Cyber and Agents E&O

Your E&O is on the line

Cyber Insurance

- We now have roughly 70 Markets offering some kind of Cyber Insurance

- This is not a standardized coverage

- Difficult for specialty brokers and underwriters

- Engage an expert with access to multiple products

70+ 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

70+ 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

ProWriters™

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

ProWriters™

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 for

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