



## Paragon Bermuda: Cyber Liability

Paragon's presence in Bermuda adds considerably to the range and capacity of insurance services we can offer clients. Working closely with the London office, our team in Bermuda have the local knowledge, relationships, ability and resources to source the right insurance solutions for you.

The Bermuda market is a vibrant marketplace with long term stable capital and capacity. We encourage you to think of Bermuda as an alternative market place on a primary and first excess basis, in addition to being an excess capacity player.

In an age dominated by technological advancement and an ever increasing reliance on I.T. the Bermuda market is showing great appetite in the Cyber Liability product, recognizing both a growing need for higher excess capacity as well as offering options at primary level. Chubb Atlantic launched their Cyber Liability offering in 2008, providing \$25 million in total capacity with \$15 million made available on a primary basis attaching with as low as \$250,000 retention. There are now six markets writing this line of business in Bermuda, with a number of additional markets seriously considering their entrance into this arena.

Below are details of the markets currently providing Cyber Liability, their capacity and preferred attachment levels:

### Primary:

Chubb – Can write on a primary form and can put up limits of up to \$25 million, with a \$250,000 retention. They can also participate as an excess carrier.

### Excess:

Endurance - \$25 million available capacity attaching as low as \$25 million

Chartis - \$25 million available capacity but would typically look to put up \$10-\$15 million and can attach as low as \$30 million

AWAC – Can attach as low as \$25 million but prefer to come in at \$40-\$50 million with limits of between \$10million and \$15 million

Ironstarr - \$15 million available capacity with a preferred attachment of \$50 million

### XL

Is the most recent entrant into the Cyber Liability market, they are currently entertaining risks with an attachment point of \$50 million and depending on the industry or class can be put up between \$5 million to \$20 million on selected risks. Their appetite is for the retail industry, payment processing, manufacturing, etc and are more cautious and selective on the healthcare and financial institutions, that is not say they won't entertain them but they will look to be more selective and attach at a higher point.

## Why Bermuda?

As well as the long term and stable nature of the capacity offered in Bermuda the markets benefit from being free from U.S. regulation and can therefore provide coverage for punitive damages. In addition Bermuda carriers are able to wrap the policies of their domestic counterparts which can provide an important level of comfort for U.S. clients. Below is a list of the domestic carriers which the Bermuda markets are able to provide Punitive Wrap Coverage for:

## Punitive Wrap Policy: Markets Summary

<u>Market</u>	<u>Lines Available</u>	<u>Companies and Policies Wrapped Around</u>	<u>Additional Information</u>
<b>Ace Bermuda Insurance Limited</b>	Umbrella Liability, Excess Liability, D&O and EPL	Ace USA and Ace Ina	
<b>Axis</b>	\$25m	Axis U.S.	Wrap only Professional Lines - EPL, E&O, D&O, Fiduciary.
<b>Chartis Excess Limited</b>	Primary Liability, Umbrella Liability, Excess Liability, D&O, EPLI, Professional Liability and Specialty Lines.	AIG companies including National Union, New Hampshire and Lexington.	All Classes
<b>Chubb Atlantic</b>	GL, Excess Liability, Umbrella Liability, Environmental Liability and Professional Lines.	Members of Chubb Group of Insurance Companies.	Matches trigger of wrapped policy.
<b>GAI Insurance Company Ltd</b>	Excess Liability and EPLI	Great American	Occurrence Form



<b>Hanseatic Insurance Company (Bermuda) Limited</b>	Umbrella Liability, Excess Liability, D&O and EPLI	Zurich Group of Companies	
<b>Magna Carter Insurance Ltd</b>	Umbrella Liability, Excess Liability, D&O and EPLI	Canopus and Catlin	
<b>Ironshore</b>		Ironshore U.S. Companies	
<b>HCC Reinsurance Ltd</b>		HCC U.S.	
<b>Arch</b>	EPLI Only	Arch U.S.	
<b>Princeton Eagle West Insurance Company Ltd</b>		American Re , Munich Re	

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