



The Reputational Risk of a Data Breach

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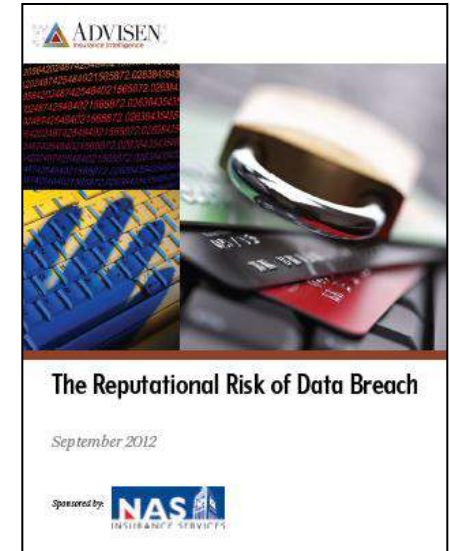
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The Reputational Risk of a Data Breach

<http://corner.advisen.com>

- **White Paper:**
The Reputational Risk of a Data Breach
- Copy of these **slides**
- **Recording** of today's webinar



Today's Moderator



David Bradford- President, Research & Editorial Group, Advisen Ltd.

Today's Panelists



Michael Palotay, Senior Vice President of Underwriting,
NAS Insurance Services



Charles Bellingrath, Product Leader for Privacy, Network Security, Technology and Media Liability, ARC Excess & Surplus



Michael Speer, Director, Forensic & Valuation Services, Grant Thornton LLP

Today's Panelists



Michael Palotay, Senior Vice President of Underwriting, NAS Insurance Services

Michael Palotay is Senior Vice President of Underwriting at NAS Insurance Services, a Lloyd's coverholder based in Los Angeles. Michael has been at NAS since 2009, managing production and strategy for the NAS Underwriting department, across all open market solutions.

As a member of the Executive Team, he is a key leader in product strategy, marketing, production management and underwriting for NAS. He joined NAS to develop Technology & Cyber Liability products and programs, including the popular NetGuard™ Plus offering which is now recognized as one of the broadest on the market.

Michael is a highly sought after cyber insurance advisor, having consulted with leading wholesale and retail producers in North America as well as underwriters throughout Lloyd's.

Michael began his insurance career at American International Group and focused on Technology Services and Security & Privacy product lines.

Today's Panelists



Charles Bellingrath, Product Leader for Privacy, Network Security, Technology and Media Liability, ARC Excess & Surplus

Chas joined ARC Excess & Surplus of New England in July 2011 as the Product Leader for Privacy, Network Security, Technology and Media Liability. In his role Chas is responsible for advising agents and clients on issues related to technology, privacy and cyber related risks as well as negotiating with carriers on policy terms and conditions. In addition, Chas is responsible for product development and production throughout the United States. Prior to joining ARC, Chas was a Senior Broker and head of the Cyber/Tech division at a regional wholesaler where he initially launched the product.

Chas specializes in placing Cyber, Security & Privacy policies including technology errors & omissions, internet liability, media liability, and miscellaneous professional liability. Chas frequently instructs Privacy Seminars and participates on executive panels for National Cyber Risk conferences. He is a member of the Professional Liability Underwriting Society and is currently pursuing an RPLU designation.

Chas graduated from Kingswood-Oxford School in West Hartford, CT and then attended Assumption College where he earned a degree in Marketing & Economics.

Today's Panelists



Michael Speer, Director, Forensic & Valuation Services, Grant Thornton LLP

Michael is in Grant Thornton's Forensic & Valuation Services practice and provides business interruption insurance claim support, assistance with preparation and audits of FEMA Public Assistance Grants, general forensic accounting, and litigation support services. He has over 30 years of experience with these and other services which also include financial audit, internal audit, operational audit, review and development of internal controls, technology assessment, and economic feasibility studies. Michael has experience in a wide range of industries including manufacturing, distribution, government, not-for-profit, retail, hospitality, food service, real estate, and others.

Michael began his accounting career in high school working part-time as a bookkeeper for a local CPA. Following graduation from University of Illinois he worked as an auditor for a national accounting firm and as an internal audit supervisor with a large manufacturer of food products. He subsequently spent over 11 years with Laventhol & Horwath, CPAs, followed by many years with KPMG, his own consulting firm - Speer & Associates, and prior to joining Grant Thornton, LECG. He has managed a number of practices and has assisted hundreds of clients.

Smaller companies are increasingly targeted by hackers. Why is there growing interest in smaller companies by cyber criminals?



Dave Bradford- Advisen Ltd.



Michael Palotay,
Senior Vice President
of Underwriting, NAS
Insurance Services



Charles Bellingrath,
Product Leader for Privacy,
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Michael Speer,
Director, Forensic &
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Grant Thornton LLP

What types of information are especially of interest to cyber criminals?



Dave Bradford- Advisen Ltd.



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“Data breach” does not necessarily mean a hacker breaking through system security to steal PII to sell or use for their own malicious purposes. What are some of the other reasons a hacker would break into a system?



Dave Bradford- Advisen Ltd.



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What other ways can data be lost or stolen?



Dave Bradford- Advisen Ltd.



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Until recently, companies may not have reported some data breaches, but that is no longer an option in most states. Can you tell us about breach reporting laws?



Dave Bradford- Advisen Ltd.



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What are the various costs companies are likely to incur as a result of a breach?



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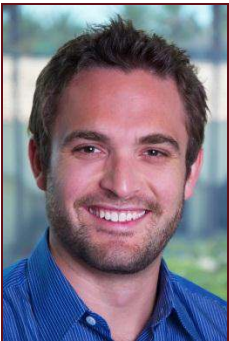


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Advisen has done several surveys of risk managers about data security issues, and reputation damage as a result of a data breach always ranks at or near the top of the list of concerns. Why is this regarded as such a serious issue?



Dave Bradford- Advisen Ltd.



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How does a breach change a company's relationship with its customers?



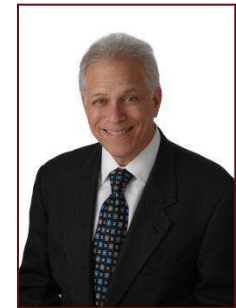
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Some experts say that every company should expect to eventually have a data breach. What are some of the risk management steps a company can take in advance of a breach to minimize the damage to brand and reputation?



Dave Bradford- Advisen Ltd.



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What should be done following a breach to preserve a company's reputation?



Dave Bradford- Advisen Ltd.



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How can the impact of a data breach on a company's brand and reputation be quantified?



Dave Bradford- Advisen Ltd.



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In a specific case, is the process of estimating the damage essentially the same as calculating a business interruption loss?



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What insurance products are available for this exposure?



Dave Bradford- Advisen Ltd.



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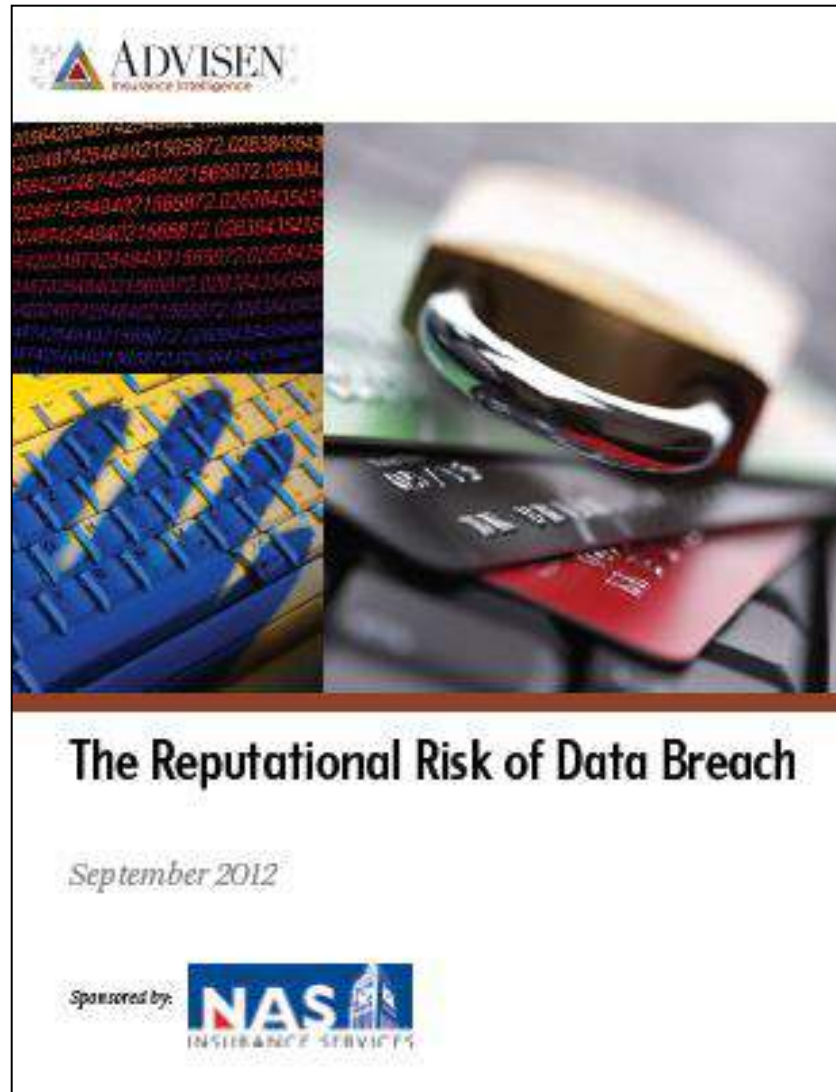
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Q&A

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- **Business Interruption-Business Income & Supply Chain Risks**

Wednesday, September 26, 2012 at 11am EDT

- **Clinical Trial Research in Hospitals**

Thursday, September 27, 2012 at 11am EDT



The screenshot shows the Advisen website interface. At the top, there is a navigation bar with links for 'ADVISEN's Digital Insurance Platform', 'About Advisen', 'Corner Store', 'Front Page News', 'Alerts', 'Community', 'Login', and 'Contact'. Below this is a search bar. The main content area features the 'ADVISEN's CORNER STORE' logo and a navigation menu with links for 'ADVISEN LTD.', 'TOPICAL REPORTS', 'ANALYTICS REPORTS', 'SALES REPORT', 'SOLUTIONS', 'INSURANCE NEWS', 'ADVISEN EVENTS', 'JOB & CAREERS', and 'ADVISEN RESOURCES'. The 'Advisen Webinars' section is highlighted, featuring a photo of a man looking at a screen and a 'WEBINAR ARCHIVE' button. Text below the photo describes the webinars as weekly events produced by The Advisen Conference Programming Board, mentioning past topics like 'State of the Industry Reports' and 'The Role of The Risk Manager'.

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Cyber Liability Insights Conference

Date: Wednesday October 24, 8:00 AM EDT

Location: Bridgewater, NYC

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