AN EPS SOLUTION

USI ANSWERLYTICS™

BRIDGING THE GAP BETWEEN RISKS AND LOSS PREVENTION

THE USI ONE ADVANTAGE®

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USI ANSWERLYTICS™ – CYBER AND PRIVACY LIABILITY

Executive Summary – The Threat

- Historically, carriers were looked to for pre-event risk mitigation tools for **Cyber and Privacy** exposures
- These tools have had low take up rate (<15%) and as **Cyber threats have evolved** are no longer sufficient
- The **knowledge gap** between cyber threats, costs of vulnerability and the next generation of providers / products is costing clients due to:
  - Losses from attacks and Cyber events
  - Deteriorating cyber coverage terms / conditions / pricing / availability

The Costs of Vulnerability

- Cyber incidents now cause severe losses - $2M+ average ransoms in late 2020 to date (and climbing), $8.4M average loss in US due to Cyber events in 2019-2020, etc. Costs are rising quickly.
- Cyber insurers are demanding advanced risk controls to even consider quoting coverage. Weak controls = potentially no quotes from the marketplace
- M&A based cyber losses and vendor security failure cyber losses - two major emergent risks

Is there a way to address these emergent and urgent vulnerabilities?

Yes. USI has it in the form a trademarked solution – **USI Answerlytics™ (Cyber)** – a **curated*** group of solution providers for **USI clients** and **prospects**

- USI Answerlytics firms can assist companies in bridging the cyber knowledge gap and addressing vulnerabilities through **proactive risk management**
- Answerlytics is **intended to improve a company's cost of risk and lower overall cyber risk exposure**
- A differentiated offering by USI that benefits clients and carriers through **risk evaluation, risk mitigation and improved risk presentation to carriers**

*SEE slide 6 for what CURATED means and doesn't mean.
Answerlytics DOES NOT entail any exclusive and/or financial relationship with USI

USI ANSWERLYTICS™ – CYBER AND PRIVACY LIABILITY

Answerlytics™ (Cyber) – USI Solution

A trademarked solution developed by USI

THREAT IDENTIFICATION + **PRE-EVENT RISK MANAGEMENT SOLUTIONS** + **IMPROVED RISK TRANSFER TERMS**

Client Vulnerabilities

- **IT System Weakness**
- **Remote Work & Mobile Device use**
- **Data Held and Regulatory Exposure Analysis**
- **Managed Security Services**
- **Board Level Understanding of Threat Response**
- **Cyber risks specific to M&A activity and integration**

Cyber Answerlytics
Proactive Improvement

- USI's network of **Answerlytics Curated Providers (ACPs)** address clients' key vulnerabilities.
- ACPs provide prioritized access to cutting-edge risk management solutions at discounted pricing.
- ACPs help clients improve cyber hygiene before incidents occur.

Impact/ Benefits

- Optimal renewal terms
  - Coverage, retention levels and premium terms
- Streamlined cyber insurance procurement process
- USI-provided data and analytics as a result of data sharing agreements with ACPs
- Improved cyber risk knowledge: regulatory exposures, cyber-linked supply chain risks, ransomware risks
- Improved Vendor and M&A negotiations

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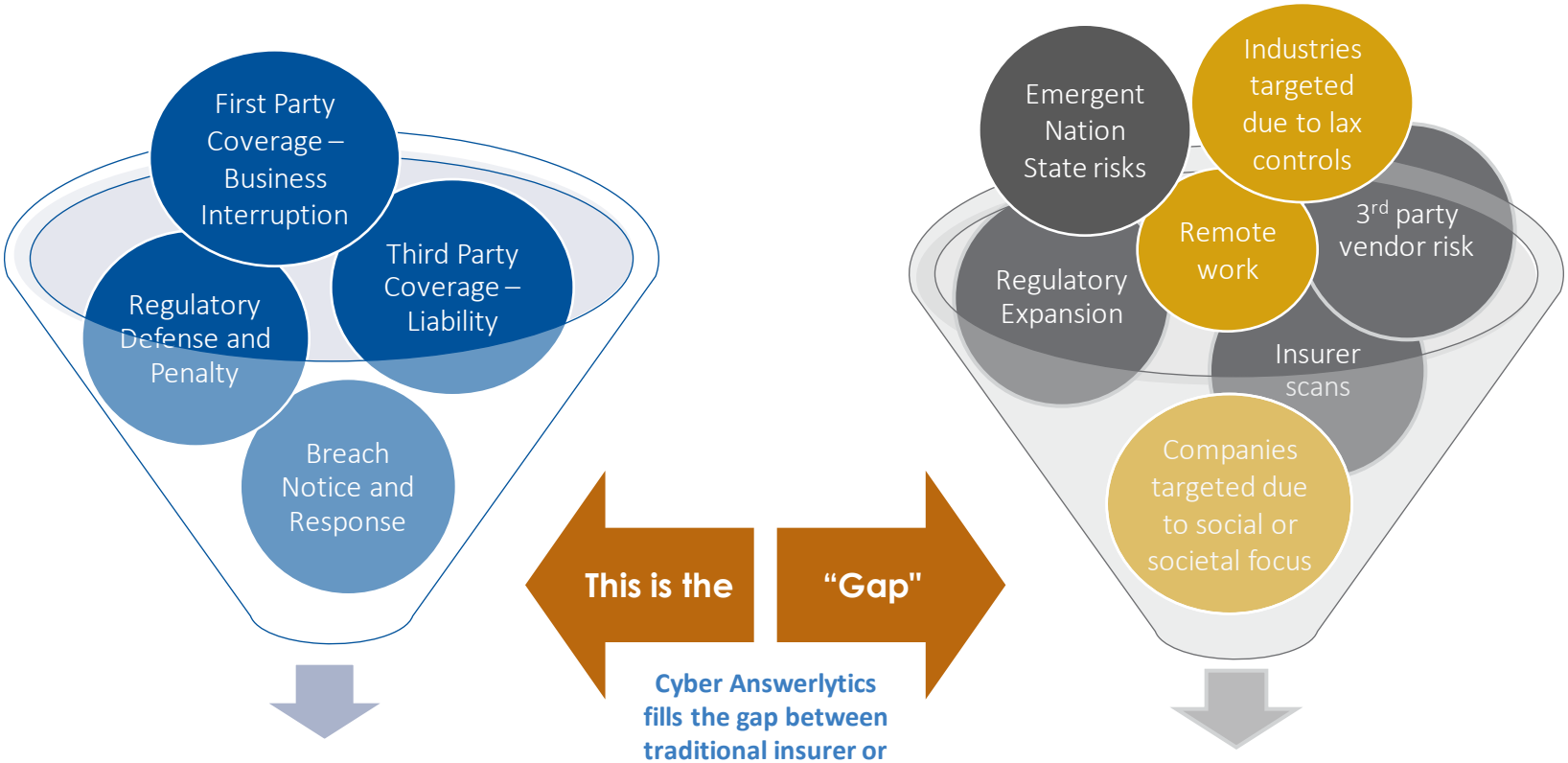
Cyber Threat "Gap"

Traditional cyber insurance / risk mitigation tools often fail to address emergent risks. Cyber Answerlytics identifies and bridges this gap via a broad network of leading solution providers



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Bridging the Cyber Threat Gap

Threat Gap	Answerlytics Curated Providers (ACPs) v1.0	Major Differentiator/ Case Study	Sample Financial Impact ($)
IT System Weakness	**Tracepoint, FireEye/Mandiant, LIFARS**	***Example***: TracePoint built a cutting-edge vendor IT risk program for the client, reducing exposure.	Answerlytics Discount for ACP Services – $37,000 vs open mkt of over $45,500 or 20%
Remote Work, Resiliency and Endpoint Detection and Response weaknesses	**GoBox, FireEye/Mandiant**	***Example***: GoBox helped a mid-size client convert its operations from hybrid to fully remote by providing secure, non-fail power and continuous VPN access.	Negotiated 35% reduction in premium sought at renewal due to ACP provided improvement ($42,000)
Digital Attack Surface and Regulatory Exposure	**Second Sight (specialist); FireEye/Mandiant (general)**	***Example***: Second Sight conducted an analysis of a healthcare client's data and reduced attack surface exposures by $13 million.	Limit options selected by board based on findings resulted in $197,000 in savings (dropped a layer + savings overall)
Lack of Managed Service Providers And Managed Security Services Provider	**Corvid Partners, LIFARS, CyberSafe**	***Example***: LIFARS helped a Construction firm make sense of their data logs and identify and address two emergent threats.	Improved SIR by $500,000 vs quoted (i.e., $1M SIR dropped to $500k) due to MSS implementation
Asymmetric Cyber Threats, nation state vs private org	BlackOps Partners	***Example***: BlackOps Partners consulted on Cyber threats from nation-state actors, leading to an improved M&A risk profile and higher sale amount.	$3.5M in sales price improvement in M&A transaction.

Note: the above is a partial listing and is not inclusive of all solutions including more industry specific offerings; also note, this list will change from v1.0, 1.5, 2.0, etc. Please reach out to EPS contacts with any questions

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Answerlytics Curated Providers (ACPs)

What This Means And Doesn't Mean

Curated is	Curated is *NOT*
Industry-leading cyber solution providers at a discounted rate and preferred access for USI clients	▪ A subsidiary of USI ▪ An insurance carrier solution ▪ Affiliated exclusively with any insurance carrier
Selected and reviewed solutions by USI based on underwriting parameters	A contact list and little to no solution review for underwriting impact
Providers sharing Cyber-related threat findings– allowing USI to advise clients on emergent threats, not take fees.	Referral fees for facilitating needed services
USI clients able to make a choice between providers and solutions – not tied to a single solution provider	A single, subsidiary firm seeking to provide multiple InfoSec solutions to varied clients

vs.

Items needed to evaluate your current pre-event Cyber risk management protocols + Cyber Answerlytics solution needs:

- Call with IT, risk mgmt., operations and legal
- Most recent Cyber insurance submission
- Existing cyber insurance program detail (and supporting documentation)
- Incident Response Plan (IRP) and Disaster Recovery Plan (DRP) detail
- Detail around the needs and/or desires of Insured leadership around Cybersecurity

Please contact EPS Regional resources including Answerlytics leadership contacts:

Nadia Hoyte | Nadia.hoyt@usi.com
Andrew Doherty | Andrew.doherty@usi.com
Paul King | Paul.king@usi.com

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