



K&S INSURANCE
A BALDWIN RISK PARTNER

REVELATIONS, REGULATIONS, & RISKS

CYBER EXPERTS WEIGH IN

Part One:
The Underwriter Perspective





SHANNON GROEBER

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Shannon is the CEO of CFC USA. CFC is a specialist insurance provider and market leader in cyber. Shannon's team is responsible for CFC's best-in-class admitted product suite which includes cyber, E&O, tech E&O and MPL designed specifically for SMEs. These products are available via CFC's award-winning single-question trading platform, Connect.

Prior to joining CFC, Shannon spent 12 years as a Cyber Liability and Errors & Omission broker, providing a full range of placement and advisory services to clients across all industries. In that role she assisted clients with identifying complex areas of risk through exposure identification and assessment, helped them prioritize areas of risk and created solutions for risk financing and balance sheet protection. Shannon began her insurance career as an underwriter, spending nearly five years focusing on MPL, Media and Technology E&O. It was at that time that Cyber Liability had just been introduced to the market, allowing her to focus on the product in its infancy, and having influence over the evolution of the product throughout the various phases of her career.

Shannon holds a BA from Gettysburg University, and has been recognized for her contributions to the industry throughout her career. She is a 2017 Women to Watch Honoree as named by Business Insurance; a 2018 Power Broker as named by Risk & Insurance; and a 2021 Elite Women Honoree as named by Insurance Business America. She is a frequent speaker and panelist at industry conferences and events, as well as contributor to publications and reports.

A large, stylized blue quotation mark icon consisting of two curved shapes facing each other.

I'M EXCITED THAT
CYBER INSURANCE
CONTINUES TO
EVOLVE THROUGH
FEEDBACK FROM
INSURERS AND
VENDORS AND
OFFERS VALUABLE
SERVICES FROM
DAY ONE.



WE ASKED, SHANNON ANSWERED

Q: WHAT MAKES YOU OPTIMISTIC ABOUT CYBER INSURANCE?

Cyber insurance continues to prove valuable to clients in all industries. Historically, small businesses haven't considered themselves targets of cybercrime, often because we only see attacks against large corporations in the news. We have done a lot to ensure more education and publicity about cybercrime and cyber insurance for businesses of all sizes, as well as dispel the assumption that cyber insurance is not valuable when a client experiences a cyber event.

I'm excited that cyber insurance continues to evolve through feedback from insurers and vendors and offers valuable services from day one. All this investment in the industry's growth proves to me that there continues to be interest and opportunity for experts to demonstrate value to the ultimate customer.

Q: WHAT SHOULD BUYERS EVALUATE BEFORE PURCHASING CYBER INSURANCE?

See beyond the words on the contract and into the commitment to the product, longevity in the market, claims experience, and knowing that the carrier has the knowledge to quickly handle a cyber event at the least expense to the customer.

Investment in claims handling is a critical component to vet when choosing an insurance carrier. At CFC, we handle more than 2,500 cyber claims each year, which gives us unparalleled insight into cyber risk and attack trends. Buyers should also consider the proactive and reactive services their cyber insurance provider offers. There are a variety of different offerings out there, and no two are the same.

Today, the best cyber policies start working the moment you bind. At CFC we use a combination of vulnerability scanning, threat hunting and threat analysis to proactively monitor for cyber threats targeting our customers, then alert them via our Response mobile app. This means they avert a cyber incident and we avert a claim.



A FOLLOW UP QUESTION: COULD YOU GIVE A BRIEF OVERVIEW OF HOW A CLAIM WORKS AT CFC?

In the event a cyber event does happen, SME buyers in particular need to know that they have access to immediate technical support. Our global incident response team is on the phone within 15 minutes, ready to contain the issue, repair systems and get the business back online quickly. They also have experience negotiating with threat actors, if it comes to that, and dealing with law enforcement, government, crisis communications, you name it.

These services become invaluable to a small business on which their livelihood depends.

Q: WHAT'S THE BEST WAY FOR INSUREDS TO PREPARE THEMSELVES FOR AN UPCOMING RENEWAL?

The answer depends on the size of the client and recognizing that the underwriting process should be different for clients of different sizes. It's appropriate for cyber insurance to be a significant investment for larger companies. Clients should be able to convey the narrative of their company and provide context to underwriters that goes beyond the numbers collected in the application.

Clients of all sizes should ask questions, educate themselves, and evaluate exposures to create the narrative of their vulnerabilities and the measures they take to protect themselves. It's critical to articulate what they find valuable in an insurance policy to ensure everyone is on the same page.



A person wearing glasses is shown in profile, looking thoughtfully to the right. Overlaid on their face and the background are several white padlock icons, some of which are open, and blue glowing lines that suggest a digital or network environment. The overall color palette is dark blue and black with white highlights.

Q: WHAT ARE LESSER-KNOWN CYBER VULNERABILITIES?

The two biggest threats remain business email compromise (fraudulent fund transfers) and ransomware events, which can occur through phishing and advanced email tactics. But now, Artificial Intelligence (AI) voice instructions has joined that list of threat intrusion tactics.

Vulnerabilities in your system and human error provide easy access points for threat actors to gain intel, send fraudulent emails, steal data, or execute ransomware attacks.

Larger organizations also face a more complex regulatory and privacy environment. There are numerous steps they must go through when it comes to notification of an event which can often result in fines and fees from regulatory organizations if the company is not prepared. The inclusion of biometric data in the privacy lexicon is also introducing a shift in litigation and claims trends for companies that collect this type of information.

Q: WHAT DO YOU WISH INSUREDS KNEW ABOUT CYBER INSURANCE?

There is no perfect victim. Cyber events can affect businesses of any size and all individuals. A cyber insurance policy offers far more than just policy language and access to funds; it provides valuable support throughout the insurance process. Even the initial evaluation of insurance can be informative for understanding insureds' exposures.

Out of the 33 million small businesses in the US, only around 10% have cyber insurance, leaving approximately 30 million businesses, representing 99% of the economy, without coverage. We, even as individuals outside the insurance community, should absolutely care about these small businesses' sustainability and protection against cyber events. The impact can extend to every consumer in the US, but there are accessible solutions that don't require a heavy lift for the client. Cyber insurance should be seen as a valuable addition to their insurance portfolio, offering ongoing feedback and monitoring that provides value far exceeding the premium cost.



WE WANT TO CREATE A LIVING, BREATHING, VALUABLE PRODUCT THAT'S NOT JUST REACTIVE BUT TRULY BENEFITS OUR CLIENTS.



Q: INVOLVING RISK EXPOSURES, WHAT ARE YOU TAKING INTO CONSIDERATION WITH UNDERWRITING CONVERSATIONS?

My biggest concern is buyer and broker fatigue. It's a missed opportunity if cyber insurance isn't talked about with an uninsured client. I get concerned leaving small business clients exposed and uninsured when something is so easily accessible. Every client should understand the product's value beyond the contract terms and its accessibility to businesses of all sizes.



SEE OUR KEY TAKEAWAYS:



Collaboration is critical to mitigating cyber exposure. Evolving cyber risk requires companies to coordinate preventive measures companywide, utilize the best security controls, and work closely with trusted partners in the cyber security community.

The BRP Cyber Center of Excellence provides more than expertise in placing cyber insurance coverage. We offer a broad range of integrated solutions and services that provide value to our customers by limiting the potential financial and operational impacts of cyber incidents. We work closely with companies across every industry to identify their specific vulnerabilities, mitigate current cyber risks, and stay ahead of new risks emerging on the horizon.



CONTACT US TO HELP PROTECT YOU AND YOUR BUSINESS.



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