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**NCOIL RECOGNIZES CYBER RISK AS AN EMERGING THREAT,  
PLANS TO CONTINUE EXPLORATION**

**Charleston, South Carolina, March 1, 2015** — Acknowledging that cyber-risk is a genuine threat, legislators here this weekend looked to experts to find out what is known about this hard-to-quantify liability to states in a session entitled *Cyber Loss and Insurance: What Happens When the Big One Hits?* The session explored efforts, both public and private, to identify why and how cyber-breaches are possible and what types of events insurers should be most concerned with, as well as how cyber-insurance is playing out federally and in the larger financial services sector.

“What we heard today about initial economic impacts to the companies reflects just the tip of the iceberg. We realize as legislators that we need more information about this in order to know how to insure against its losses,” said Assemblyman William Barclay (NY), moderator of the session. “Recent data attacks affecting millions of consumers around the country prove that this is a threat without borders or respect for cyber-defense systems already in place.”

Session panelists included Catherine Mulligan, Zurich Senior Vice President Underwriting Manager; Holly Kinnamon of Holly Kinnamon Strategies, LLC; Kevin Knudsen, Principle Security Engineer at Codenomicon; and Kevin McKechnie, Senior Vice President and Director of the American Bankers Association Office of Insurance Advocacy. Panelists on the session stressed that the costs related to cyber breaches have been widely unreported and do not begin to reflect the magnitude of cyber threat. Other questions the panel wrestled with include who should be liable for breaches, what kind of coverage is necessary, what necessary coverage is required to close gaps in policies, and what can be done on the state level?

The panel took place on Friday, February 27, in conjunction with the NCOIL Spring Meeting held from February 27 through March 1 and is part of an ongoing Financial Services and Investment Products Committee charge to explore growing concerns related to cyber-security and to consider public and private-sector responses.

NCOIL is an organization of state legislators whose main area of public policy interest is insurance legislation and regulation. Most legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at [www.ncoil.org](http://www.ncoil.org).

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