

Business Interruption in Cyber Policies

Or, how to scare your reinsurer



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Speakers

Bob Parisi *Marsh, moderator*

Brad Murlick *Navigant*

John Cleary *Vedder Price*

Neeraj Sahni *Willis Towers Watson*

James Schibuk *Arch Insurance Group*

Jeremy Gittler *XL Catlin*



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Alleged Agenda

Business Interruption Issues and Coverage

- I thought Cyber was all about Privacy Breaches?
- Status of market availability for significant cyber/data breach business interruption limits
- Business interruption coverage for cyber/data breach: Cyber vs. Property
What is covered in typical BI wording and what is not
- Difference in exposure for on-line retailers/hospitality vs. heavy industry, energy, infrastructure, etc.
- Statistics on who is buying and how much
- History on BI claims made to date on cyber/data breach trigger

Top Three Causes of Supply Chain Disruption



Unplanned IT & telecommunications outage



Cyber attack & data breach



Adverse weather



Outsourcer service failure drops out of the top 3 for the first time since 2012



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Market for Cyber Business Interruption:

Or why the cyber market is conflicted about what to cover

- “You’ve got Property in my liability form!”
- “You’ve got liability in my Property form!”

Whose market is it anyway?

Property Policy vs. Cyber Policy

- Physical Perils
- Cyber Perils
- Both?



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All risks are the same:

Or, Why reinsurers think every company with a computer is Gulf Coast bungalow

Is there a difference between the dot.coms and the “old economy?”



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So who is buying the Cyber BI/EE coverage?

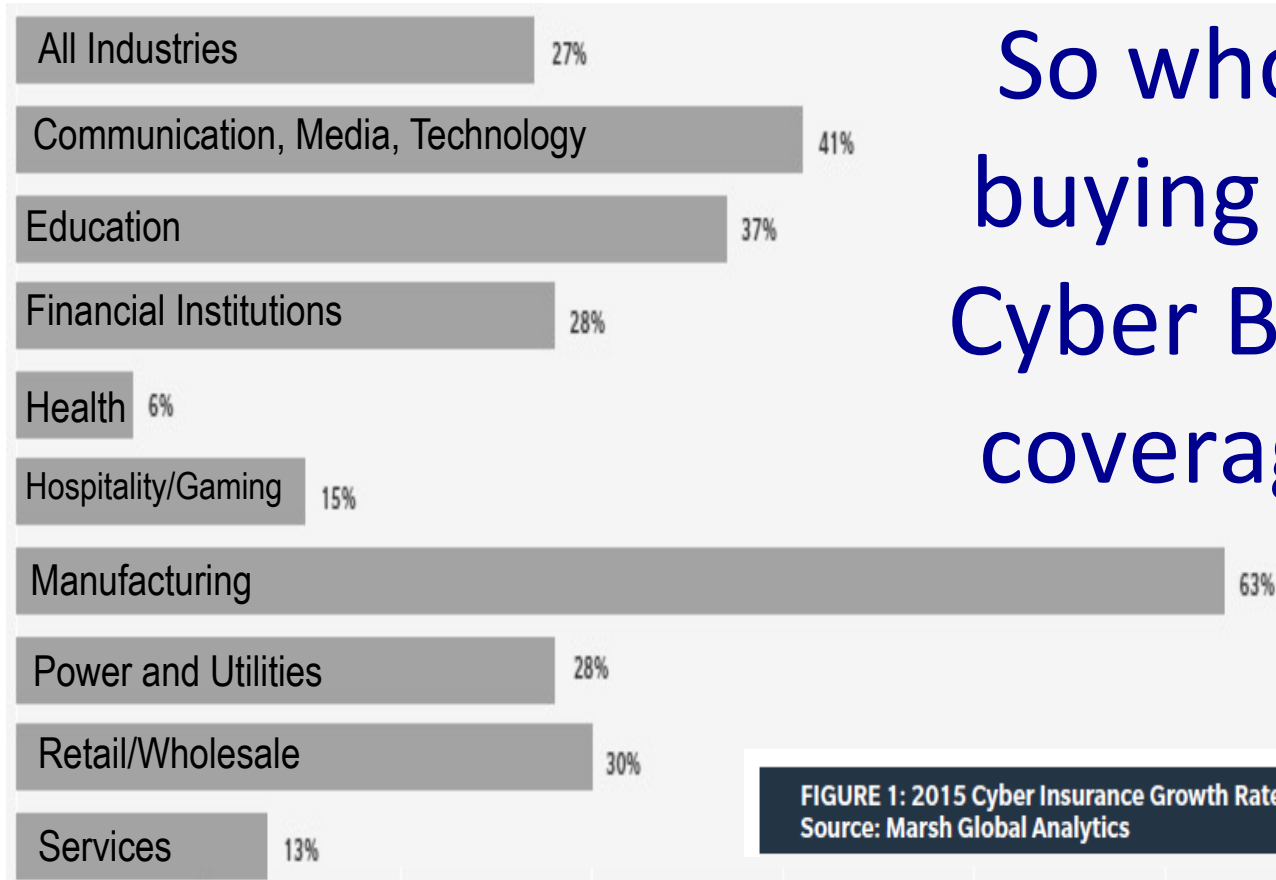


FIGURE 1: 2015 Cyber Insurance Growth Rates by Industry (Marsh Clients)
Source: Marsh Global Analytics

Uh Oh I've had a loss!

- Proof of Loss & Adjusting the Claim
- Coverage Litigation



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