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# Charleston CyberLaw Forum

January 18, 2024

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# What's Concerning Cyber Insurers?

January 18, 2024

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Brown & Brown

Allianz 

 Coalition

CHUBB



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# Presentation Agenda

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**Cyber Insurance – The Market**

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**Cyber Insurance – The Players**

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**The Magnitude of the Cyber Problem**

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**Developing Risks**

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**State Of The Cyber Insurance Market**

*The CLE materials are sponsored by SentinelOne and Charleston Law School. All CLE materials are prepared by law firms and attorneys as noted in the materials, and do not offer any specific legal advice or guidance.*

# Presenters



**Chris Keegan**

*Moderator*  
Brown & Brown



**Tiffany Calhoun Pierce**

Regional Product Lead  
Allianz



**Marcin Weryk**

Head of Business Development  
Coalition



**Pete Castillo**

Senior Vice President  
Chubb





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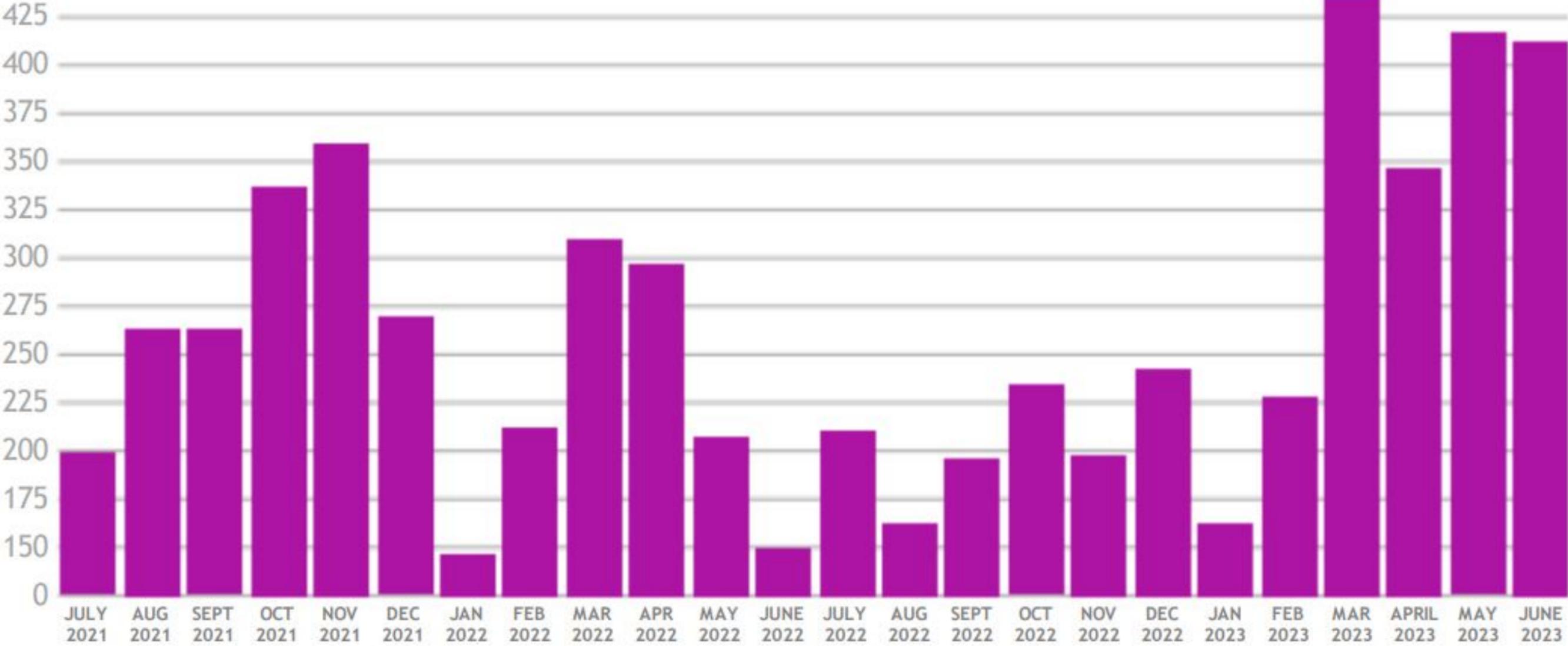
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# Cyber Insurance – The Market

[sentinelone.com](https://sentinelone.com)

# Ransomware 2021-2023

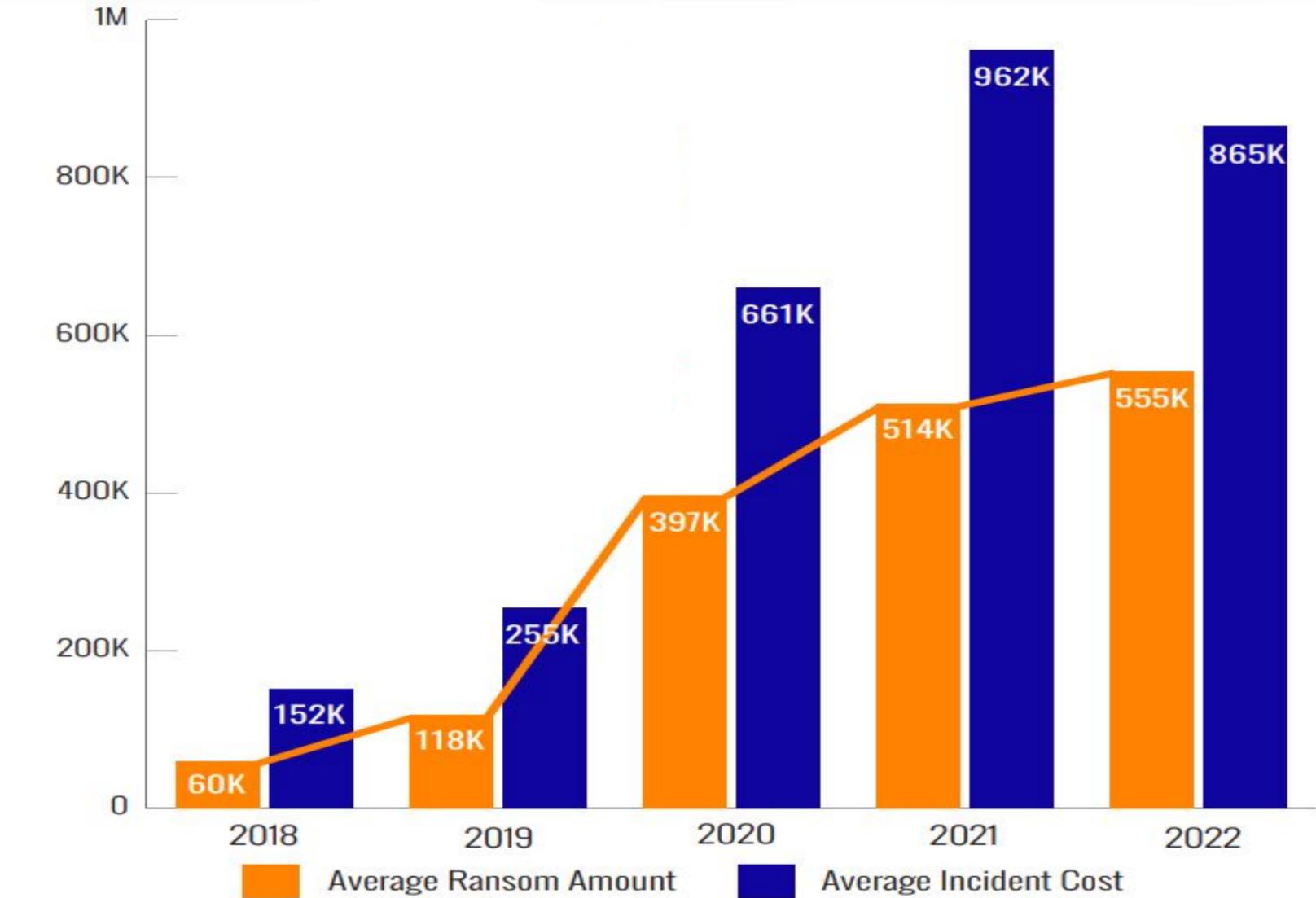
## Monthly Ransomware Activity



\*Tokio Marine 2023 Cyber Report

# Cost of Insured Losses 2018-2022

## Ransomware Remains the Leading Cause of Loss



NetDiligence 2023 Claims Report – Insurer Sourced

# Ransomware Payments % Paid

## All Ransomware Payment Resolution Rates

85%  
2019

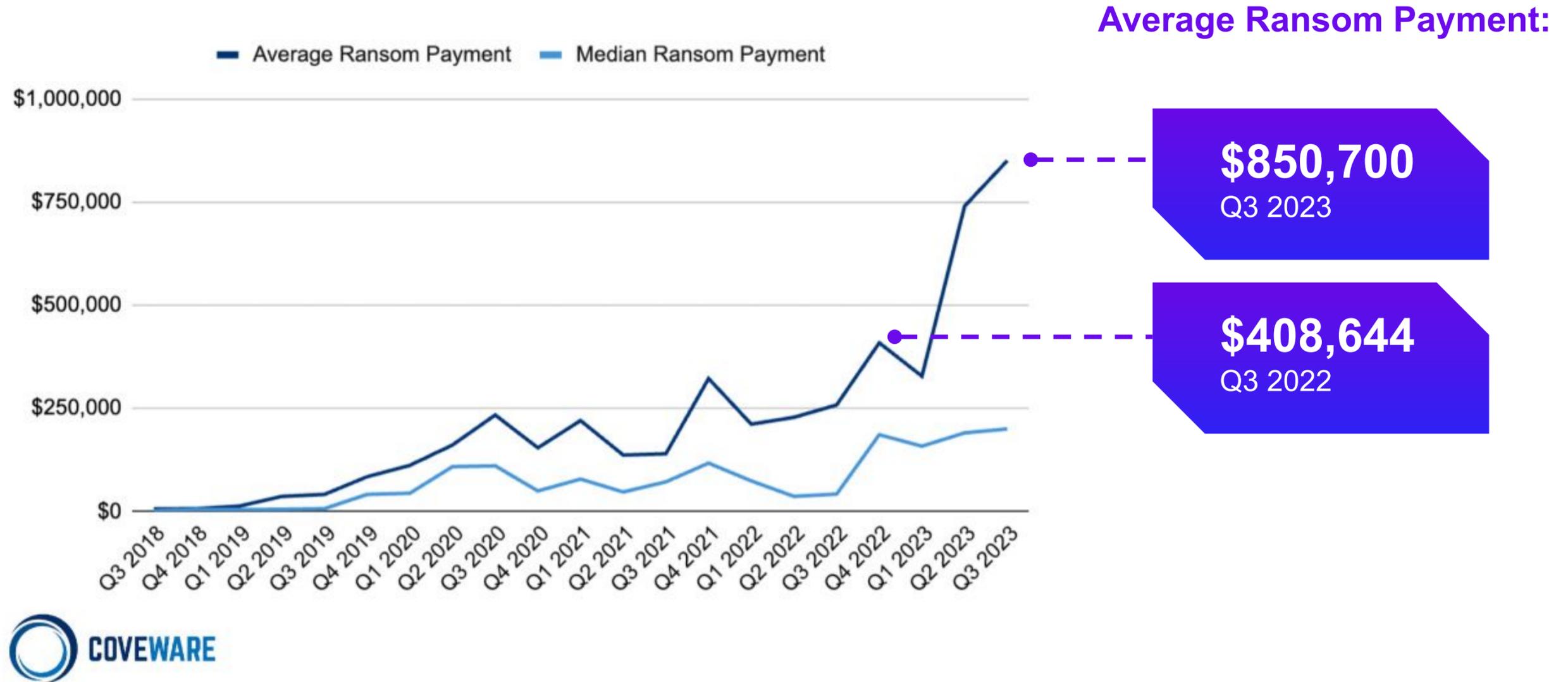


41%  
2023



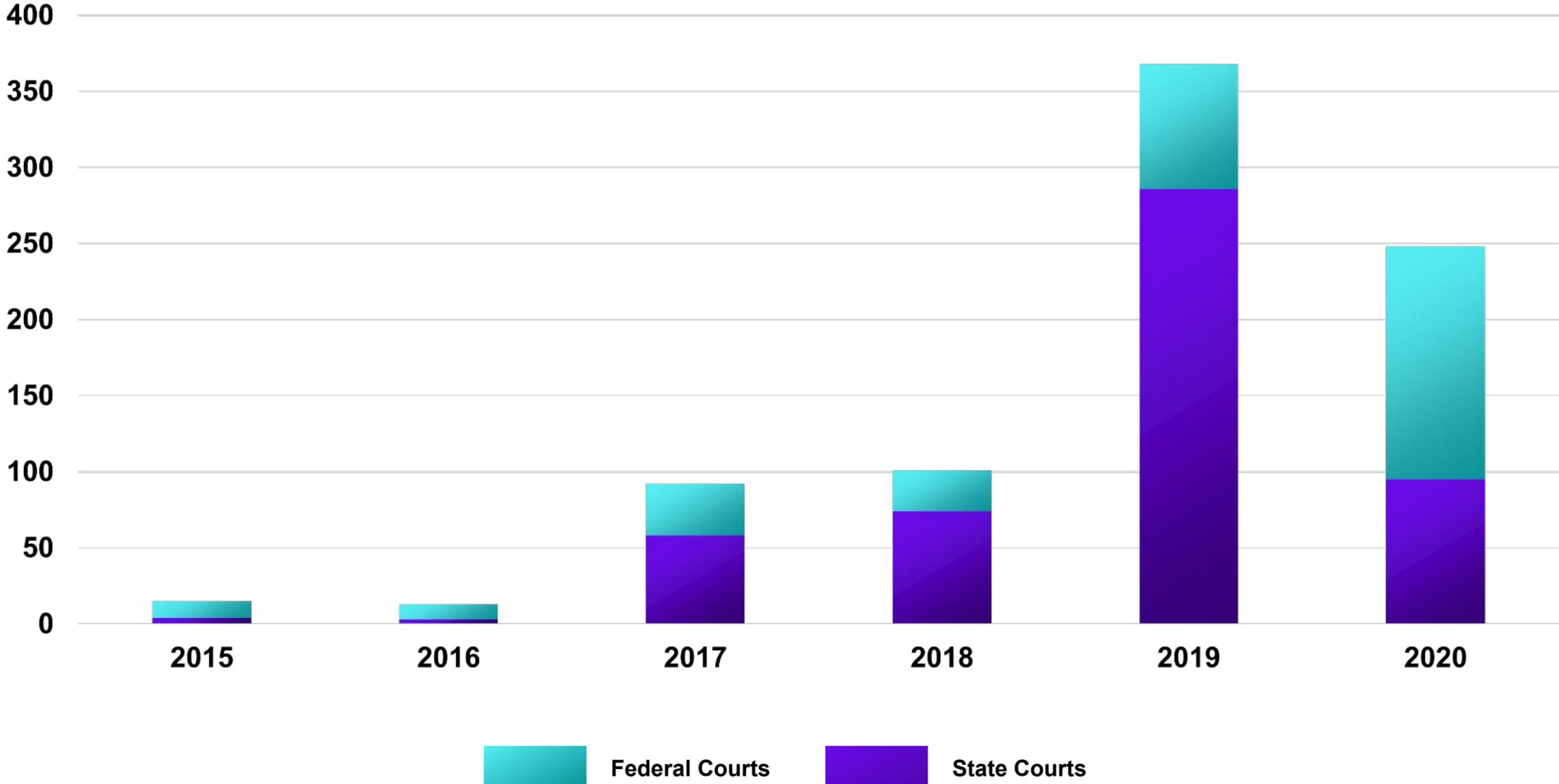
# Average Ransomware Payments

## Ransom Payments by Quarter



# Biometric Information Privacy Act (BIPA)

## Class Actions 2015-2020





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# Cyber Insurance – The Players

[sentinelone.com](https://sentinelone.com)

# The Carriers

## InsureTechs

- Recently formed companies focusing on technology to underwrite risks

## Traditional Market

- Carriers who have grown cyber platforms from their P&C books with strong distribution networks

## New Entrants

- Insurers who are growing their books through broker networks outsourced underwriting (MGAs) and Technology relationships

## The New Guys

- Amazon, Google, MSPs



# Understanding the Strategies

## Risk Mitigation before Risk Transfer

- Automated Tools
- Risk services partners

## In House v Third Party Breach Response

- Incident Response providers
- Choice

## Risk Assessment and Quantification

- Governance v Forced adoption of tech
- Inside Out
- Third Party Assessments

## Policy Coverage Terms and Conditions

- Critical points of differentiation?





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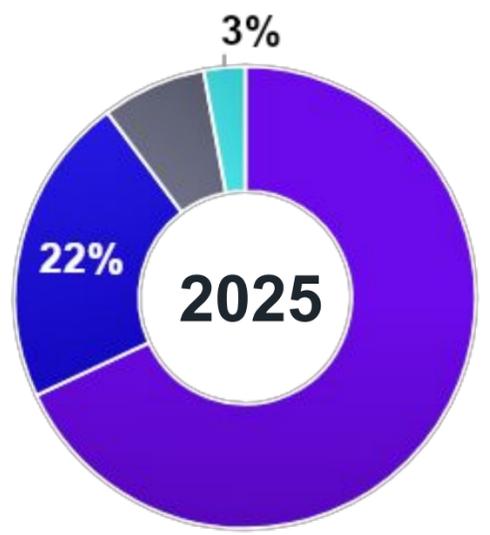
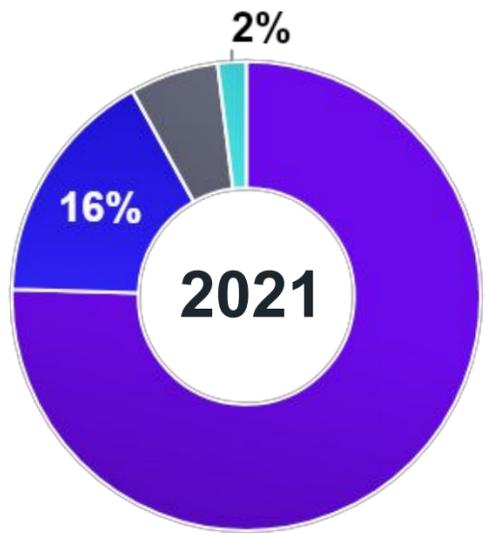
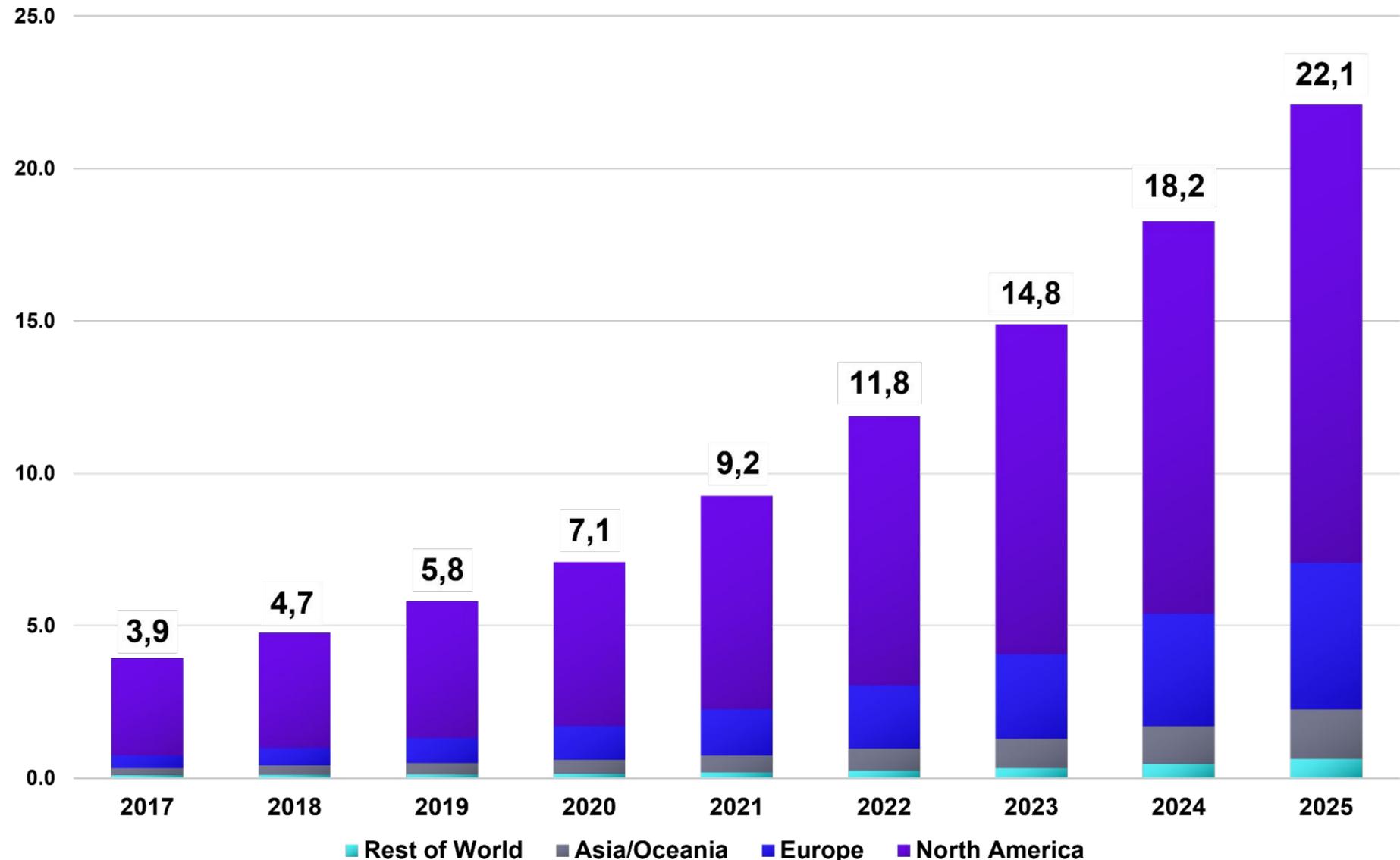
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# The Magnitude Of The Cyber Problem

[sentinelone.com](https://sentinelone.com)

# Cyber Insurance Market Growth – Munich Re

\$USD (billions)



- North America
- Europe
- Asia Oceania
- Rest of World

# Approaches to the Difficult Issues

## Systemic Risk

- What is it?
- Why the concern?
- How are insurers responding?

## War and Nation State Attacks

- What is it?
- How are insurers responding?

## Need for Capacity

- A Government Backstop
- ILS and Cat Bonds





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# Developing Risks

# Risks of the Moment – Beyond Data Breach

## Growing Privacy Issues

- Data and Pixel Tracking
- Collection and Use
- Biometrics

## Artificial Intelligence

- How does it impact Cyber Risk
- How is the insurance industry responding

## Supply Chain for Manufacturers

- Upstream
- Downstream



# D&O and Cyber Crossover

## SEC Disclosure Requirements

- Materials Cyber Incidents
- Yearly Disclosures of Risk and Controls
- Measuring materiality

## SEC Stricter Information Controls

- Tightening Disclosures by Social Media and Other Platforms

## SEC Actions v CISOs

- Uber
- Solarwinds





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# State Of The Cyber Insurance Market

[sentinelone.com](https://sentinelone.com)

# What is the Silver Bullet for Lower Premiums? (And Better Coverage)

Great Controls

Great Culture

Great IT and Risk Management Teams

Great Communication with Carriers

A Great Broker

A Great Carrier Partner





# Chris Keegan

**Managing Director and Cyber & Technology Practice Leader, Brown & Brown**

 Brown & Brown

Chris places network, privacy, technology and media E&O insurance for a wide variety of companies including financial institutions, authentication providers, manufacturers, healthcare, retail and telecommunications companies. Christopher has also executed Cyber Information Risk Assessment projects and worked with regulators on evaluation of E-Business risks. Prior to joining Beecher, Christopher was a National Resource at Willis for Cyber and E&O and a leader of the Information Risk Advisory Practice at Marsh focusing on Privacy, Technology, Media, Network Intellectual Property and Professional Liability insurance products.



# Tiffany Calhoun Pierce

**Regional Product Lead, Allianz**

**Allianz** 

Tiffany Calhoun is the Deputy Head - Regional Product Leader of Cyber, Tech & Media for Allianz Commercial in North America. Based in Atlanta, Tiffany is a passionate Cyber and E&O-focused insurance professional with experience on the commercial carrier and captive sides of the insurance industry. Tiffany has 15 years of insurance industry experience focused on Cyber, Tech, Media and traditional E&O throughout this time. In addition to insurance placements, Tiffany has experience with global fronting and reinsurance structures. Prior to joining AGCS, Tiffany recently was the Underwriting Manager for L&F Indemnity, Ltd., PwC Global's Bermuda-based captive overseeing the cyber, E&O, D&O and EPLI placements. She has also held positions at Sompo International and ACE USA. Tiffany has a dual major from Temple University with a focus on Actuarial Science and Risk Management and Insurance.



# Marcin Weryk

**Head of Business Development, Coalition**



Marcin Weryk is the Head of North American Field Underwriting at Coalition, and previously the Head of Business Development. Marcin was previously the Head of Cyber - West and South Region at XL Catlin from May 2012 to July 2020. Marcin was also the Underwriting Director at CNA Insurance from May 2005 to April 2012.



# Peter Castillo

**Senior Vice President, Chubb**

**CHUBB®**

Pete Castillo is a Senior Vice President in Chubb's North American Financial Lines Division. He is responsible for the Major Accounts Segment where he oversees the Underwriting, stewardship, growth, and servicing of large, complex organizations across various industries within Cyber and Professional Liability. Mr. Castillo has 19 years of experience within Cyber and E&O. Prior to this role, he served as a Zonal Manager responsible for strategy, growth, and profitability among the Underwriting teams in the New York, Southwest and Pacific Regions. Prior to his insurance career, he was the Owner/Chef of Café Sorrento Restaurant in Closter, NJ.

# Additional Materials



## Brown & Brown White Papers

- Web Tracking Pixels Regulatory Exposures (Two parts – Legal and Technical)
- Biometrics Regulatory Exposures (Parts 1 & 2 – Trends & Litigation)
- AI – What would AI do about it!
- MOVEit and Critical Vulnerabilities – The Tech Supply Chain
- SEC Disclosure Riles – A Closer look
- OT – Securing the heart of Industry
- CISO in the Crosshairs CISO liability in the age of SolarWinds





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**Thank You**

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