

## **AIS INSURANCE FALL 2018 REPORT**

Late in August a proposal was received from our broker for a new policy called Data Breach coverage. It was sent to us because we take credit cards, not just through the Storefront, but at our Silent Auctions as well. In addition, I am now receiving credit card payments forwarded to me by the Membership Secretary for processing.

As was explained to me, even though the responsible party may delete the credit card information from their individual computer after processing, it could be recovered from the hard drive by a hacker.

Since this type of coverage is beyond my expertise, I forward the information to our General Counsel, Veronica Johnson, for review and recommendations. Veronica advised me she is working with our Electronic Services Chair, David Cupps, to evaluate the nature and extent of AIS's risk, and to review any safeguards already in place. After she has heard from David, Veronica will let me know if it is in the best interest for AIS to obtain the Data Breach Coverage.

Two proposals have been provided by the broker. She has explained them as follows:

The first carries a limited coverage in the amount of \$25,000 first party/\$50,000 third party which would provide reimbursement for expenses such as notification and PR expense. The annual premium for this coverage is approximately \$525.00. This would be an add-on to the policy already provided by Hartford.

The second is much more extensive. The coverage is up to \$1,000,000, and not only includes the expense coverage similar to Hartford's policy, but would also provide some loss of income coverage for AIS. It would also cover Payment Card

Industry fines and expenses and also give us access to a breach coach. The coach would assist us in going through the process should there be a breach or other questions at no additional cost to the AIS. The company that would provide the coverage would need a completed application to firm up the premium.

At this time I am not making any recommendations regarding obtaining this additional coverage. I will wait until I hear back from Veronica and make my recommendations at that time.

Respectfully submitted,

Michelle Snyder  
Insurance Chair