

Welcome to Advisen's Cyber Risk Insights Conference



Network: JuliaMorgan
Password: Jmb465465

Welcoming Remarks



Stacie Lilien

Event Content &
Programming Manager
Advisen

Thank you to our Advisory Board

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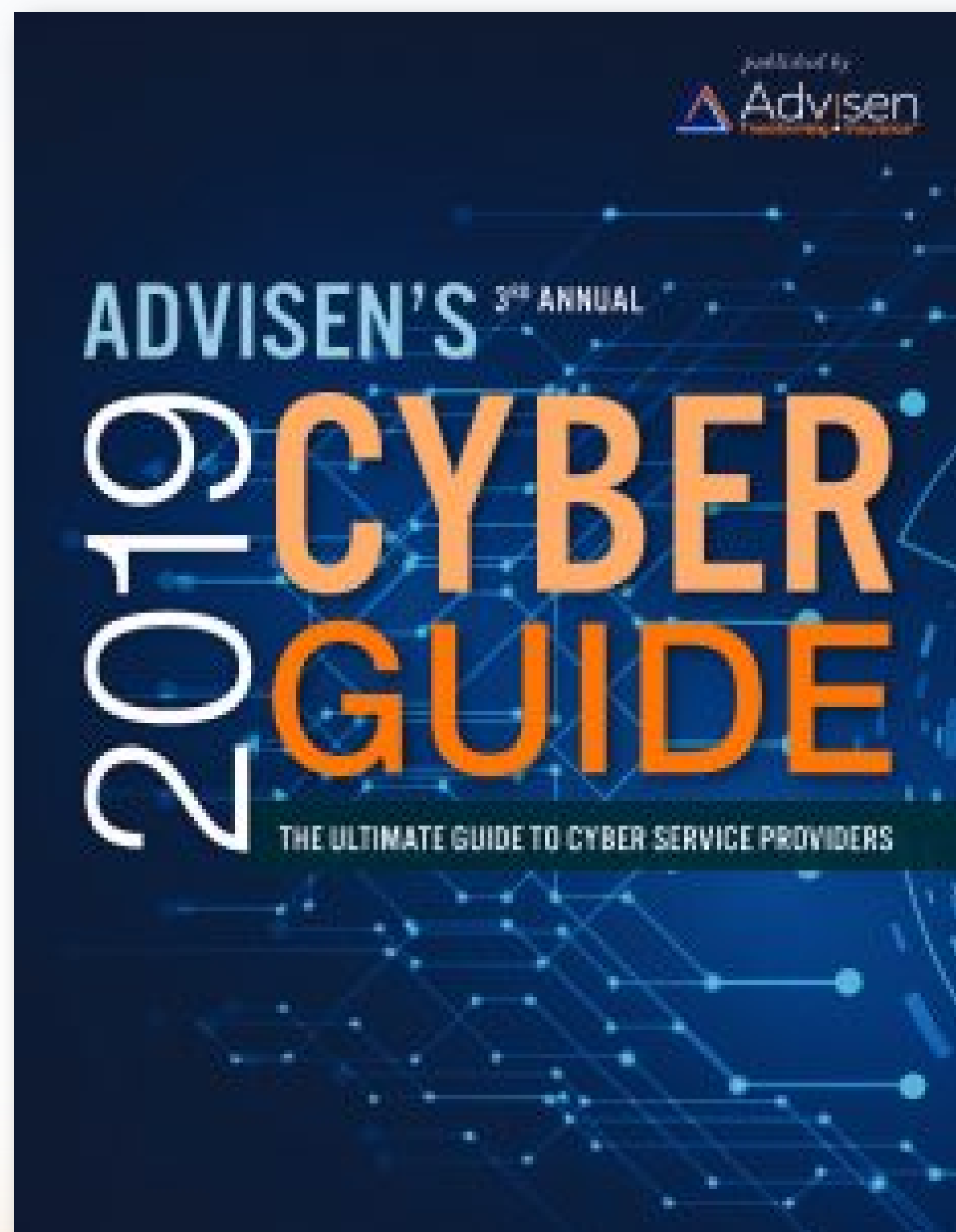
Catherine Rudow, VP- Cyber Insurance, Nationwide E&S

John Soughan, Principal, Cyber Specialty, LLC

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Coming March!



Now featuring:

- *More about a company's cyber business*
- *More providers – 160+!*
- *Easier navigation*
- *New articles by Advisen's Editors*

2019 Advisen Cyber Guide

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- SpearTip
- Morris Risk Management



Public or private: Public	Number of clients: Tens of thousands
Annual revenue: >\$1B	Client industry focus: N/A
Number of employees: >1000	Revenue range: N/A
CEO: Craig Boundy	Geographic reach: Global
Year founded: Roots dating back to the early 19th century. Experian name was officially formed in 1996.	

About Experian:

Experian Data Breach Resolution, powered by the nation's leading data breach resolution experts, helps businesses prepare for a data breach and mitigate consequences. The group offers call center support and fraud resolution services while also providing credit and identity theft protection products. Experian Data Breach Resolution is a founding member of the Medical Identity Fraud Alliance.



Michael Bruemmer,
Vice President,
Consumer Protection

- How many network security cases?
- How many records were involved?

475 Anton Blvd • Costa Mesa, CA 92626
949-294-8886
Michael Bruemmer

Marsh

Public or private: Public	Number of clients: N/A
Annual revenue: >\$1B	Client industry focus: All industries
Number of employees: >1000	Revenue range: N/A
CEO: John Q. Doyle	Geographic reach: Global
Year founded: 1871	

About Marsh:



From the creation of the first cyber policy forms to leading the marketplace in the development of privacy and business interruption coverages, Marsh's Cyber Practice offers unparalleled resources in cyber advisory and risk transfer solutions. With industry know-how spanning decades, Marsh's Cyber Practice helps clients assess, manage, and respond to cyber threats and events. Marsh provides advisory services across diverse areas of cyber risk ranging from financial modeling to coverage analysis to threat intelligence. Marsh helps clients assess their cyber risks and build the right insurance program to meet their unique needs. Marsh continues to lead the market with such innovations as Cyber Risk Assessment: a self-assessment tool mapped to the NIST Framework that provides feedback on a client's relative cyber risk maturity as well as providing a platform for the client to seek insurance coverage for cyber risk; Cyber CAT2.0: a bespoke policy wording embracing the premise that all of an entity's technology risks should be covered; Cyber ECHO: a proprietary excess facility with unique reinstatement options; Cyber IDEAL: designed to identify damages, evaluate, and assess limits for data breaches and technology outages, and Marsh's Cyber Risk Toolkit that enables a client to identify and quantify its cyber risk through a combination of financial and threat modeling tools. Marsh's Cyber Risk Practice is a global team of more than 50 cyber and risk management colleagues possessing an unbeatable combination of hands-on practical know-how and expertise with backgrounds in underwriting, claims, legal, technology, and government.



Tom Reagan,
Cyber Practice Leader

- As of September 30, 2017, approximately how much cyber premium does your brokerage handle? **N/A**
- How many dedicated cyber insurance brokers does your company have handling client cyber risk on a day-to-day basis? **50+**
- How many standalone cyber claims did your firm's clients file in the last 12 months? **N/A**
- Who are your top 5 cyber insurance trading partners? **N/A**
- How many insurance carriers does your company partner with? **N/A**
- Does your company integrate third-party data with your solutions? **Yes**

1166 Avenue of the Americas • New York, NY 10036
212-345-9452
Tom Reagan



**Cyber Risk
Awards**

JUNE 19, 2019 · NEW YORK, NY

Submit your nominations today!

<https://www.advisenltd.com/media/conferences/2019-cyber-risk-awards/>

THE 2019 AWARD CATEGORIES:

CYBER RISK INDUSTRY PERSON OF THE YEAR- USA

CYBER RISK INDUSTRY PERSON OF THE YEAR- LONDON

CYBER RISK INDUSTRY PERSON OF THE YEAR- INTERNATIONAL

CYBER RISK EVENT RESPONSE TEAM OF THE YEAR

CYBER RISK PRE-BREACH TEAM OF THE YEAR

CYBER RISK INNOVATION OF THE YEAR

CYBER RISK MODEL OF THE YEAR - **NEW!**

CYBER SERVICE VENDOR OF THE YEAR

CYBER NEWCOMER OF THE YEAR

CYBER LAW FIRM OF THE YEAR

CYBER REINSURER OF THE YEAR

CYBER RISK BROKING TEAM OF THE YEAR

CYBER RISK PRIMARY INSURER OF THE YEAR - **NEW!**

CYBER RISK EXCESS INSURER OF THE YEAR - **NEW!**

Nominations close Friday, February 22 at 11:45pm ET.

**LAST CHANCE TO
SUBMIT
YOUR
NOMINATION!**

Opening Remarks



Christiaan Durdaller

Director

Executive Vice President

INSUREtrust

[2019 Conference Chair]

Blockchain for Cyber Risk and Insurance Professionals: Why the Buzz?

Blockchain for Cyber Risk & Insurance Professionals



Cristina Dolan

Founder & CEO
InsideChains

Tokens, Coins, and Cryptocurrencies

Tokens, Coins, and Cryptocurrencies



David Bradford
Founder & EVP for Strategy
and Strategic Partnerships
Advisen
[Moderator]



Joe DiPasquale
CEO
BitBull Capital



Casey O'Neill
Of Counsel
White Collar Crime &
Regulatory Defense Group
Fenwick & West LLP

New Distributed Ledger Technologies: Are We Already in the Post-Blockchain Era?

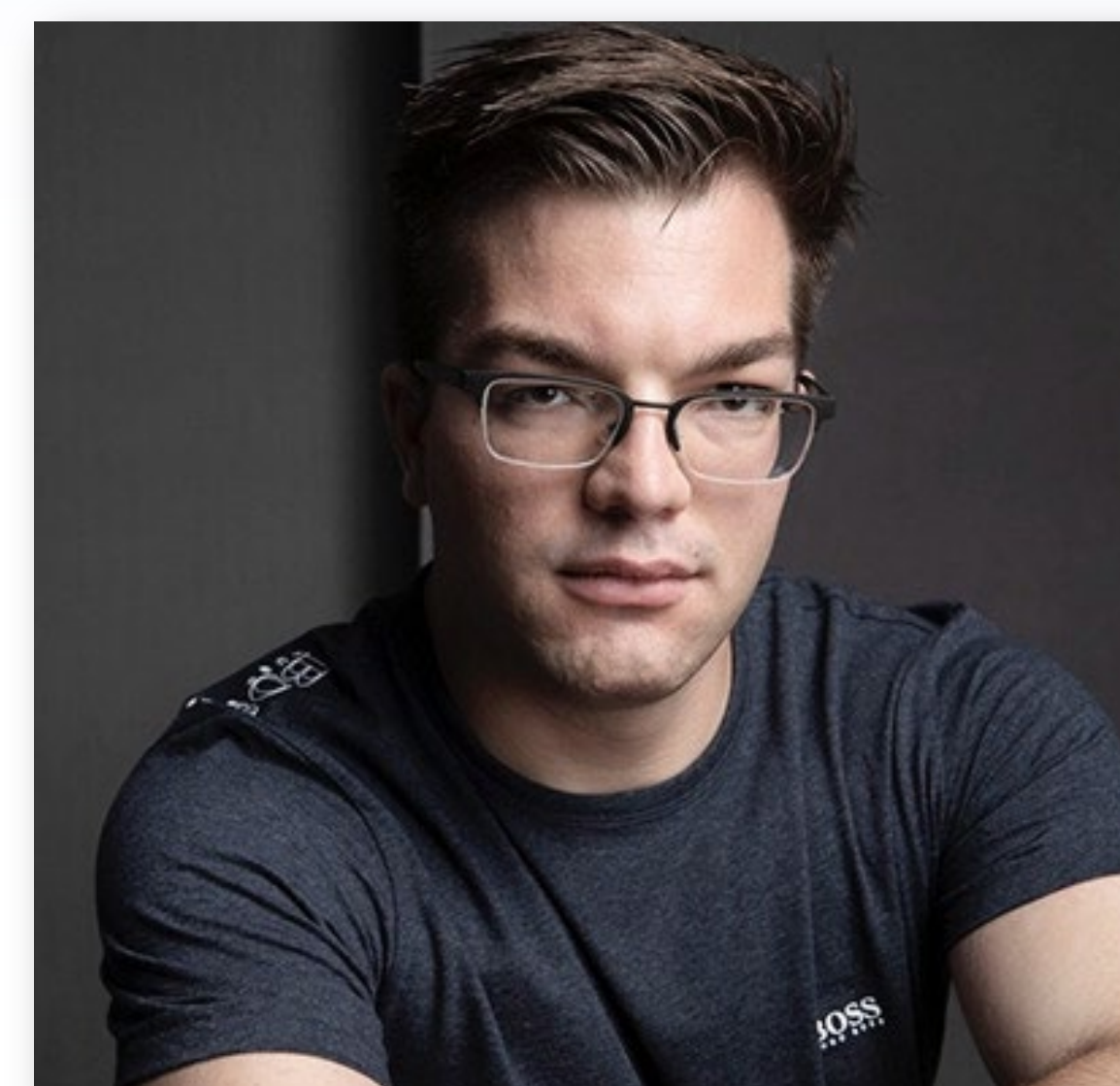
New Distributed Ledger Technologies



Michael Connor
CEO & Co-Founder
Silicon Valley
Insurance Accelerator
[Moderator]



Matt Ahrens
Head of Security
Coalition



Jonathan Manzi
CEO & Co-Founder
Beyond

New Distributed Ledger Technologies: Are We Already in the Post-Blockchain Era?

Moderator
Mike Connor, Co-Founder, CEO, SVIA

Panelists
Matt Ahrens, Head of Security, Coalition
Jonathan Manzi, CEO and Co-Founder, Beyond

Agenda / Topics

- 
- **Introductions**
 - **Distributed Ledger Technology**
 - **Current State of Blockchain**
 - **Blockchain Strengths & Weaknesses | Security & Risk Management**
 - **Impact / Advantages of Next Gen Distributed Ledger Technologies**

Introductions



Mike Connor
Co-Founder, CEO



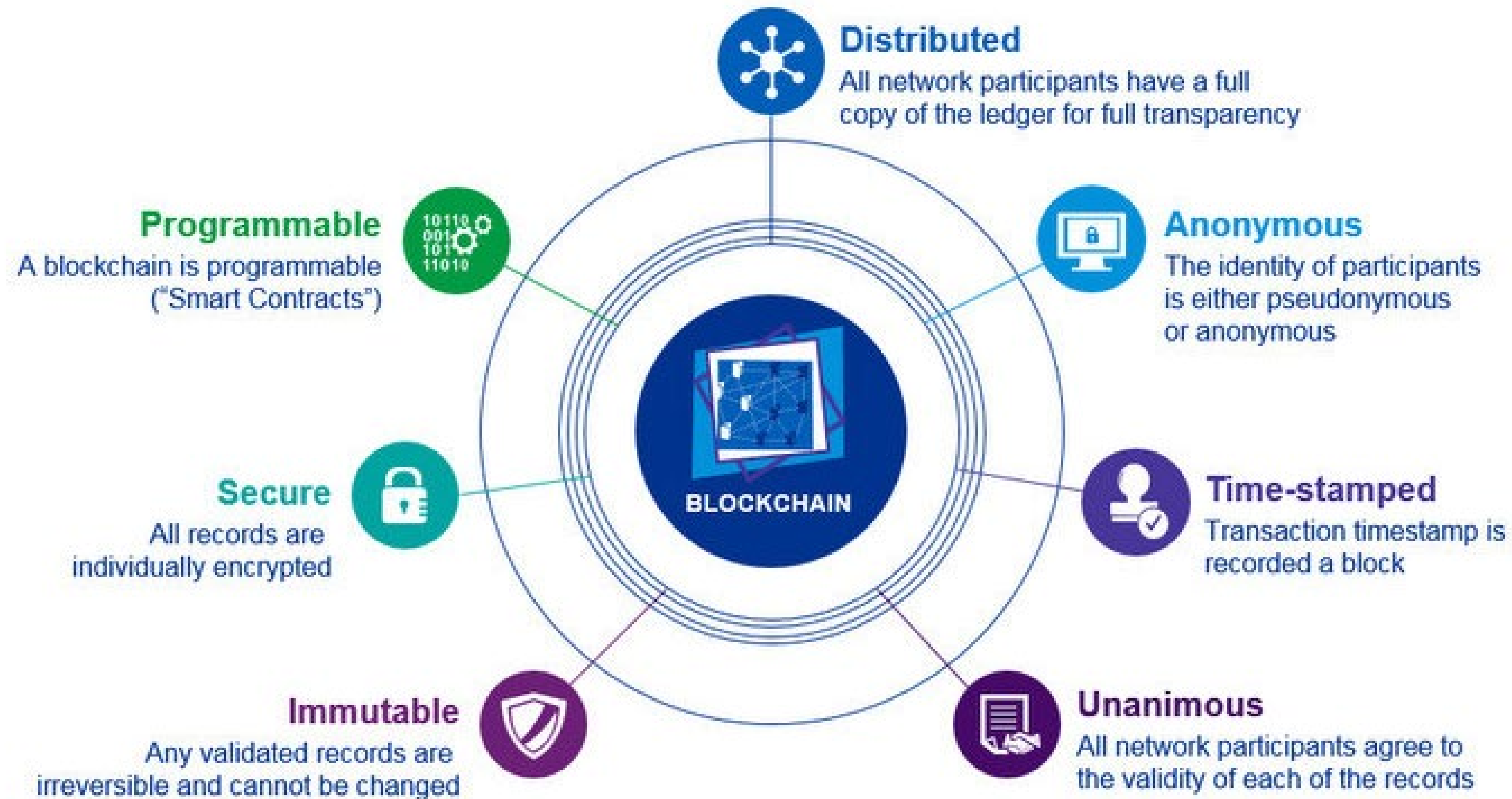
Matt Ahrens
Head of Security



Jonathan Manzi
CEO and Co-Founder



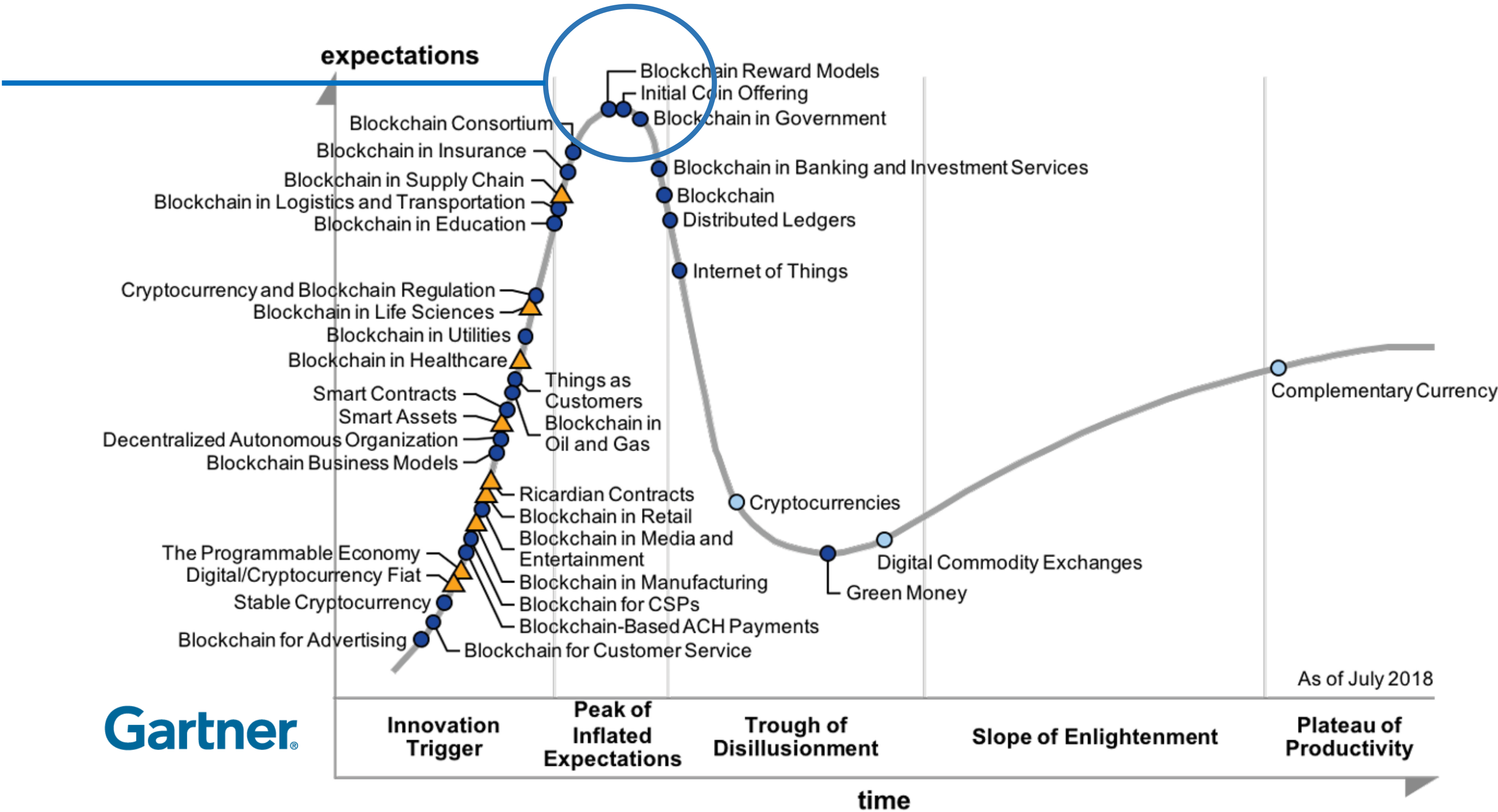
Distributed Ledger Technology



Current State of Blockchain Adoption - Insurance

Still sorting hype from practical / ROI producing applications

Blockchain in Insurance



State of Adoption: Insurance

Early Stage Exploration with a few operational implementations



MAERSK



Challenges To Growth

- Transaction Speed at Scale
- Interoperability
- Complexity / Compute Power / Energy
- Access to / Sharing of Data
- Collaboration Required
- Regulation vs New Business Models / Data Handling / Auditing



Blockchain / DLT

Strengths & Weaknesses

Security & Risk Management

Strengths

- Cryptography
- Sequential Blocks
- Decentralized
- Multi Party Agreement
- Identity/Federation

Weaknesses

- Endpoints
- People
- Vendors
- Registration
- Infrastructure
- Complexity



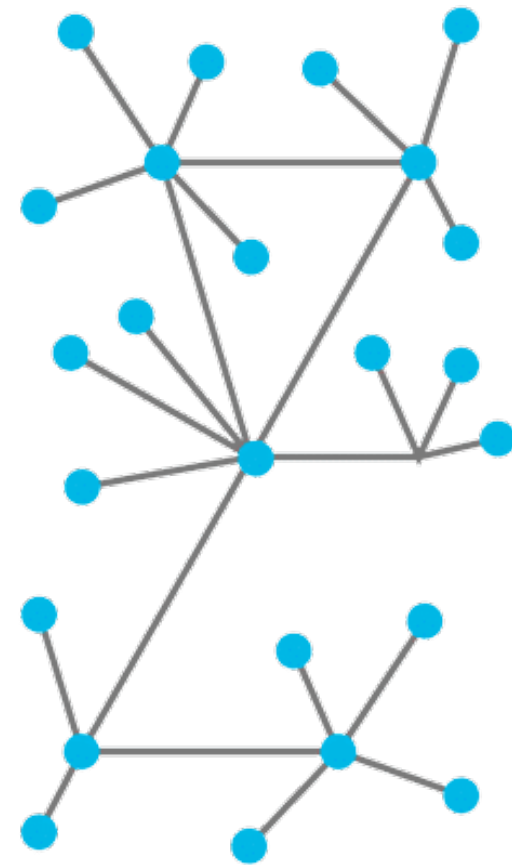
Next Gen Distributed Ledger Technologies

Impact & Advantages

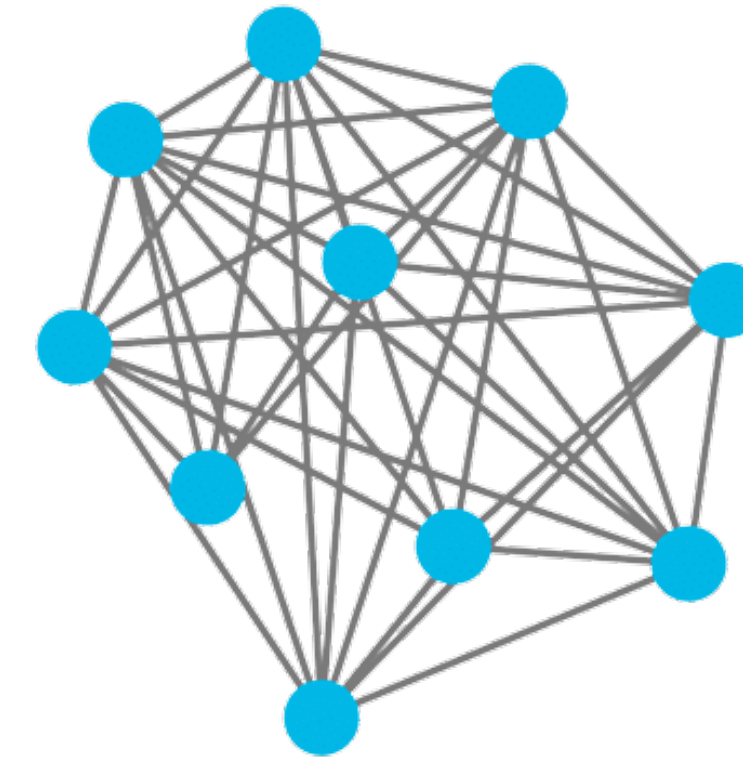
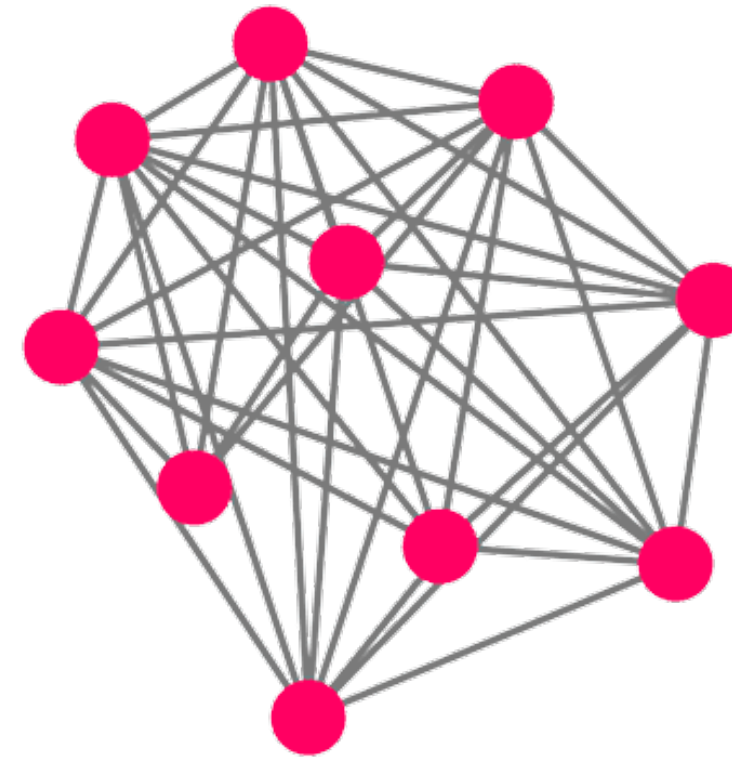
Centralized



Decentralized



Distributed Ledgers



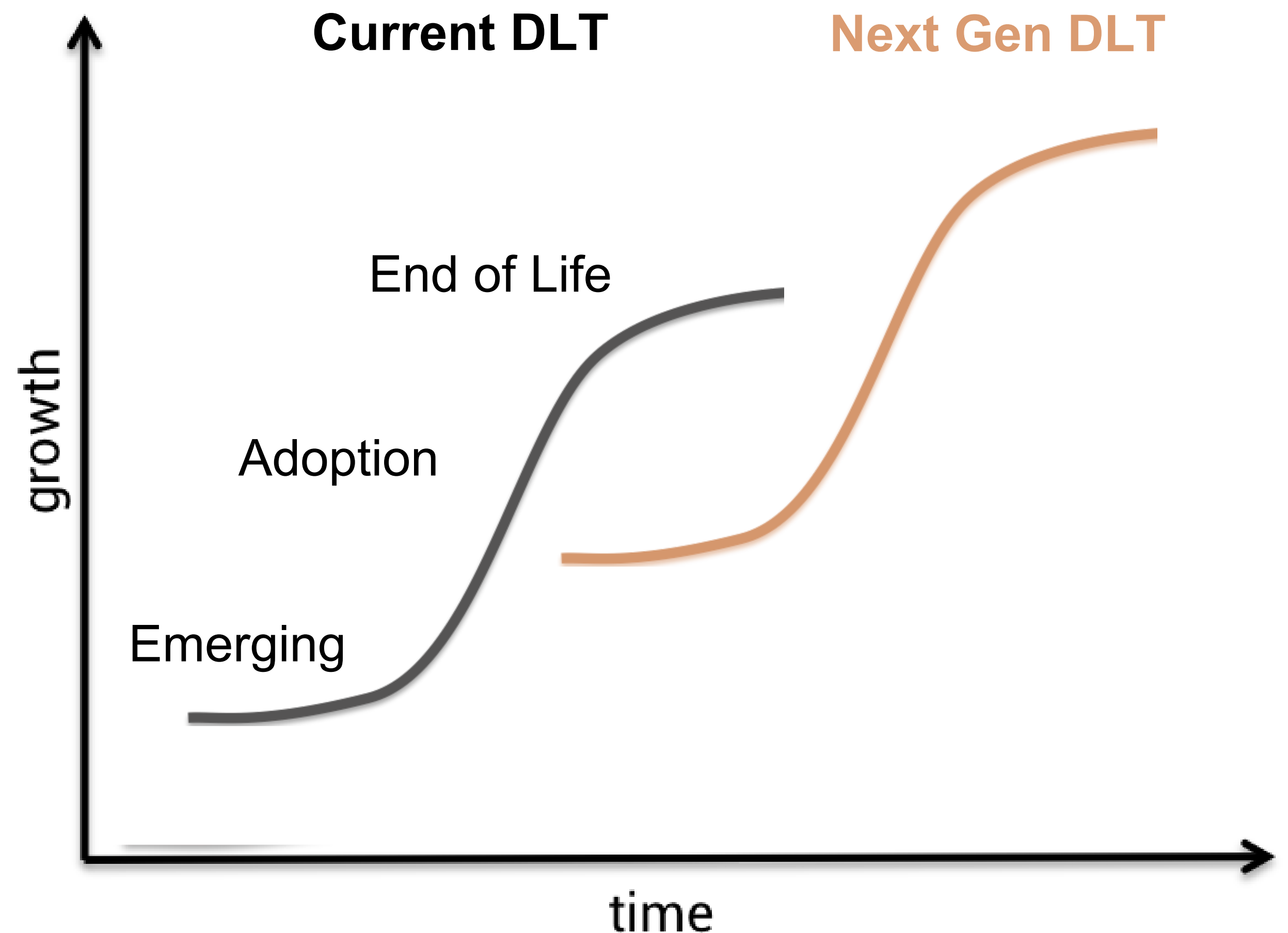
- . Current DLT Limitations
- . Next Gen DLTs Vision / Goals
- . Next Gen DLT Examples
- . Adoption, Deployment, Management and Security Advantages

New Distributed Ledger Technologies:

Are We Already in the Post-Blockchain Era?

Panel Questions

- . Where is current Blockchain & DLT in terms of adoption?
- . Where capabilities in Next Gen DLT will accelerate its adoption?
- . What use cases will accelerate the adoption of Next Gen DLT over existing DLTs
- . When will that inflection point occur?



New Distributed Ledger Technologies: Are We Already in the Post-Blockchain Era?

THANK YOU!

Moderator
Mike Connor, Co-Founder, CEO, SVIA

Panelists
Matt Ahrens, Head of Security, Coalition
Jonathan Manzi, CEO and Co-Founder, Beyond

Afternoon Break

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Blockchain and Cybersecurity: Are Unhackable Systems Feasible with Blockchain?

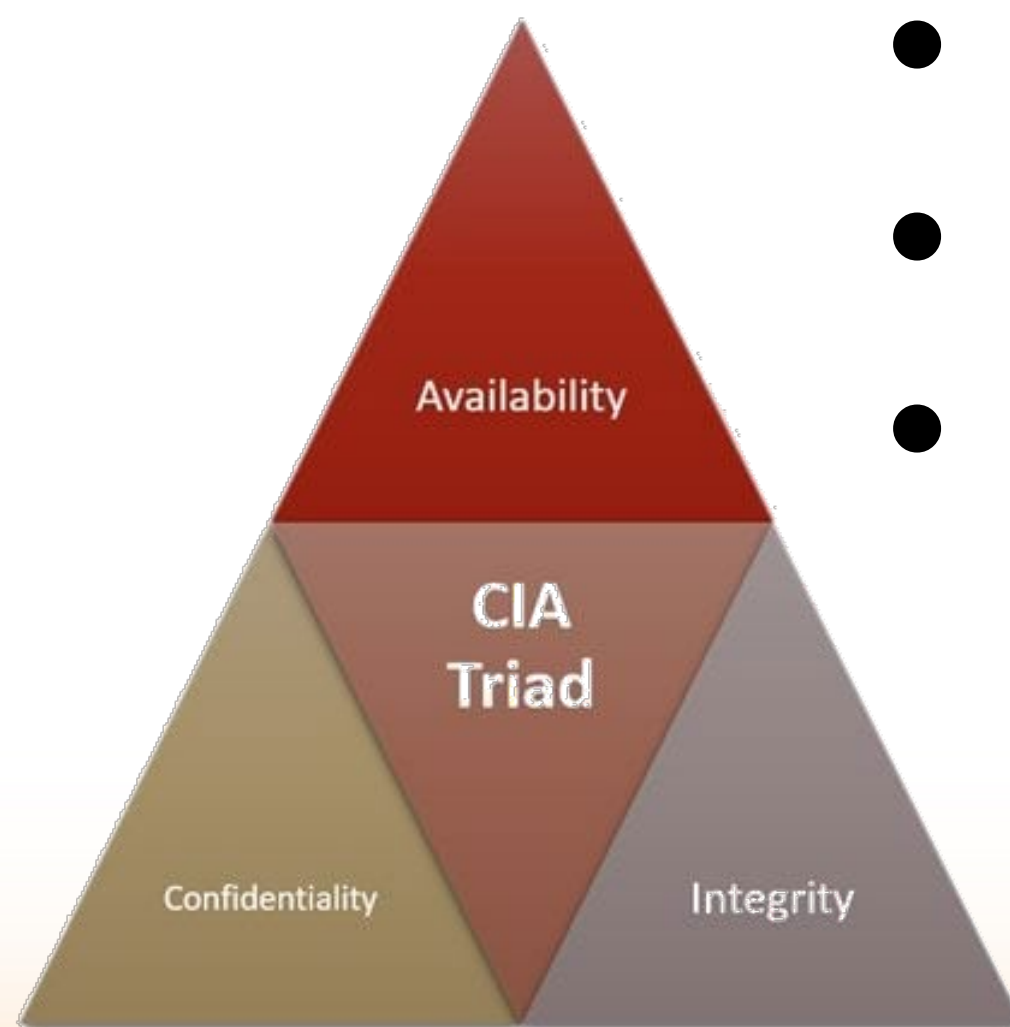
Blockchain 101

- **Distributed Ledger**
keeps records of all data exchanges
- **Transactions get verified**
utilizing distributed system
- **Can not be altered**
verified & signed transactions get added to the blockchain



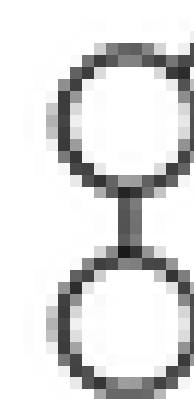
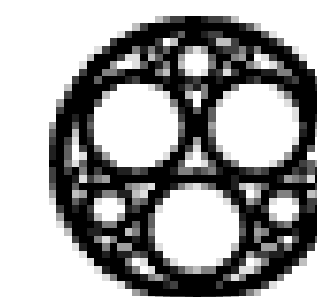
Blockchain in Cybersecurity

- Governance
- Supply Chain Auditing
- File Storage
- Identity Management
- Data Management
- Internet of Things (IoT)
- Neighborhood Microgrids
- Public Key Infrastructure



Cool Blockchain Applications

- Chain of Custody Records
 - Food chain tracker (e.g. Walmart & Nestle)
- Smart Contracts
 - Blockchain-based business filing in Delaware
- Distributed Sharing of Underutilized Resources
 - Storage (e.g. Sia, Storj, Filecoin & etc.)
 - Computing Resources (e.g. Golem, iExec, Sonm & etc)



ALTR Worldview: A New Corporate Mindset and Software to Implement This Change is **REQUIRED**

- Companies need to start **TREATING DATA LIKE MONEY**
- **Question:** How many people in your company have access to corporate CASH?
- Now, how many have access to your data?





We restore digital trust by transforming the way valuable data is monitored, accessed, and stored.

Formed in 2014, exited stealth in June 2018 with \$15M Series A announcement

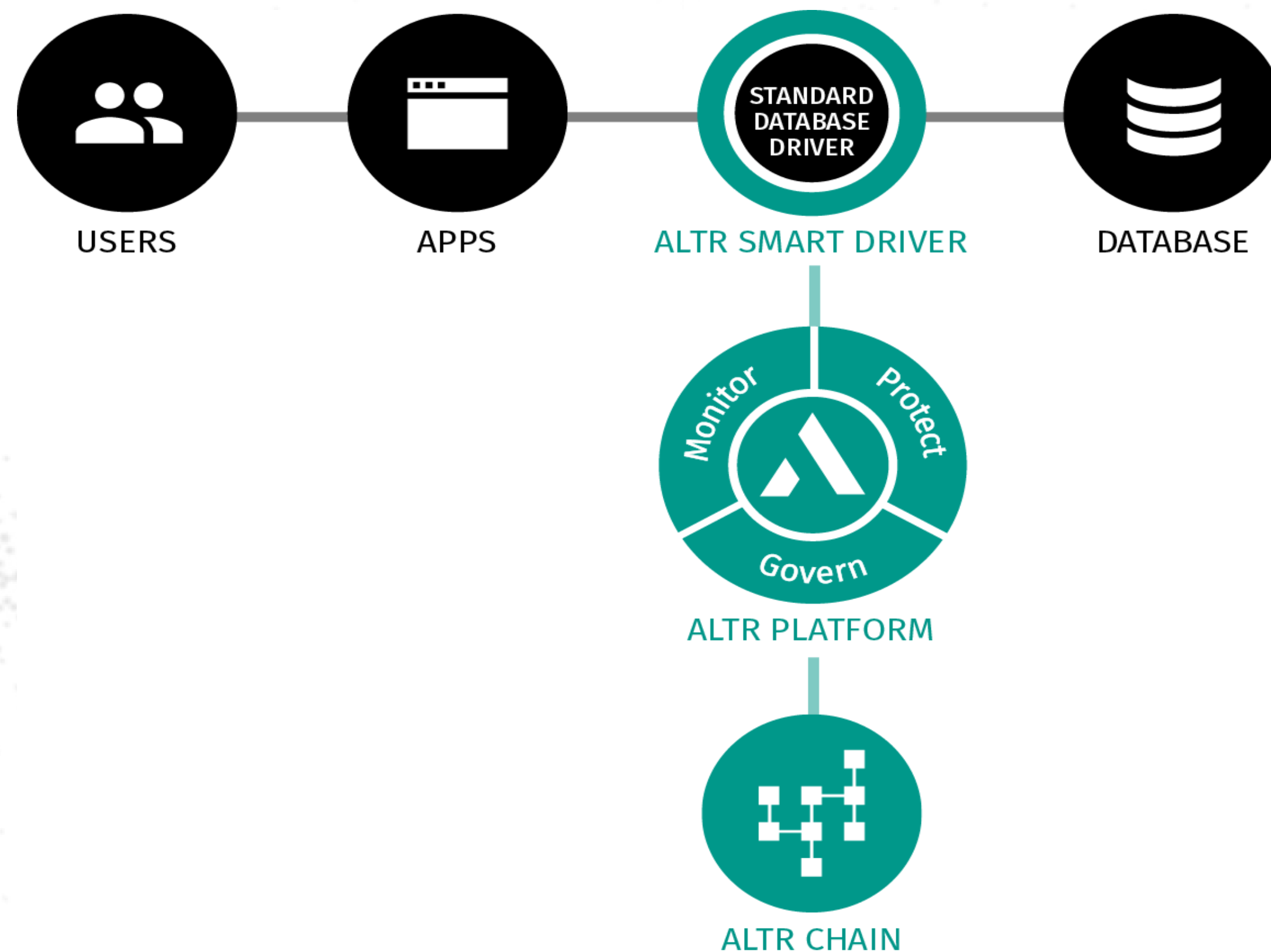
Experts in blockchain and low latency software systems, with a core team formerly of the financial/trading industry

17 domestic and international patents issued, over 40 filed

Headquartered in Austin, TX. Entire team based in the U.S.



BLOCKCHAIN TECHNOLOGY APPLIED



Shared Executive Visibility

A **comprehensive, immutable view** of who is accessing data, when and how often

Real-Time Control

A **data valve** that governs who can access what data, when, from where, and how much. All policy changes and events are logged immutably.

Protection At Rest

A **keyless vault** that renders data useless for bad actors but fully operational for the business

Blockchain and Liability

BLOCKCHAIN AND LIABILITY

Kristina Kronenberger, AVP, CRC Insurance Services, Inc. [Moderator]

Daniel J. Healy, Partner, Anderson Kill

Roman Itskovich, Founder & CRO, At-Bay

Blockchain and Liability



Kristina Kronenberger
AVP
CRC Insurance Services Inc.
[Moderator]



Daniel J. Healy
Partner
Anderson Kill



Roman Itskovich
Founder & CRO
At-Bay

Blockchain Uses

- 1. Banking**
- 2. Smart Contracts**
- 3. Connected Car**
- 4. Healthcare**
- 5. Internet of Things**

- 6. Identity**
- 7. Marriage Certificates**
- 8. Insurance**
- 9. Wills**
- 10. Food Safety**

<https://igniteoutsourcing.com/blockchain/blockchain-business-applications/>

Blockchain Basics

Distributed

Nodes vs. client-server

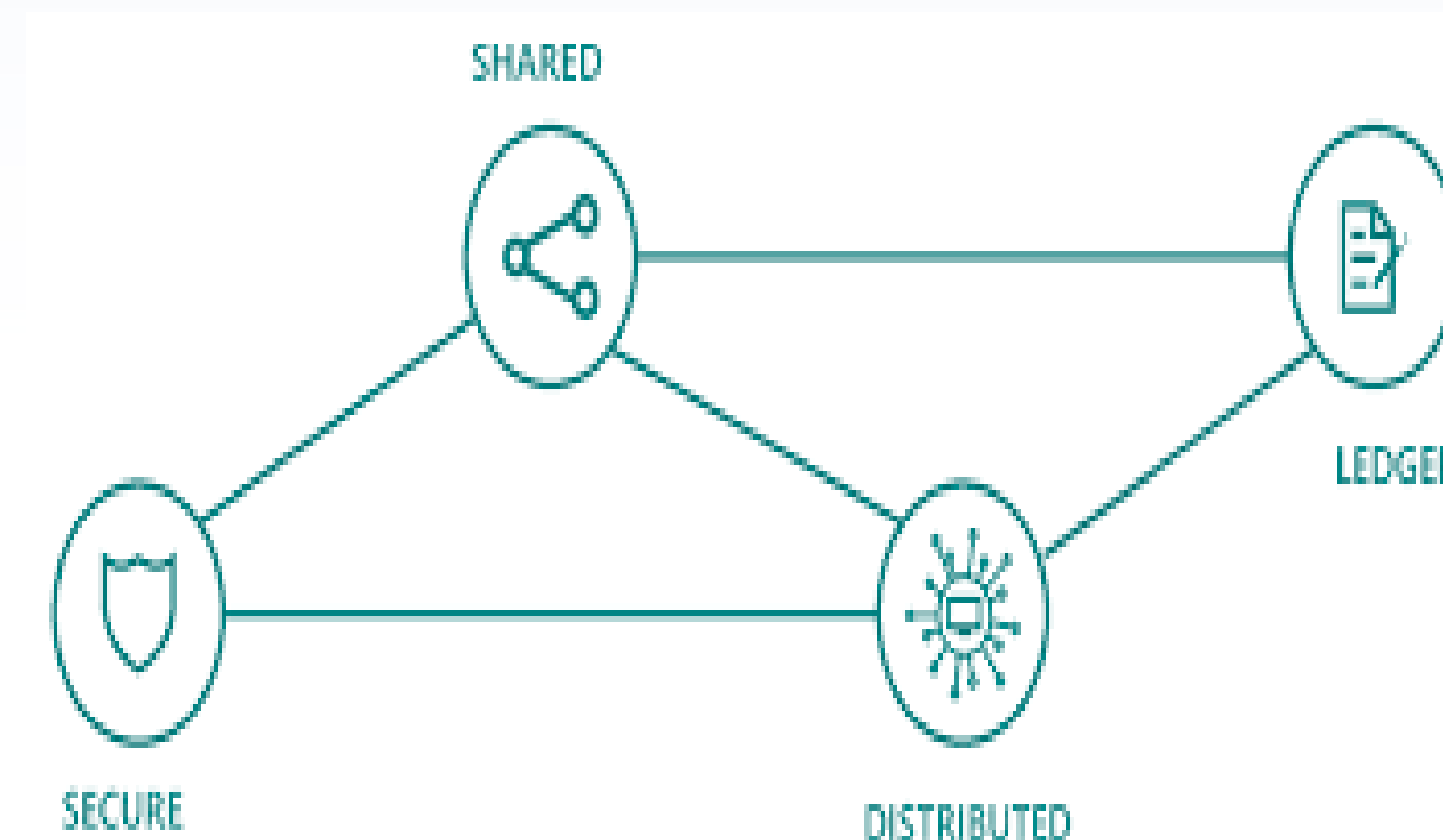
No central point of failure

The same ledger is everywhere

Decentralized

“Peer-to-peer”

Transactions don't require an intermediary



Blockchain Basics

Tamper-resistant or “immutable” or running history

Cryptographically secured

No super-user, no root, no single party control

- No administrator
- Once block added it can't be removed without detection
- Unless the chain is “forked”

Private vs. Public

BUT ... in practice, centralization doesn't disappear:

- Exchanges
- Banks
- Developers
- Miners
- Nodes



Blockchain v. Cryptocurrency

- why the distinction matters when placing:
 - a management policy
 - professional liability policy

What is cryptocurrency?

- Crypto-currency has been held to be a commodity
CFTC v. McDonnell, 287 F. Supp. 3d 213 (E.D.N.Y 2018)
- Crypto-currency also can be exchanged for goods and services
- Utility Coins v. Equity Tokens:
 - When is a token a security?
 - How do we know?
- Only a few are actually designed to be “cash”:
Monero, Dash, Zcash, Bitcoin Cash
- Most are designed to be other “assets”:
ETH – ETH network and ERC20 tokens

Where is the liability?

- A. Theft and/or “social engineering”
- B. Forking
- C. Valuation
- D. Software vulnerabilities
- E. Data/privacy laws
- F. Regulatory Issues
- G. Lost keys (no theft)
- H. Locked wallets
- I. Decentralized governance
- J. Political risk
- K. Entity D&O
- L. Public and Private Keys, Hacks
- M. Mistakes



ICO's and the SEC:

- Launched dozens of investigations (3-18-18)
- Fraud charges against some – Centra Tech (3 people)
 - Additional charges S.D.N.Y.
- ICO – S-1 filed Praetorian (3-9-18)
- SEC - gets the promise of the space:

“My hope is that it’s actually helping – I think that if we don’t stop the fraudsters, there is a serious risk... the regulatory actions will be so severe that they will restrict the capacity of this new security.” Jay Clayton, SEC (4-5-18)

Fork Risk

- **Hard fork**
- **Soft fork**
- **Lost assets**
- **Duplicate contracts**
- **Loss of control**



Rynek-Rolny.pl

Regulatory Risks

- **Securities law considerations**
- **CFTC compliance**
- **Federal and state tax**
- **Bank Secrecy Act and state MSB regulations**
- **FTC and state equivalents**
- **KYC**
- **AML**

Managing Risks and Policies

- **Identify the potential regulators and law in your industry**
- **Review the transactions in which you are engaging**
- **Keep records, be prepared to report and to share your records**
- **Have insurance, including D&O and E&O**

Review Insurance Policy Language

- A. D & O
- B. E & O
- C. Crime/Fraud policies?
- D. CGL, Property
- E. Cyber
- F. Manuscripted crypto policies



QUESTIONS?



Reception

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Opening Remarks



Christiaan Durdaller

Executive Vice President
INSUREtrust
[2019 Conference Chair]

Keynote Conversation

Keynote Conversation



Vishaal 'V8' Hariprasad
President & CTO
Arceo.ai



Elizabeth Sherwood-Randall
Professor, Georgia Institute of Technology
Senior Fellow, Harvard Kennedy School
Belfer Center

The Buyer's Perspective

The Buyer's Perspective



Ryan Griffin
Senior Vice President
Cyber/E&O Practice
JLT Specialty USA
[Moderator]



W. David Little
Senior Vice President
Global Risk Management
Las Vegas Sands Corp.



Brandon Pace
Interim General Counsel &
Corporate Secret
Lending Club

Morning Break

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Coordinate Network Security and Cyber Insurance

Coordinate Network Security and Cyber Insurance



Steven H. Anderson
Vice President
Product Leader – Cyber
QBE North America
[Moderator]



Jarrett W. Kolthoff
CEO
SpearTip



Shawn Ram
Head of Insurance
Coalition

Cyber InsurTech

Cyber InsurTech



Erin Ayers
Editor
Advisen
[Moderator]



Raj Shah
Co-Founder & CEO
Arceo.ai



Nick Shalek
Partner
Ribbit Capital

Insurance Coverage Issues

Insurance Coverage Issues



Catherine Rudow
VP- Cyber Insurance
Nationwide E&S Specialty
[Moderator]



Dan Burke
Vice President
Cyber Specialist
Woodruff Sawyer



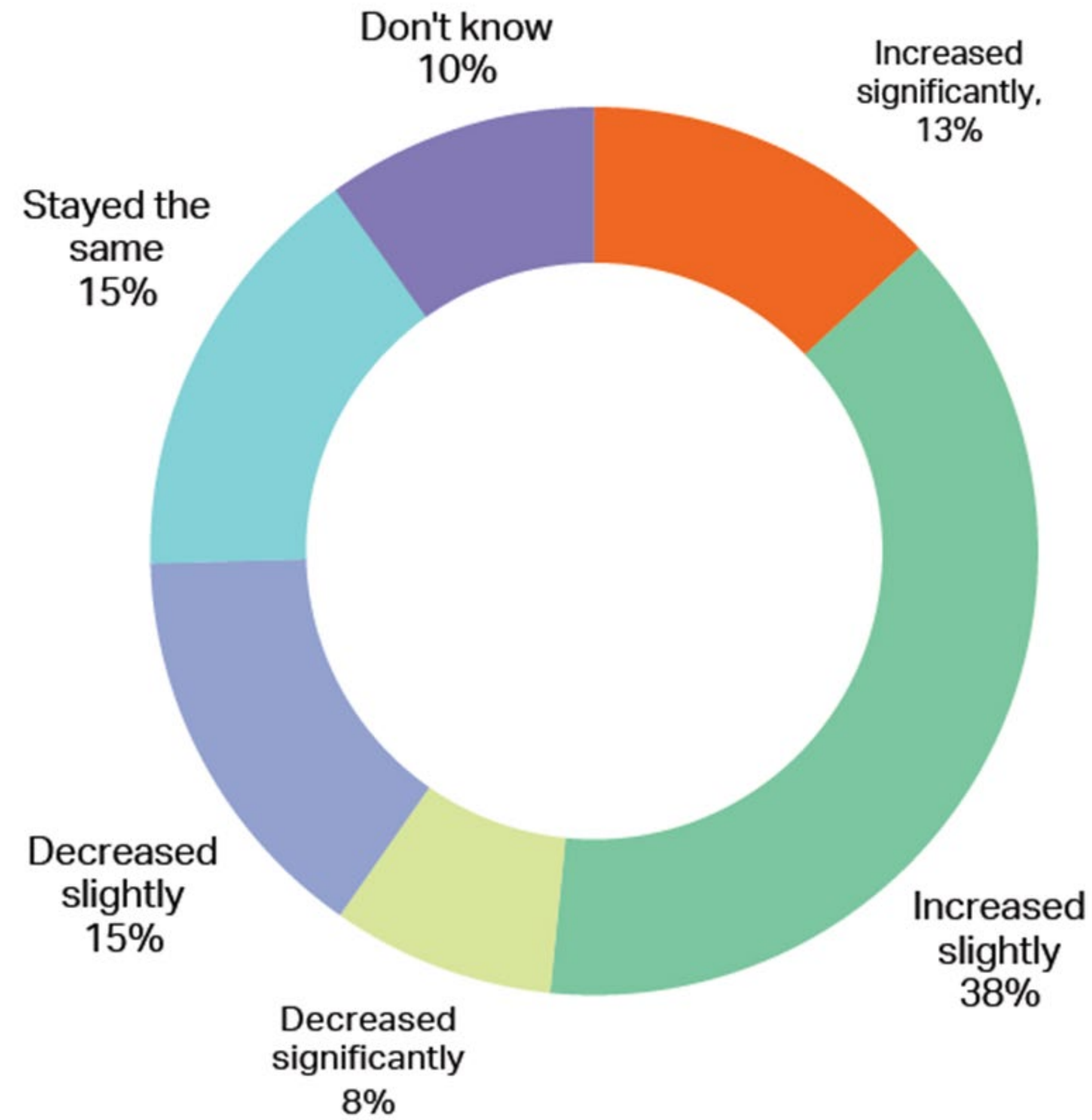
Liz Limjuco
Vice President
Cyber Center of
Excellence
Marsh USA



John Menefee
CyberRisk Product Manager
Travelers

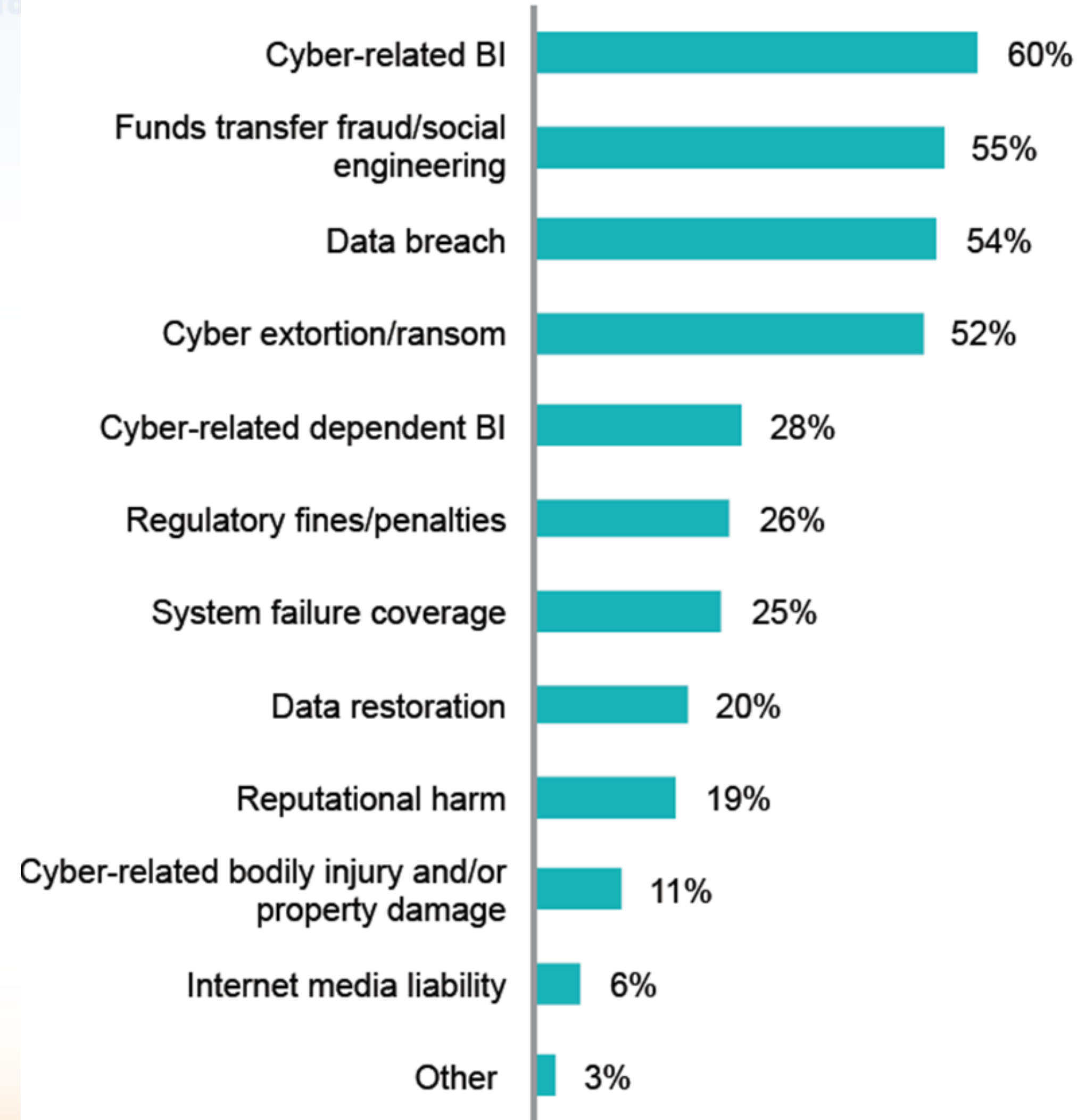


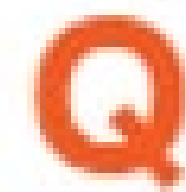
Coverage overlap between cyber and other policies has:





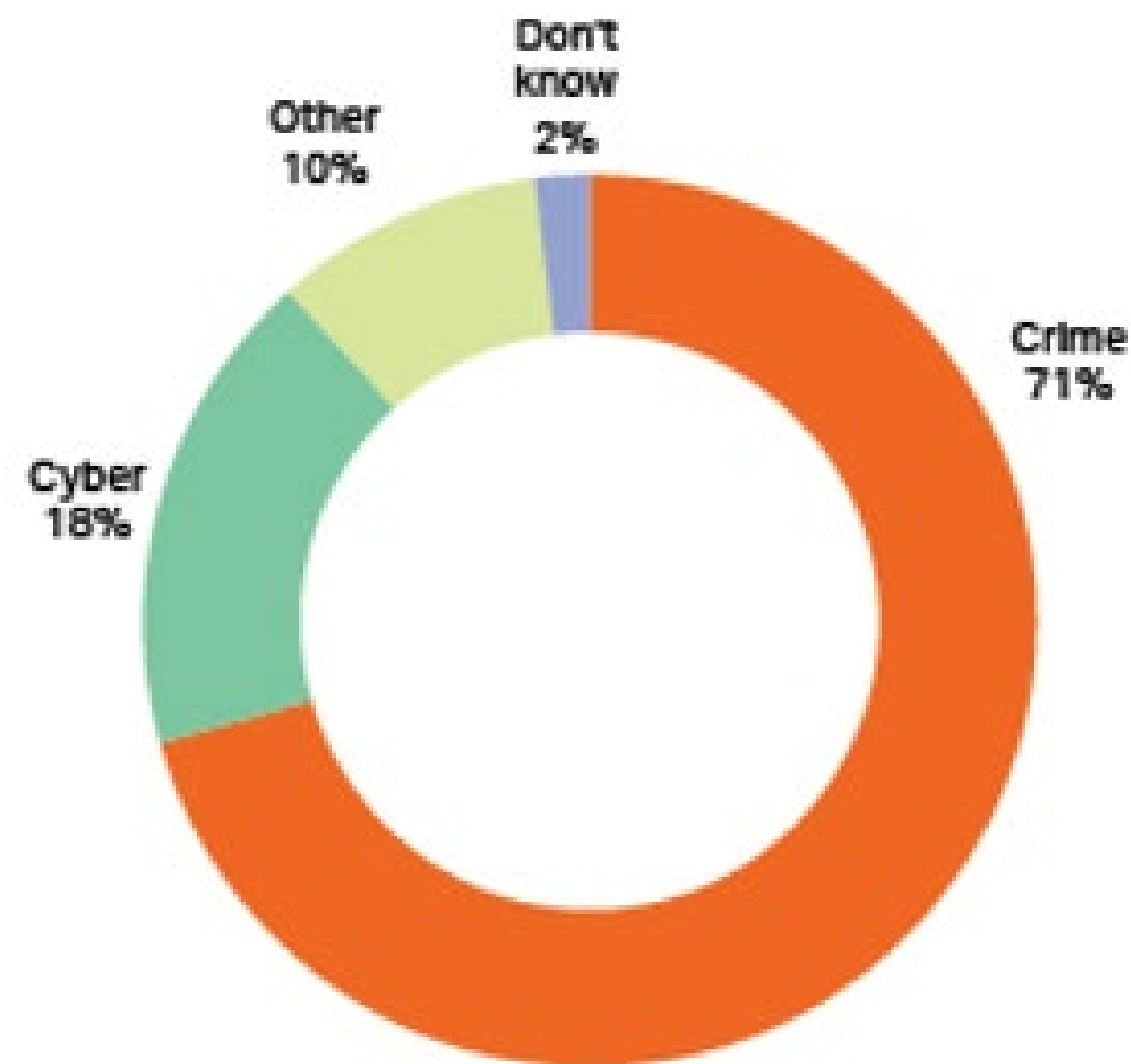
What cyber coverages are new and renewal buyers most interested in purchasing? (select top 3)



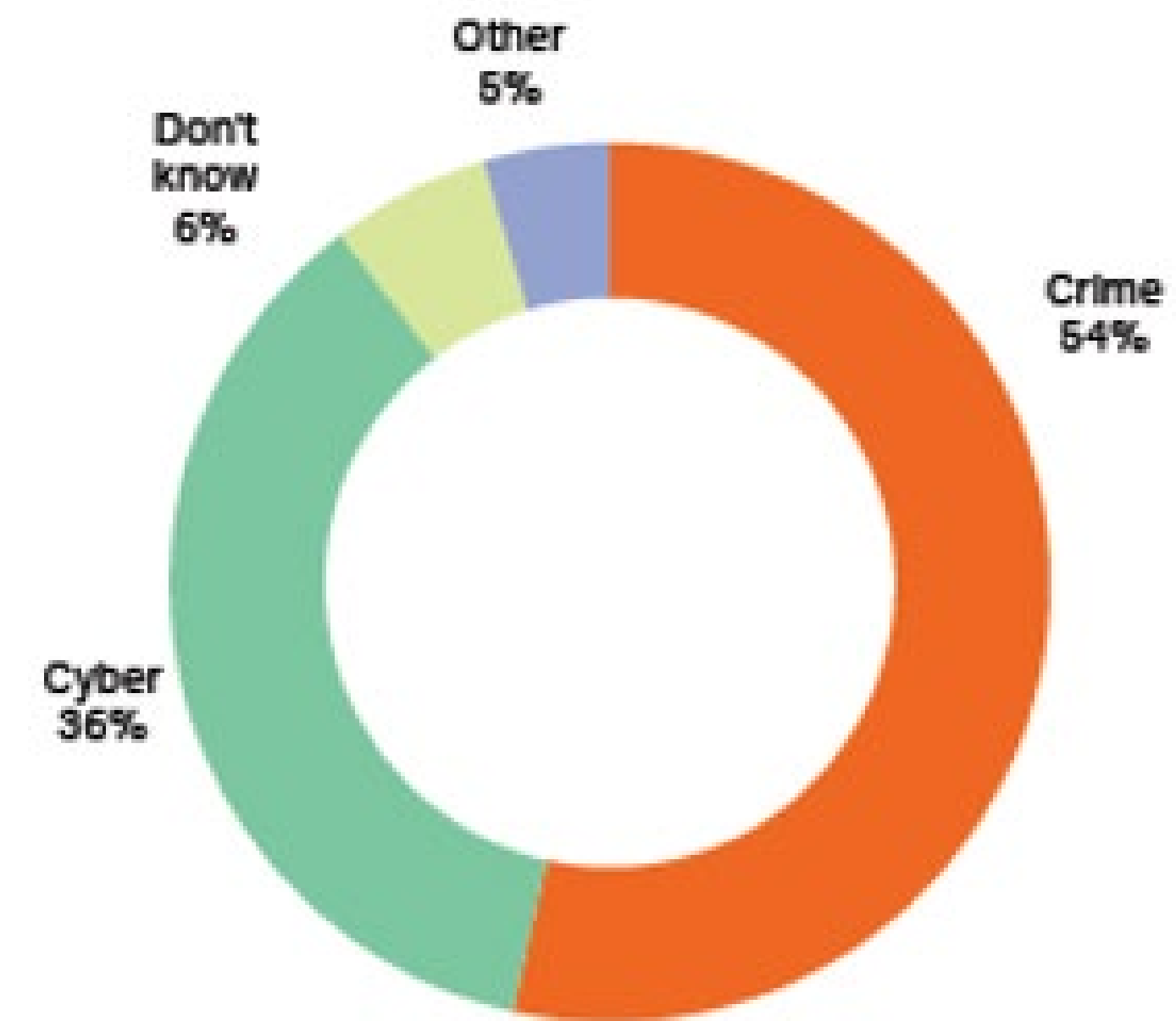


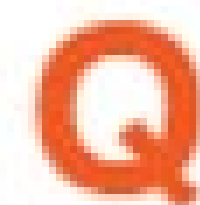
Do you believe funds transfer fraud loss due to social engineering is better covered by a cyber policy or a crime policy?

Underwriters

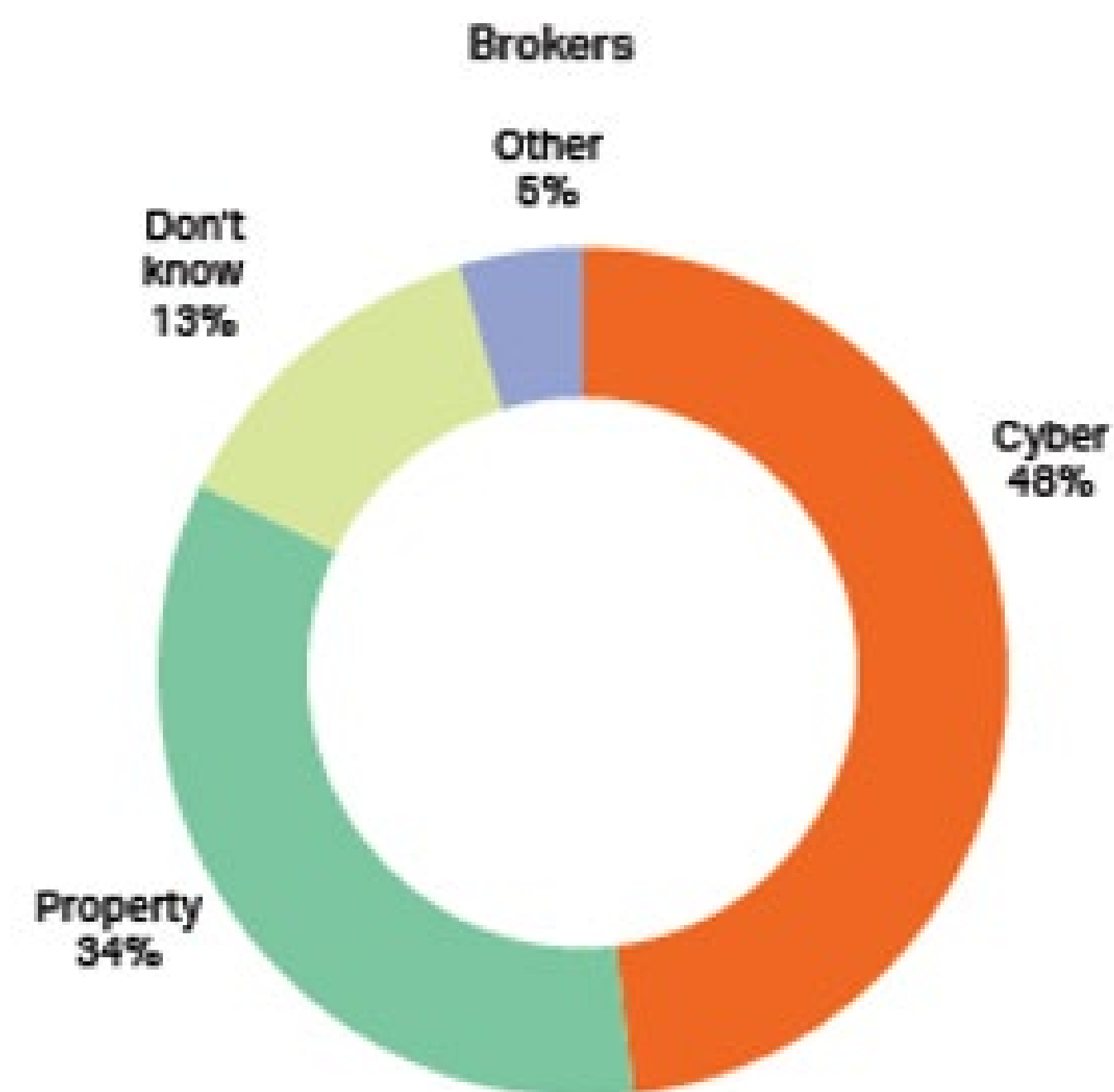
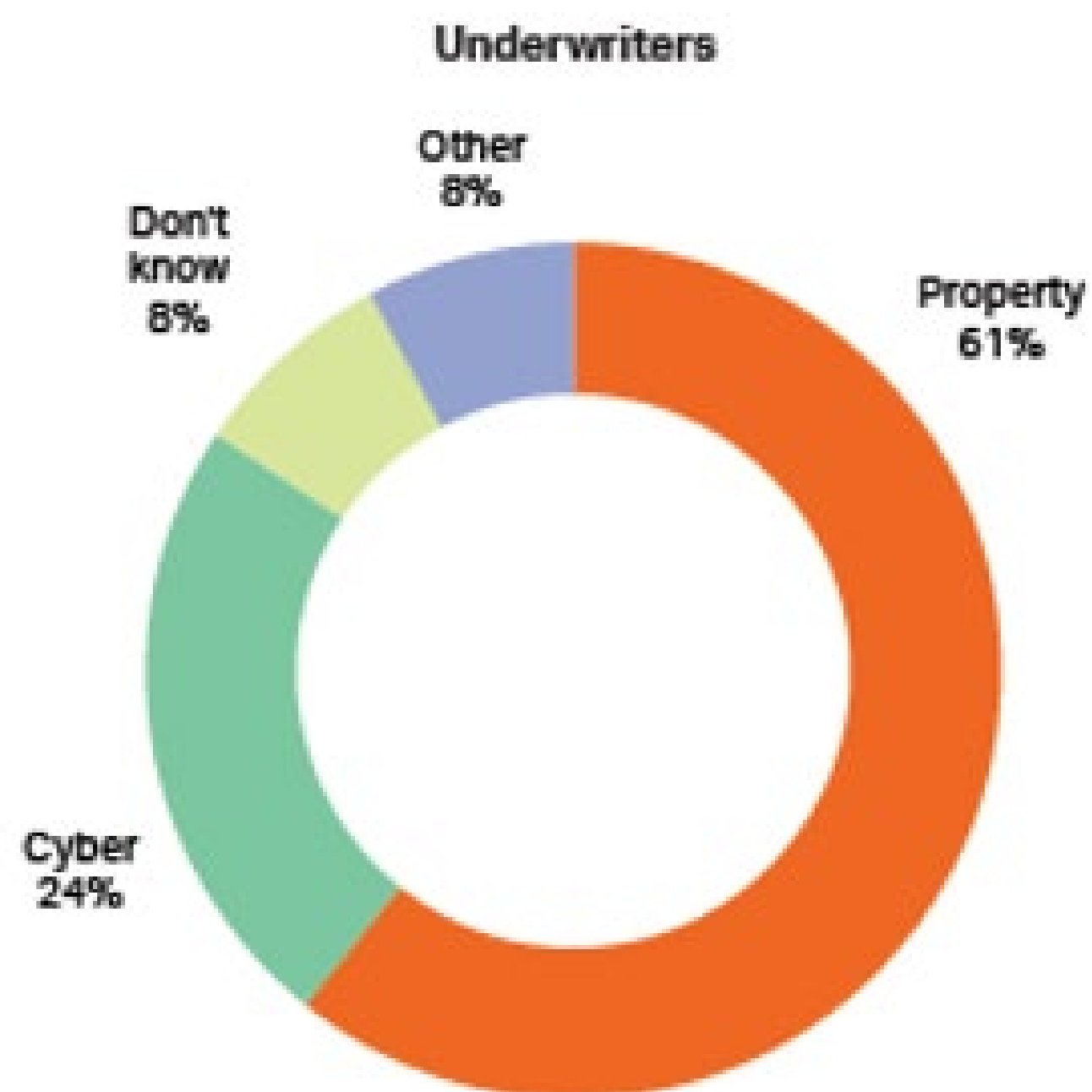


Brokers





Do you believe cyber-related property damage is better covered under a cyber policy or a property policy?



Conference Luncheon

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Privacy Regulation

Privacy Regulation



Michelle Visser
Partner
Orrick
[Moderator]



Jeffrey Batt
Cyber Insurance
Practice Leader
M&T Insurance Agency



Adam Connolly
Special Counsel
Cooley LLP



Nate A. Garhart
Special Counsel
Farella Braun + Martell LLP



Ryan Spelman
Senior Director
Business Development
Center for Internet Security

Cyber Business Interruption Claims

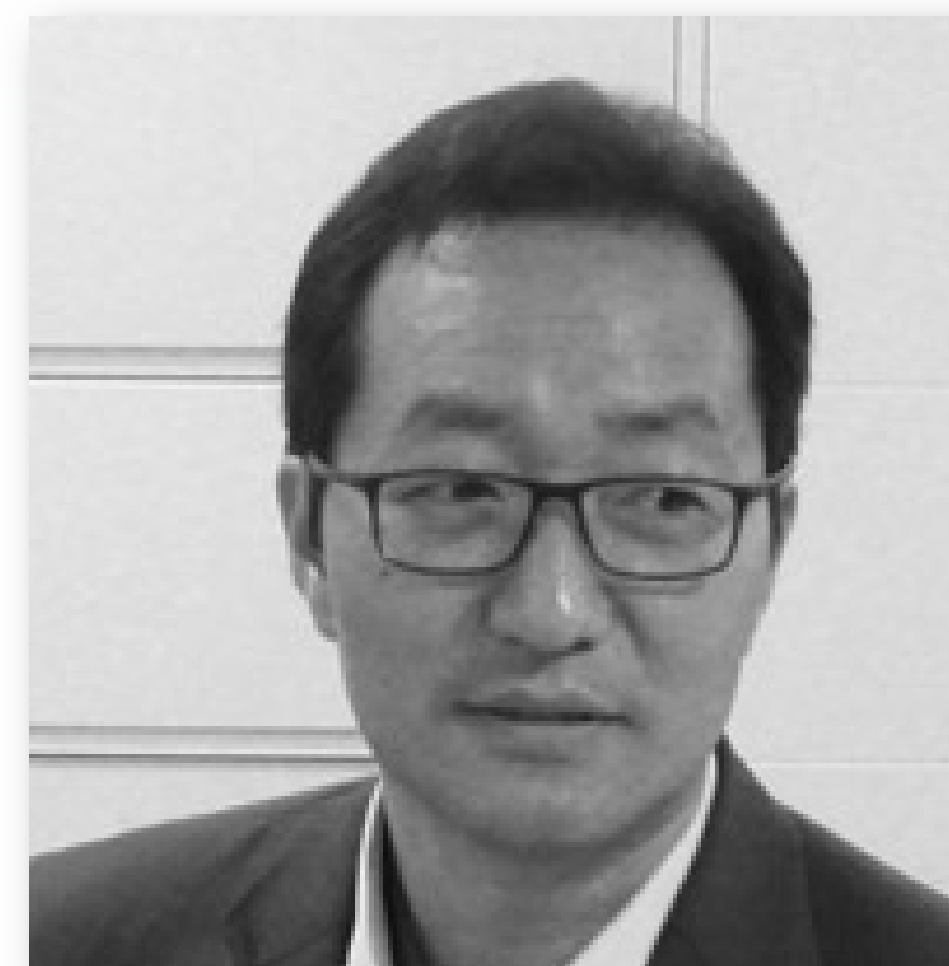
Cyber Business Interruption Claims



Lauri Floresca
Senior Vice President &
Partner, Cyber Liability
Woodruff Sawyer
[Moderator]



Ben Hobby
Partner
BTVK Advisory



Kenneth K. Suh
Media and Tech Lead
The Beazley Group



Richard Sunny
VP/Operations Claims
Manager
FM Global

Afternoon Break

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Outage of Cloud Services Providers: Systemic Risk for Cyber Underwriters

Outage of Cloud Services Providers



Sean Hoar
Partner
Lewis Brisbois
[Moderator]



Pascal Millaire
CEO
CyberCube



James F. Reed
Assistant Vice President
E&O Division
Allied World



Philip Rosace
Sales Consultant
Guidewire Cyence
Risk Analytics

170 Insurers and Counting: The Future of the Cyber Insurance Market

170 Insurers and Counting



Christiaan Durdaller
Executive Vice President
INSUREtrust
[Moderator]



Erica Davis
Managing Broker
JLT Re



Lauren Webb
Cyber Class Underwriter
Barbican Insurance
Syndicate at Lloyd's of London

Reception

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