

# Cyber Claims Notification Process



## Your company discovers a Cyber Security breach, **now what?**

You suspect that you have been the victim of ransomware, unauthorized access to, or the misuse of, modification to the network, and/or denial of network resources by attacks perpetuated through malware, spyware, or the like.

### What should you do next?

**1** Your company has suffered a security incident. The clock is now ticking. It is time to do right by your customers, employees, shareholders and all stakeholders. A quick response will save from lawsuits and regulatory inquiries.

**2** Immediately gather your internal team and review your incident response plan.

**Claims Contact:**

Phelps Dunbar LLP  
Email: [Dual\\_Cyber\\_Notice@phelps.com](mailto:Dual_Cyber_Notice@phelps.com)  
Phone: (833)-229-1647

**3** Debrief with the claims team assigned to you. Important items to communicate:

1. What type of event occurred?
2. Was there a lost device?
3. Was this a malicious attacker?
4. Was this a disgruntled employee?
5. What if anything has the company done since the event happened?

**4** The Claims specialist will help you formulate your response:

1. Engagement of pre-approved expert privacy attorneys to determine legal applicability of actions to respond to reporting requirements and maintaining privilege
2. Engagement of computer forensics to determine existence, cause and scope of breach
3. Do we need to hire a public relationships or crisis communications firm?

**New Breach Coach:**

Spencer Pollock  
McDonald Hopkins  
100 International Drive, Suite 2300  
Baltimore, MD 21202

**Contact Info (CC Both):**

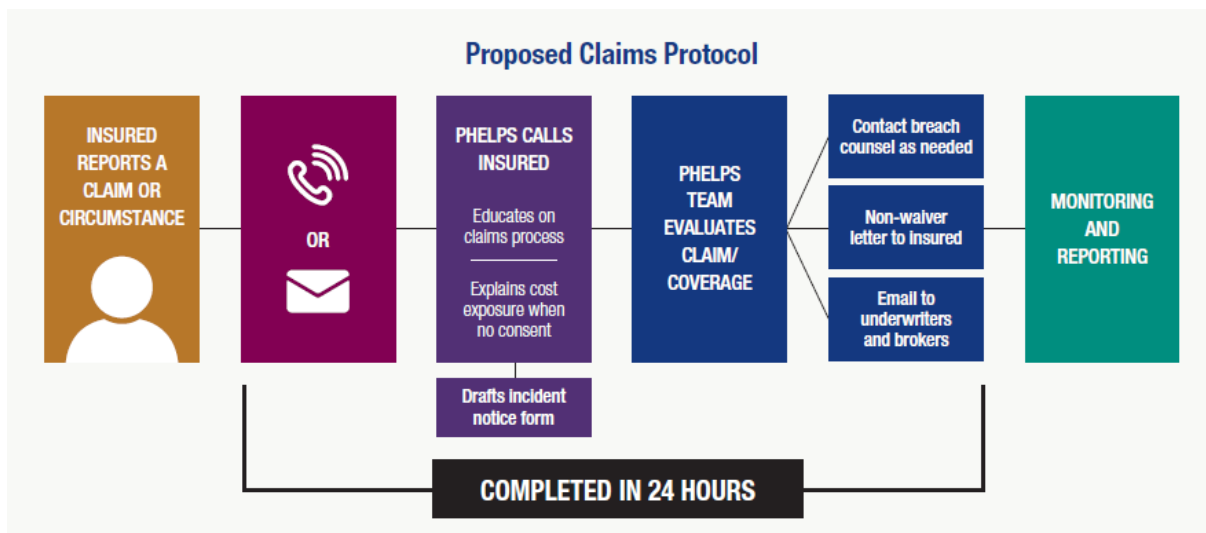
Email: [spollock@mcdonaldhopkins.com](mailto:spollock@mcdonaldhopkins.com)  
DUAL Claims Inbox:  
[MH-Dualincident@mcdonaldhopkins.com](mailto:MH-Dualincident@mcdonaldhopkins.com)

# Cyber Claims Notification Process



## Phelps Dunbar FNOL Protocol

We have created an approach to claims handling that will improve efficiencies and maintain qualitative protections. The protocol is based on years of experience managing claims and our in-depth understanding of cyber and privacy issues.



## Notification and Acknowledgment

Under our approach, Phelps is written into the policy as notice of claim. We set up a toll-free number that is available to policyholders 24 hours a day, seven days a week, as well as an email notification address for the client(s) or account.

Upon notification, a member of our London Claims Group is immediately available to the insured and would act as point of contact for the life of the claim and would liaise with breach counsel. During the initial call, our London Claims Group member will gather the basic details of the incident and fill out an Incident Notice Form that we will create to focus on a few pertinent questions surrounding any cyber incident.

This allows a London Claims Group member—at a far more competitive rate—to gather the basic details because not all incidents require breach counsel at breach counsel rates. Our London Claims Group member would also educate the insured on the claims process within the parameters of the policy to try to avoid issues such as costs incurred without consent.

Within 24 hours, we issue: (i) an acknowledgement/non-waiver letter to the insured and (ii) a report to Underwriters and the brokers, which includes the Incident Notice Form, the email instructing breach counsel (if needed), and the non-waiver. Breach counsel, then, can promptly run conflicts and provide immediate value to the insured in their first call.

# Cyber Claims Notification Process



## Confirming Coverage

Our coverage lawyers will review the matter and, if coverage is confirmed, a London Claims Group member will handle the file through closure to maximize efficiencies. As point person for the insured, the London Claims Group member will liaise with breach counsel and assist the insured with the selection of any vendors to avoid any pre-approval issues. Our London Claims Group will provide options of preferred vendors to the insured if guidance is needed and can work with the insured on their selections to help ensure the best fit.

If there are true coverage issues, coverage counsel will analyze the issues, draft the position letter on behalf of Underwriters, and monitor the claim in the traditional way, unless and until circumstances allow a London Claims Group member to assume monitoring.

## Paying Covered Costs/Claims

Because they are registered and approved by Lloyd's, our London Claims Group can be given authority up to whatever amount Underwriters are comfortable with, but we typically are in the \$50,000 range (total incurred); thus, we can approve and make payments to expedite the payment process and improve the overall claims experience (especially on smaller notifications), while also keeping costs down and an eye toward quickly closing the file. We typically maintain escrow accounts per account for expenses (not settlements). The point is to limit the back-and-forth with Underwriters for approval on routine expenses. This allows us to promptly review and approve vendors' invoices, etc., within the authority provided.

This structure requires two points of contact, i.e., one for breach coaching and the other for monitoring. This is important so that breach counsel can advise the insured without any possible conflict of interest and without waiving privilege.

Our approach improves efficiencies on the claims side and proves cost effective, thereby increasing the overall claims experience while providing Underwriters the work product they have come to expect. Our London Claims Group will be able to provide comfort to the insured on the claims side because he or she will have a constant point person throughout the claims process.