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March 30 - April 1

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Cyber Insurance- Where Are
We? What Lies Ahead?

March 30-April 1, 2016

Cyber Insurance Market Overview



- Coverage first offered in the late 1990's
- Industry Gross Written Premium of approximately \$2.5B annually
- Approximately 50 insurers offer some form of cyber insurance
- Rate environment is mixed depending upon the industry
- Average cost per breach of \$3.79M in 2014



What does Cyber Insurance Cover?

- ◆ 3rd party liability resulting from a privacy violation or a network breach
- ◆ 1st party costs for responding to a privacy violation or a network breach including:
 - Legal Counsel
 - Computer Forensics
 - Notification to affected individuals
 - Credit Monitoring for affected individuals
- ◆ Coverage can also include lost income from a business interruption caused by a network breach



How do Insurers underwrite Cyber Insurance?

- ◆ Size of organization and Industry
- ◆ Amount and types of confidential information
- ◆ Review of internal network controls as provided in the application with specific focus on:
 - Perimeter protections
 - Incident Response
 - Patch Management
 - Encryption
 - History of Prior Incidents



What information do REITS have that are exposed Cyber Perils?

- ◆ Personally Identifiable Information from tenants and employees (e.g. SSN)
- ◆ Payment Card Information
- ◆ Protected Health Information
- ◆ Confidential Corporate Information

How Can REITS protect themselves?



- ◆ Employee training and awareness
- ◆ Evaluate internal controls to determine if they are appropriate for the amount and types of information your organization has in its possession
- ◆ Buy Insurance

Questions?

