



Cyber Insurance: Q&A with CM Regent



Who we are

CM Regent offers a wide variety of insurance products and services to schools around the country, including cyber and privacy protection coverage also known as cyber insurance, underwritten by Chubb. This insurance protects schools from claims arising from unauthorized access to the school's confidential records and information, as well as failure of network security and media liability. There is also coverage for regulatory actions, fines and penalties, where permissible by law. The policy also has first-party coverage available, such as cyber incident response fund, business interruption, digital data recovery, telephone toll fraud and network extortion coverage. Available coverage by endorsement for cybercrime includes computer fraud, funds transfer fraud and social engineering fraud – when an outside party tricks an employee into transferring money through impersonation or other means.

How are we helping districts assess and reduce risk at their schools?

As simple as it sounds, just by filling out the application for the insurance, schools have to review their policies and procedures to evaluate what steps they are taking to protect the sensitive information that they collect. The coverage is underwritten based on how well they are protecting their information and equipment, so we try to point out any weakness that we see when we evaluate their application answers.

What are some of the resources that are available to schools through CM Regent?

By purchasing a cyber policy through CM Regent and underwritten by Chubb, the insured has access to a Cyber Incident Response Coach hotline. That provides them somewhere to turn in the event there is a potential for an intrusion or “hack” to their system. Many times, it's difficult to tell if an intrusion has occurred or not, and this gives the insured another avenue

to discuss what is going on and get help. It's a very valuable tool since every minute counts in these situations.

Also, along with the policy, Chubb provides the insured with access to a Cyber Incident Response Team and Cyber Loss Mitigation Services, a group of vendors that Chubb has pre-approved and, in many instances, with which they have negotiated reduced rates. They can be of help to a school either pre- or post-incident. For example, pre-incident, the insured can get access to a password manager app and help identifying key cyber exposures. Post-incident, the insured can get help finding assistance with notification services, computer forensic specialists and public relations.

How is CM Regent helping to protect Pennsylvania schools?

The insurance program provided by Chubb through CM Regent offers very robust coverage as well as other services, as noted, to help a school both before and after an incident. The policy is structured

especially for schools, with policy language that is geared to their unique exposures.

What challenges are schools facing and how is CM Regent helping to execute effective solutions?

It's been widely reported in the press that during the current environment of virtual learning, schools have become a favorite target of cyber hackers. The instances of cyber extortion are rapidly rising, and the claims reported by schools have increased dramatically in the past few years. In 2018 the average ransomware demand was about \$60,000, which has increased to around \$600,000 in 2020, based on the data from Chubb. In addition to trying to make sure we offer the broadest coverage that we can for our school insureds, we try to point out areas where claims can occur, for example, by identifying a certain network that doesn't have proper security or trying to identify vulnerabilities in their systems. **B**