Your E&O is on the Line

Cyber Insurance

- We now have over 100 cyber insurance markets
- This is not a standardized coverage
- Difficult for specialty brokers and underwriters
- Engage an expert with access to multiple products

100+ Markets Offering Cyber

- Policy Language – Very Different
 - The devil is in the detail
 - This is where agents are creating exposure for themselves
 - Sub-limits are easy to compare, language and structure are more difficult
- Appetite – generally broad
 - Small and Middle Market is very competitive
 - Hard to Place - Data Aggregators, BI / PD Exposed, Business Int. Exposed, Fund Transfer Fraud, M&A

100+ Markets Offering Cyber Cont.

- Applications – some ask for very little, some ask for a lot
- Many underwriters are not sure what they are underwriting or what their form covers
- Claims Handling – this is what you are buying /selling
- Make sure the carrier has a good reputation or an experienced claims team

Not a Standardized Coverage

- The structure of the forms vary
 - Do you know what to ask for?
- The definitions are very different
- Exclusions are not standardized
- Sub-limits vary by carrier and risk
- Case law is not established
- Very different underwriting processes
- Appetites that change quickly

Difficult even for Specialists

- RT Specialty has been sued by their retailer alleging negligent placement
 - That agent was sued by their client
- PF Chang's Sued Chubb over Policy Language
 - Chubb has prevailed, expect the broker to be sued for failure to explain the coverage properly
- Carriers are rolling out new forms with new language regularly
 - You need to know what endorsements to ask

Engage an Expert

- An Expert will have access to the necessary markets, know what to ask for, and be able to negotiate better terms
- Everyone has access to Cyber products, but everyone is not an expert
- By using an expert, you can protect your agency, your E&O, and your reputation