

Insurance Data 2020: What Insurtechs Need to Know to Be Prepared For the Biggest Year in Cybersecurity Compliance

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Background on Speakers

Eric Biderman

- Counsel, Arent Fox LLP
- 12+ years experience advising on insurance regulatory issues
- Advise on cybersecurity and cyber insurance matters
- Insurtech mentor and advisor

Background on Speakers

Ryan Gibney

- SVP and Northeast Cyber Technology Practice Group Leader at Lockton
- Leads a 7 person team focused on the Northeast business.
- Frequent speaker at large industry events
- Participates as a key resource for Lockton globally in communication to our clients on cyber issues.

Current Cybersecurity Regulations

NAIC Model Law/New York

- Applies to Licensees/Covered Entities (New York)
 - An entity that has an insurance license in the applicable state
- Preventative Regulations
 - Regulation about what happens if you get a cyber attack
- Require Policies and Procedures, Action Plans, CISO and Monitoring of Third-Party Vendors

Current Cybersecurity Regulations

NAIC Model Law/New York

- Impacts on Insurance
 - Do Cyber carriers look to whether companies are complying with these regulations when underwriting?
 - Have these regulations increased awareness among insureds to build out policies and procedures?
 - Are you as a broker asking clients if they are compliant with these regulations?

Current Cybersecurity Regulations

General Data Protection Regulation (“GDPR”)

- Applies to the processing of personal data by entities not located in the European Union that process data of persons or entities located in the European Union in connection with: the offering of goods and services to such persons or entities; or the monitoring of personal behavior of such persons or entities
- Establishes that personal data can only be lawfully processed for certain purposes or under certain conditions
- Requires consent from citizens/consumers before processing their data
- Allows consumers/citizens to request that they be “forgotten”
- Hefty fines for violations – at least €10 million



Future Cybersecurity Regulations

California Consumer Protection Act (“CCPA”) (In Effect in 2020)

- Companies that process data for California residents and: (1) Annual revenue exceeds \$25 Million; (2) Annually receives personal information from 50,000 or more individuals, households, or devices; or (3) 50% or more of annual revenue from sale of personal information of California residents
- Individuals have the right to request disclosure related to: (1) Personal information collected; (2) Categories of the sources of the personal information; (3) Purposes for collecting or selling personal information; and (4) Categories of recipients with whom personal information is shared
- Right to be forgotten

Future Cybersecurity Regulations

California Consumer Protection Act (“CCPA”) (In Effect in 2020)

- Limitations on Sale of Data
- Individuals have right to object to sale of data
- Individuals must opt-in to any financial incentive program, re-sale of data and sale of data related to minors
- Disclosure of who, what when, where and why of data when data is being collected
- Fines of between \$2,500 and \$7,500 and private right of action (only after 30-day cure period)

Future Cybersecurity Regulations

Insurance Coverage Issues Raised by CCPA (and GDPR)

- Are there products that can cover some of the costs related to these new regulations?
- Is compliance something underwriters are considering?
- Is compliance viewed as an incentive?
- What businesses are most at risk?

Cyber Insurance

Understanding Cyber Insurance

- What are the most popular coverages?
- What is covered on the low end and high end?
- What is the best option for a startup/insurtech?
- How is the market behaving?

Cybersecurity/Cyber Insurance

Best Practices

- What should entities be doing to comply with NAIC/New York Type Regulations?
- What should entities be doing to comply with CCPA/GDPR?
- What are the 3 things businesses need to consider in order to buy the right cyber coverage
- What is coming down the pike in terms of cyber coverage?



Questions?

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