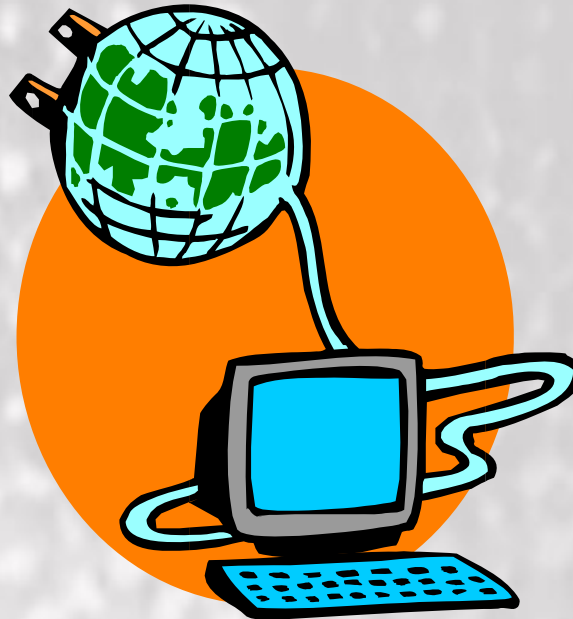


Learning To Transfer Your Unwanted Internet & Technology (Network) Risks and Exposures



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Technology Insurance Coverage

- Coverage for Technology is very specific.
- There is a great deal of misunderstanding to the extent of coverage provided by typical policies.
- Specifically designed to provide coverage not presently found in other policy form.



Does My Traditional Business Insurance Cover Technology Risks and Exposures?

- Traditional business insurance policies are silent on technology coverage (or have started to exclude these exposures).
- You must have a physical loss to trigger a claim.
- Traditional business insurance never intended to cover Technology risks... so it does not!



Why Do You Need Technology Insurance?

- **To transfer the unwanted risks and exposures created by Technology that are excluded by traditional business insurance**
 - **Loss of revenue**
 - **Breach of security (database)**
 - **Virus**
 - **Theft of credit information**
 - **Loss of intellectual property**
 - **Identity theft**



Who Really Needs Technology Insurance?



- **Business that are in the technology business**
 - Software developers, web designers, systems integrators, ASP, ISP, computer programmers, etc.
- **Businesses that use technology**
 - Bricks & mortar businesses that use technology in their business, vpn, e-mail, etc.
 - A bricks-to-clicks business that has opened their networks to do B2B, B2C, B2G business
- **All businesses using the internet**



Technology Insurance Perils

- **Virus**
- **Insider abuse of Internet access**
- **Unauthorized access by unauthorized person**
- **Breach in security, hacking**
- **Theft of proprietary information**
- **Denial of service or access attacks**
- **Sabotage of data or networks**
- **Financial fraud**
- **Identity theft**



Computer Vulnerabilities



- Easily guessed passwords
- Not keeping secrets
- Untrained personnel with lack of security awareness
- Misadministration of systems
- Running trusted services over not trusted networks
- Trusting protocols that don't authenticate
- Trusting things (data, file, code) you get from others
- Out of date software
- Stupid vendor tricks



The 2006 CSI/FBI Computer Crime & Security Reports



Total Losses for 2006
\$62,464,290 313 respondents

\$10,617,000



\$2,556,900

Financial Fraud

\$1,849,810

Insider Net Abuse

\$6,034,000

Theft of Proprietary Information

\$2,922,010

Denial of Service Attacks

\$15,691,460

Virus

\$6,642,660

Laptop or Mobile Theft

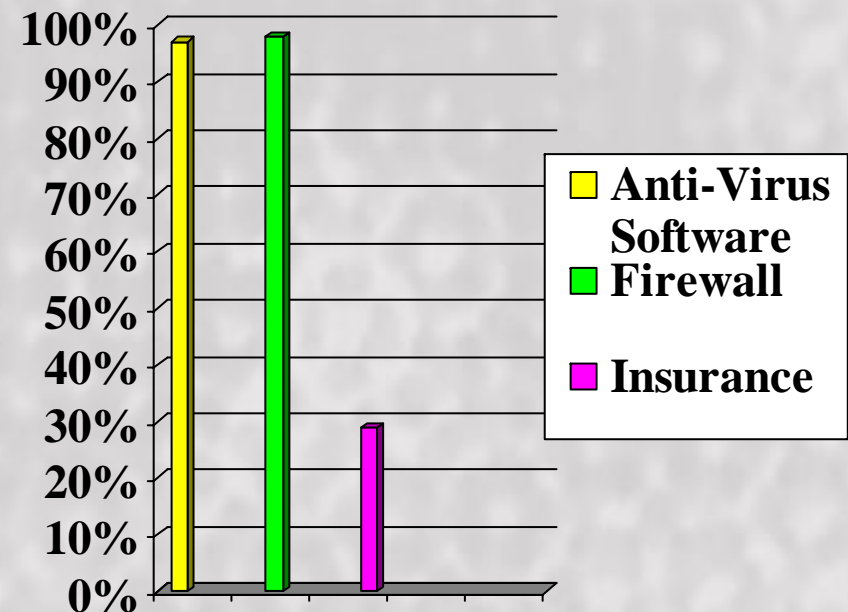




Security is Not Enough!

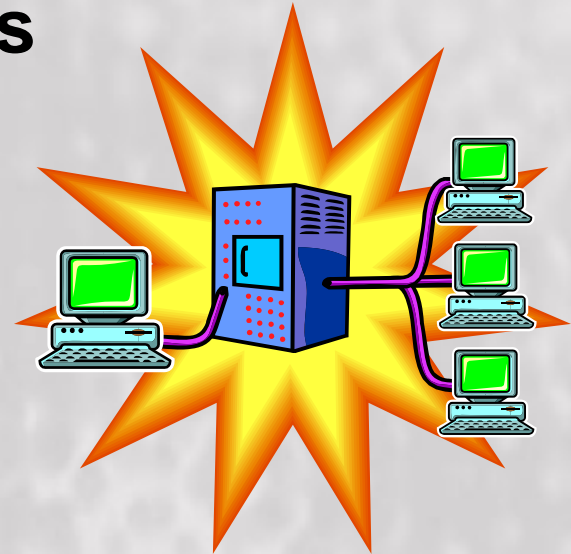
according to CSI/FBI 2006 survey

- 97% use anti-virus software
- 98% of respondents have firewalls in place
- 29% purchased technology specific insurance



Benefits of Technology Insurance

- Protection against financial loss
- Your peace of mind
- Your customers' piece of mind
- To ease your customers fear of doing business with you and over the internet



Assets That Need Protection

- **Personal information (financial)**
- **Customer databases**
- **Customer credit information**
- **Company files and records (bank account)**
- **Intellectual property, patents & trade secrets**
- **Inventory cds, books, cloths, golf equipment, etc.)**



If You Only Learn One Thing About The Internet Today, Learn This...



A hacker to your network is the same as a robber in the physical world.



Third Party Coverage

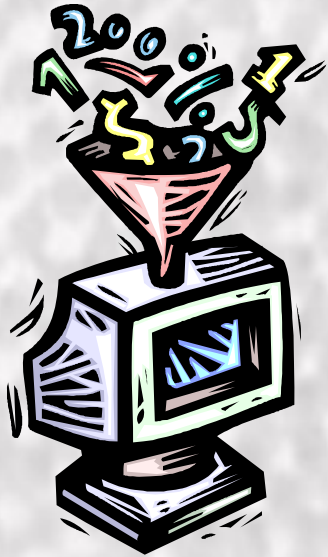
- Defamation
- Infringement of right to privacy, breach of confidence (unauthorized collection or misuse, loss of data)
- Infringement of intellectual property rights
- Transmission of virus
- Denial of service
- Credit card injury
- Loss caused by breach of security



First Party Coverage

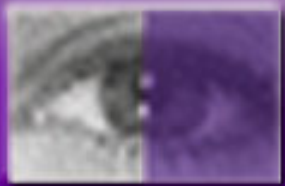
- Business interruption (breach of security, virus, denial of service)
- Property damage to electronic code
- Damage or loss to electronic data
- Enforcement of intellectual property rights
- Special benefits (investigation expenses, restoration costs, marketing, and public relations expense)
- Extortion
- Fraud



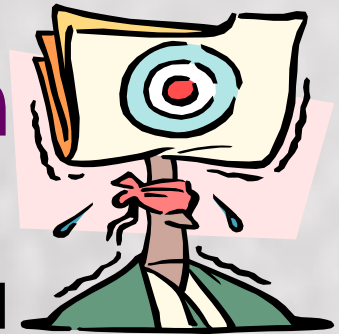


Database Coverage

- Crisis Management Response
 - Stolen Identity Liability
 - Administrative Expenses
- Providing Service to Customers



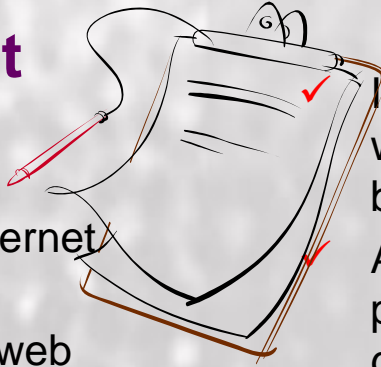
Identity Theft Prevention



- Educate Members as to what identity theft is and how to avoid it.
- Help Members minimize the risk in order to prevent an identity theft incident.
- Identity theft recovery education.
- Identity theft recovery specialist option is available.
- Insurance provides financial assistance to members who are victims.



Risk Management Checklist



- ✓ Does your company use the internet for e-mail?
 - ✓ Does your company operate a web site?
 - ✓ Has it been more than one week since you updated your virus protection software?
 - ✓ Is your corporate-wide security process implemented & communicated to newly hired and recently “unhired” employees?
 - ✓ Are you relying on your hosting company to provide your web site security?
 - ✓ Has your company’s web site ever been hacked?
- If your company’s web site is hacked, will it take you more than 6 hours to be back in business?
- Are you relying on traditional insurance products for coverage if your web site gets hacked by an external or internal hacker? If yes, by who...?
- ✓ Will your customers be the first ones to inform you that your web site has been hacked?
 - ✓ Would your customers be reluctant to use your web site if they knew your web site security had been breached?
 - ✓ Would more than a 24 hour down time of your web site impact your bottom line?
 - ✓ Does your company accept credit cards and store them in its database?

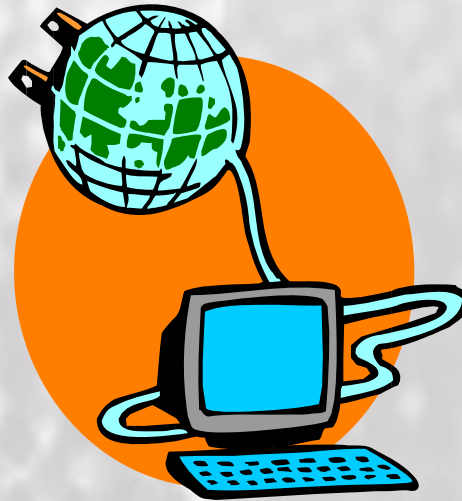


Three Truths of Insurance



1. Most companies hate paying insurance premiums until they have a claim.
2. Purchasing insurance is not a high priority until you need it.
3. If your company doesn't purchase insurance, then you have made the decision to assume all the risk, by self insuring.





Call Us Today...

to learn more about transferring your unwanted
Internet & Technology (Network)
risks and exposures.

