

PROGRAM LEADER

PROTECTING CUSTOMER DATA

Remote work
policies and
considerations

The SUITELIFE
A case study in
program success

TrustedPals
Ingenuity and agility
bring distinct new
program to market

Meet our team
Get to know Zurich's
program underwriters,
managers and sales RVPs





Editor's Letter

Dear Leader,

First and foremost, I hope you, your employees and your families are staying safe and well. Now more than ever, it's important we continue to support one another as a community. The new coronavirus has presented challenges for us all over the past several weeks. What I feel is important to remember during this, or any other challenging time, is that Zurich is built to weather these storms. We have faced many new challenges in the more than 100 years we have done business in the United States and what remains constant is Zurich's commitment and readiness to help our customers. I want to emphasize that we navigate this unprecedented time from a position of strength, and we are well capitalized to face this challenge.

As we work with you to find the best ways to support our customers, we are also thinking about the issues that affect you. Many of the feature stories in this issue of Program Leader provide insight and guidance to help you and your employees. Our article, "Remote Working Policies" provides considerations to ensure the safety and effectiveness of a telecommuting workforce. Our article, "Why Data Protection Is Everyone's Job," explores the risks and vulnerabilities facing businesses with outdated or insufficient data protection systems and the urgency to upgrade technology to protect customer information.

In this issue, we also profile some of the talented sales and underwriting professionals who make our Programs team so effective. Not only do we have some of the most experienced programs specialists, they're also interesting people! I hope you'll take some time to learn more about them in this issue.

We may be at different points of the coronavirus pandemic, but what unites us is our desire to come out of it stronger and wiser. So, let's continue working together and supporting one another.

On behalf of our entire team, my very best to you.

Regards,

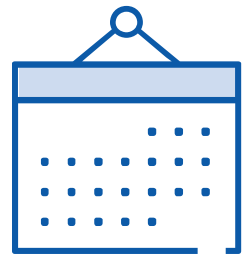
A handwritten signature in black ink, appearing to read "Greg Massey".

Greg Massey, CPCU, CIC, CRM
Head of Programs
Zurich North America

Table of contents

Zurich Programs' Priorities	4
Awards and Recognition	6
Our People	8
The SUITELIFE: A case study in program success	13
Remote Working Policies and Considerations	14
Protecting Customer Data	18
Ingenuity and agility bring distinctive pet insurance program to market	24
Innovative Data Solutions: Keeping the Program Administrator in mind	28





FROM GREG MASSEY: **ZURICH PROGRAMS' 2020 PRIORITIES**

IT IS TOO EARLY TO KNOW THE IMPACT COVID-19 WILL HAVE ON OUR BUSINESS, BUT OUR MOMENTUM AND SUCCESS GOING INTO 2020 GIVES US REASON TO BE OPTIMISTIC. THE PROGRAMS INSURANCE SPACE REPRESENTS OVER \$41 BILLION IN PREMIUM AND ITS GROWTH IS OUTPACING THE RATE OF GROWTH IN COMMERCIAL INSURANCE MARKETS. ZURICH HAS AN APPETITE TO GROW AND WE LOOK FORWARD TO MAKING THE MOST OF THIS OPPORTUNITY WITH OUR PROGRAM ADMINISTRATORS. IT IS ALSO IMPORTANT TO NOTE THAT ZURICH WAS WELL-CAPITALIZED COMING INTO THE COVID-19 PANDEMIC, AN IMPORTANT FACTOR IN BEING ABLE TO RESPOND FOR OUR CUSTOMERS, BROKERS AND PROGRAM ADMINISTRATORS DURING TOUGH TIMES.

With that in mind, I want to share with you our priorities and areas of focus for the coming year. In 2020, we are focused on delivering growth and overall profitability. We successfully launched nine new programs in 2019 and have already launched three new programs in 2020. These programs will continue to grow over our new three-year strategic cycle.

So, how do we capitalize on these achievements to meet our growth targets for 2020? We will build on the momentum we've achieved by writing an additional 6-8 new programs this year. These new programs will collectively achieve the profitable premium that will hit our three-year growth and combined ratio targets.

The biggest challenge for me and my team, and the one that also presents the most opportunity, is aligning the right Program Administrators with the right programs. Our Program Administrators are exceptional, and when we work together on future opportunities, we remain focused on making sure the economics of those opportunities are compelling. We must be confident a program will perform and deliver profitably for the Program Administrator and for Zurich. We will continue to collaborate with our Program Administrators to find innovative ways to write new programs and manage our existing ones to ensure continued profitability.



2020 PRIORITIES

We also continue to focus on simplifying our new programs due diligence process to improve our speed to market. We've made great progress here. We've been onboarding programs in 3-4 months when historically it had taken six months or longer. We've become more responsive and agile as an organization. Our strong and integrated underwriting community – and the shared services that we lean on for due diligence when assessing new program opportunities – position us well to be able to capitalize quickly on promising new programs.

As always, please don't hesitate to reach out as you consider growth opportunities or new markets for your programs.

On behalf of the Zurich Programs team, thank you for your continued partnership and collaboration.

Greg Massey, CPCU, CIC, CRM
Head of Programs
Zurich North America

OUR COMPANY

Zurich North America Awards and Recognition

Zurich included in Corporate Equality Index 2020 for LGBTQ equality

February 2020

For 3rd consecutive year, Zurich named one of Forbes' Best Employers for Diversity

February 2020

Zurich earns 2019 Innovation Award from Business Insurance

September 2019

Zurich again ranks among Forbes' Best Employers for Women

August 2019

Zurich earns place in 2019 Diversity Best Practices Inclusion Index

August 2019

Zurich named to list of best employers for veterans

May 2019

Zurich Insurance earns Outstanding Achievement Award from the 2019 National Hurricane Conference

April 2019

Zurich Best of the Best

Zurich celebrates the

BEST OF THE BEST

with the *Program Administrator Award of Distinction*



The Zurich Programs Award of Distinction honors top-performing Program Administrators who meet required profit, GWP, loss ratio, financial, underwriting and compliance award criteria.

The Award of Distinction winners based on 2019 performance are:

PINNACLE	PLATINUM	GOLD
<ul style="list-style-type: none"> • Abacus: Film Production 	<ul style="list-style-type: none"> • Arrowhead OnPoint: Logging • Arrowhead OnPoint: Sovereign Nations • Deans and Homer • Sigma Underwriters 	<ul style="list-style-type: none"> • Arrowhead DIC: Commercial earthquake • US Assure: Builders Risk coverage for commercial and residential construction

The award has two tiers, Gold and Platinum, with increased thresholds in the Platinum tier. The program also includes a Pinnacle award for best results in the Platinum tier. This award is presented to one program only and is determined by top achievement in gross written premium (GWP) growth, loss ratio (LR) results and the quality of underwriting, compliance and financial review.

2020 PROGRAM CRITERIA

GOLD Award – Tier One	PLATINUM Award – Tier Two
<ol style="list-style-type: none"> 1. Meet GWP plan for the year 2. Meet LR plan for the year 3. Underwriting review – effective 4. Compliance review (if applicable) needs improvement with low-impact (minimal) recommendations 5. Financial review – effective 6. Profitability target met or exceeded 	<ol style="list-style-type: none"> 1. Exceed plan GWP by 5% or more 2. LR below plan by 1.5 points or more 3. Underwriting review – effective 4. Compliance review (if applicable) – effective 5. Financial review – effective 6. Profitability target met or exceeded

Several Zurich Program Managers are being honored with the David Banks Award of Distinction* for their management and support of the top-performing Program Administrators:

- **Steve Chochon** Deans & Homer
- **Cindy Collins** Arrowhead DIC
- **Brian O’Neill** Abacus and Arrowhead OnPoint
- **Stacy Topf** US Assure and Arrowhead OnPoint
- **Todd Klostermann** Sigma

*The employee award is named in honor of the distinguished career of Zurich Programs Executive Vice President David Banks, who retired in 2018.

OUR PEOPLE



Zurich's front line

Getting to know David Beighley and Peter Rasmussen
Regional Vice Presidents, Zurich Program Sales



Tenacious. Persistent. Smart. Charismatic. These are some of the words Zurich colleagues use to describe Program Sales Regional Vice Presidents Peter Rasmussen and David Beighley. This two-man team covers the entire country as Zurich's front line and the face of Zurich to Program Administrators. Together, Pete and Dave have established a broad network of PAs considered to be best-in-class in their respective lines of business, and they work closely with each PA to understand their aspirations for their program(s) and how Zurich can bring significant value to the partnership.

Pete and Dave spend a great deal of time meeting with Program Administrator leaders. The work is intense and requires a unique ability to leverage deep program knowledge, evaluate diverse program and economic structures quickly, and assess culture. Dave said, "As part of the Program Sales team, we are the first to establish a prospective new program opportunity in the Zurich pipeline, to analyze and evaluate each new opportunity

within the New Programs process and to work closely with the PA to navigate through due diligence."

Whether a new program opportunity will be a "fit" is quite often based upon Pete and Dave's assessment coming out of those meetings and conversations. "The best outcome or chance of success for a new program happens when the Program Administrator's culture and Zurich's culture align," said Pete. "Dave and I spend as much time evaluating the cultural fit as we do assessing program mechanics and economic factors."

"We are so passionate about what Zurich offers Program Administrators. When we talk about the way Zurich works with PAs to develop their team – marketing tools, talent acquisition, underwriter sales training, objection handling, value proposition development, individual development plans, our online web-based employee training tools – or when we talk about how Zurich

supports PAs with community involvement and impact, the PAs we talk to don't typically hear this from competitors," said Pete.

"These value proposition pillars represent cultural alignment. PAs we work with recognize that Zurich is different because of the way we support them and help them grow in these areas, in addition to traditional program elements like underwriting and rating philosophy."

Greg Massey, Head of Zurich Programs, noted, "Dave has an underwriting background, and when coupled with his sales experience, he brings a unique background not generally seen in distribution roles. He is well-entrenched from an industry networking/connections standpoint. Pete has been in sales roles within our Direct Markets area and has been effective jumping into the programs space. Both Pete and Dave are very resourceful in helping Program Administrators grow, and they both have a 'get to yes' approach."



DAVE BEIGHLEY

Dave is the Regional Vice President of Program Sales for the eastern half of the United States.

He has been with Zurich for 22 years and with Programs for 10 years. He formerly served as an Enterprise Relationship Manager in Marketing and Regional Management and ran the Mid-Atlantic area for Zurich Small Business prior to its sale to Farmers Insurance in 2009.

Dave has a BA in Speech Communication from Penn State, holds the Chartered Property & Casualty Underwriter (CPCU) designation and the Certified Programs Leader (CPL) designation from the Target Markets Program Administrators Association. He also attended the Zurich Strategic Management Program at the Kellogg School.

His career background has been in various leadership roles, largely focused on sales, distribution, and marketing.

He has a successful track record of creating profitable growth with retail agents, brokers and Program Administrators.

Dave enjoys tennis and is an avid history buff. He and his wife Celeste reside in South Carolina.



PETE RASMUSSEN

Pete is the Regional Vice President of Program Sales for the western half of the United States.

He has been with Zurich North America for five years, starting in Direct Markets before moving to Programs. His experience in the insurance industry spans more than 13 years and includes leadership roles in the Property and Casualty, Third Party Administrator (TPA) and Captives spaces.

Pete has a BA in Business Management from liberal arts school Gustavus Adolphus College in Minnesota. He has attended the Global Leadership summit and participates in Zurich's leadership team.

His professional background includes a variety of leadership roles in the insurance and banking industries – focused on sales for both B2B and B2C, distribution, and marketing.

Pete enjoys watching and playing sports, traveling and keeping abreast with geopolitical situations/events. He and his wife reside in Minneapolis.



WANT TO MEET DAVE AND PETE? HAVE A PROGRAM OPPORTUNITY YOU WOULD LIKE TO DISCUSS? HERE'S HOW TO REACH THEM:

David Beighley (East)
843-231-8510
david.beighley@zurichna.com

Peter Rasmussen (West)
612-274-6850
peter.rasmussen@zurichna.com

OUR PEOPLE



Cindy Collins

Assistant Vice President – Program Underwriter



Dan Hirsch

Senior Referral Underwriter and Program Manager

Cindy began her insurance career at Central National Insurance Company of Omaha, where she held positions of increasing responsibility during her 12-year tenure. She joined Empire Fire and Marine Insurance Company (a Zurich subsidiary) in 1990 as an underwriter and has been an underwriter and program manager for the entire duration of her 30 years with the company.

Program Manager Role

In her current position as Program Manager for the CAT/E&S Programs team, she manages multiple Arrowhead General programs, including:

- Difference in Conditions (DIC)
- Homeowners
- Residential Earthquake
- All Risk Excess and Surplus lines

We asked Cindy to tell us a little about herself.

What do you like about your job and why is it a good fit for you?

My job has a lot of variety in the day-to-day handling of my programs, which I enjoy. I really like the relationships that I have built over the years with Program Administrators.

What behavior or personality trait do you most attribute your success to, and why?

I try to take a practical approach to situations and think through the up- and down-stream effects of my decisions. I take accountability for my actions – if I make a mistake, I own up to it.

Who has influenced you most when it comes to how you approach your work?

I think my previous manager, Jim Runyan. He taught me so many things about insurance, but more importantly, not to sweat the small stuff.

What's something—big or small—that you're really good at?

I think I'm a pretty good mom and grandmother.

What would we most likely find you doing on the weekend?

Spending time with my daughters and grandchildren.

Where's your favorite place in the world?

Any place with warm temps and a beach.

What's your guilty pleasure?

Lemon drop martinis!

Dan began his career as New York City Staff Counsel for the Hartford Insurance Company, specializing in representing dentists in malpractice matters. After five years, Dan left the Hartford in 1999 to work as outside counsel, continuing to handle primarily dental malpractice claims.

He joined Zurich in September 2004 as part of the Claims team, working on Lawyers' Professional Liability (LPL), Title Agents and other professional liability claims. In 2006, he moved to underwriting, and wrote Lawyers' Professional Liability policies for Zurich's LPL Program. Dan took over management of the Aon Affinity Travel Agents and Tour Operators program in 2015. In 2019, he began to assist in the program management of the Allied Public Risk municipality program, handling the Professional Liability aspects with colleague Brian O'Neill.

Dan is a member of the New York, New Jersey and Indiana State Bar Associations.

In his current position as Senior Referral Underwriter and Program Manager for Alternative Markets, Dan specializes in Professional Liability and manages multiple programs, including:

- Lawyers' Professional Liability
- Travel Agents and Tour Operators
- The Professional Liability portion of the Municipalities and Public Entities programs

Dan has been married for nearly thirty years to his wife Debra and has two daughters, Elyssa and Rachel. He lives in Metuchen, New Jersey and is a board and committee member and Executive Vice President for the Men's Club at the synagogue.

Dan has been a member of several governing bodies in his hometown, including the Environmental Commission, the Planning Board, Technical Review Committee, Parking Authority and the Metuchen Borough Council. In 2019 he was elected to serve as Councilman.

We asked Dan to tell us a bit more about himself.

What makes your job a good fit for you and what do you like about your job?

My experience provides me with a unique perspective of the customer's needs. My time as a practicing litigation attorney provides me with insights into a lawyer's business and an informed perspective on liability. The time I spent in claims likewise provides me with a deep understanding of reserve philosophy and defense strategy. My experience in small town government, including, but not limited to my time as a Councilperson, has given me a fuller view of the professional liability needs of medium-to-small town officials. When Zurich says that it is customer-led, to me that means understanding what customers need, why they need it, what they don't need – and why – and having a real understanding of the risks that Zurich is taking on. My background provides me with this understanding.

If you could snap your fingers and become an expert in something, what would it be?

If I could snap my fingers and become one thing, it would make me wonder why I haven't done that yet. Some things, like being an expert NBA point guard, are just out of the question. I think the answer would be that I'd like to learn to be conversational in many

different languages. In my life, I have studied Hebrew, Latin, French and German, though I know only enough to get by.

What's the best compliment you've ever received?

I was honored by my synagogue a couple of years ago and the person who spoke about me called me a "mensch", which is a Yiddish word which basically means a man of integrity. Being called out for being a good person is, to me, the best compliment I could ever ask for.

Where's your favorite place in the world?

My friends would all say that my favorite place in the world is Walt Disney World, since I go there so often. The truth is, I love visiting new places and my favorite place is often wherever I am.

What would we most likely find you doing on the weekend?

I enjoy being active. Most weekend mornings, you will find me on a long bike ride or running/walking for miles. Otherwise, weekends are spent with family or friends.

What's your guilty pleasure?

About three times a year, my closest friends and I go into New York for dinner at one of the great steak houses and enjoy cocktails, appetizers and a really good steak.

OUR PEOPLE



Sharon Burns

Vice President - Professional Services and Segmented Programs

Sharon Burns is Vice President on the Professional Services and Industry Focus Segmented Programs underwriting team at Zurich. She has 29 years of insurance industry experience. Prior to joining Zurich, she was the Assistant Director of the Lawyers' Professional Liability claims department for Interstate Insurance Company. Her work history also includes practicing law at a small general practice law firm, Director in the Lawyers' Professional Liability claims department of American International Group, and Personal Lines Claims Supervisor at Travelers' Insurance Company.

Sharon's experience includes speaking about professional liability risk management issues, including seminars sponsored by the American Bar Association and the New York City Bar Association. She was a member of the American Bar Association's Standing Committee for Lawyers' Professional Liability.

Sharon received her Bachelor of Arts degree from Rutgers University and received her Juris Doctor from Rutgers Law School. She was admitted to practice law in New Jersey State and Federal Court in 1993.

Profit Center Manager Role

In her role as Profit Center Manager at Zurich, Sharon is responsible for the profitable growth and development of products for nine programs, and for supervising and developing four Zurich Program underwriters. She is also responsible for the management of existing and new program administrator relationships.

Programs Sharon Manages

Sharon manages monoline professional liability programs, including:

- Lawyers' Professional Liability
- Veterinarians
- Travel Agents and Tour Operators

She also manages six industry-focused programs, including:

- Fitness, Wellness and Spa
- Forestry
- Sovereign Nations
- Home Healthcare
- Historic Properties
- Public Entities

We asked Sharon to tell us a little about herself.

What do you like about your job, and why is it a good fit for you?

This job is a good fit for me because one of my strengths is relationship management and the job affords me the opportunity to manage internal and external relationships. Moreover, I enjoy the fact that I get to use my skills from past jobs as a lawyer and claims professional to negotiate price/contracts, create products and solve unique problems.

What behavior or personality trait do you most attribute your success to, and why?

I use my relationship management and legal skills to influence and/or persuade partners to collaborate to improve results and/or to embrace change. In addition, I am not easily deterred by roadblocks. In that regard, I routinely explore all available options and then look for innovative ways to solve problems through research, technology and collaboration with my peers across Zurich.

Who has influenced you most when it comes to how you approach your work?

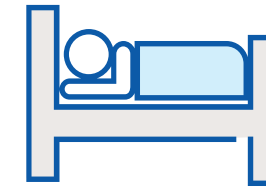
My step-father had a strong work ethic. Although he was very sick while I was growing up, he never complained and always went to work and worked hard. His example influenced my work ethic. In that regard, I strive to work hard and produce a quality work product.

What energizes you outside of work?

I enjoy volunteering for charities such as my church where I serve as a trustee and Sunday school teacher. I also enjoy date night with my husband, girls' night out and cuddling with my daughter's dog, who she conveniently left home when she went to college.

What's your guilty pleasure?

Ice cream.



THE SUIELIFE: A CASE STUDY IN PROGRAM SUCCESS

SUIELIFE UNDERWRITING MANAGERS AND ZURICH STARTED THE SUIELIFE BOUTIQUE HOTELS, RESORTS AND RESORT COMMUNITIES PROGRAM IN 2011 AND THE PROGRAM HAS BEEN A CONSISTENT TOP PERFORMER SINCE ITS INCEPTION, GROWING EXPONENTIALLY YEAR OVER YEAR.

The program offers specialized insurance for the upscale hospitality industry, with coverages designed to help protect their property, employees and guests. The program appetite encompasses boutique hotels, casino hotels, condo hotels, hotel management companies, premier and full-service hotels and resorts.

About the program's success, John Welty, President SUIELIFE said, "We are very proactive. That's how we manage our business. We use a lot of data and that allows us to make decisions and take actions to keep the program growing and profitable. We also know and understand our customers very well. Hotels are in the service industry, so we are in the service industry. A few years ago, we changed the narrative and instead of talking to hoteliers about insurance, we talk about guest experience and how what

we do affects their guest experience. This change in how we talk to our customers has been a significant factor in why we continue to grow."

Lori Shrum, Zurich Program Manager said, "We value the expertise that John and his team bring to the program. They know the owners of these resorts and have long-standing relationships with their clients. They know where the business is, they know which owners they can grow and be profitable with, and they have a vested interest in the profitability of the program. We work hand-in-hand and we value the partnership we share in obtaining mutual goals for the program."

It truly is a collaborative relationship. SUIELIFE and Zurich agree that profitability is the most important component. Welty said, "Zurich has confidence in who I am and who

my team is. We write the quality business that we both mutually want to write."

SUIELIFE continues to experience steady growth and in October of 2019 was acquired by Ryan Specialty Group (RSG). The relationship with RSG offers a number of new opportunities for growth. Both the Canadian market and the European Union are looking to launch the SUIELIFE program. As Shrum explained, "We have shared our underwriting guidelines with our counterparts in Canada and the UK so that they are prepared to take on these programs; they know they can work with us and leverage our expertise."

SUIELIFE Underwriting Managers is a series of RSG Underwriting Managers, LLC (RSGUM), the managing general underwriting unit of Ryan Specialty Group (RSG).





REMOTE WORKING POLICIES AND CONSIDERATIONS

DAYS AFTER THE CORONAVIRUS WAS DECLARED A PANDEMIC, OFFICE BUILDINGS AROUND THE WORLD WERE EMPTYING AS BUSINESSES URGED THEIR EMPLOYEES TO WORK FROM HOME. THIS SOCIAL DISTANCING STRATEGY, DESIGNED TO SLOW THE SPREAD OF THE VIRUS, COULD BRING THE BIGGEST TEST YET OF REMOTE WORK AND THE RISKS THAT COME WITH IT.

While the benefits of telework go beyond limiting exposure to the coronavirus, having potentially thousands more workers logging on to networks remotely and, in some cases, hastily setting up home offices, heightens other risks related to cyber security, personal safety and more.

“As telecommuting expands during this crisis, employers have less oversight of employees and their work environments – for example, whether they are properly using company-issued equipment and, more importantly, how they are doing in terms of physical and mental health,” said Julie Bolton, Vice President of Casualty Risk Engineering for Zurich North America. “Managers should be encouraged to have discussions with their employees about how they are doing working from home, and employees should be encouraged to raise any issues they are comfortable raising, either with their manager or a Human Resources representative.”

Coronavirus and telecommuting policies

Employers may want to consider amending existing work-from-home agreements from their Human Resources department and sharing them more broadly to clearly scope out role expectations and protocols, particularly for employees who do not typically work remotely.

Employers and employees also should be aware of the potential for technology glitches because of the surge in remote workers.

“As an employer, understand whether the network has been set up for remote workers to access all the assets or systems they need off the premises,” said Nikki Ingram, a Senior Cyber Security Risk Engineering Consultant for Zurich North America. “And do the systems you use, such as for virtual meetings, allow for an increased number of remote users? It’s possible to overrun capacity for people working remotely. Can your system support the higher workload and do you have plans for if it doesn’t?”

Employees, in turn, should make sure they have reliable Wi-Fi access. Those with newer Wi-Fi routers and with higher service levels from their internet service provider may be in better shape during peak usage. If bandwidth is an issue, disconnecting lower-priority devices from the Wi-Fi network can help, Ingram said.

Discussions between managers and employees should cover issues mentioned above as well as the following:

- Are specific working hours expected?
- How and where can employees be reached if they’re working flexible hours?
- How should an employee communicate if they are feeling ill?
- Are any purchases reimbursable to create a functional remote workspace?

While managers do not need to know private and confidential medical information, they do need to know if employees are able to perform work on a given day.

“Conversations also should cover expectations and instructions for virtual meetings, such as whether video participation is preferred. If it is, employees should be sure that they and their backdrop are prepared for being viewed,” Ingram said. “If audio participation is sufficient, a strip of electrical tape over a computer’s camera can protect privacy.”

Telework agreements should place responsibility for safety in the home working environment on the employee. Employers can provide tips such as proper techniques for working ergonomically on a laptop and keeping the workplace free of trip hazards. Zurich customers can ask their Zurich Risk Engineer or representative for more information.

Employers’ Human Resource departments should be involved to ensure that practices comply with local laws and other company policies. Note that statutory labor notices need to be accessible to employees while they’re teleworking.

“It’s important to remember that employers will generally have the same exposure to liability from work-related accidents as they would if the employee was working in the company office,” Bolton said.

In this “new normal” of telework, here are a few more tips for businesses, governments, nonprofits and employees to keep in mind. (This list is not comprehensive and is intended as general guidance.)

Cyber security policy for remote working

Remote work on the scale we’re experiencing heightens digital perils like never before. For financial, healthcare and other businesses, as well as federal and state agencies that deal with sensitive data, there’s little room for cracks in cyber security systems. “As an employee, ensure you are complying with your company’s security standards as a remote worker,” Ingram said. “Everyone wants to get their job done, but if, for example, you’re having internet trouble at home and your service provider tells you to lower your security settings, talk to your employer’s technical support before doing that.”

To help ward off threats:

- Employers should remind employees to promptly install patches and updates, including their anti-virus software, to all devices on their home network.
- Consider advising employees to go into their Wi-Fi router’s management software to ensure it’s running the latest firmware, which can update security flaws. “And make sure you have a strong password on your home Wi-Fi that’s unrelated to your work computer password,” Ingram said.
- Remind employees to be wary of suspicious emails, downloads, USB drives or other things that could introduce malicious software onto their computer and into the network. These could include spoofing and phishing attacks from bad actors pretending to be IT personnel asking for your credentials.

- Connection to corporate networks should be made using a secure means (e.g., a VPN or virtual private network). Businesses should remind employees of the availability of encrypted network drives where they can store data to avoid loss in the event of a computer virus or other malfunction.

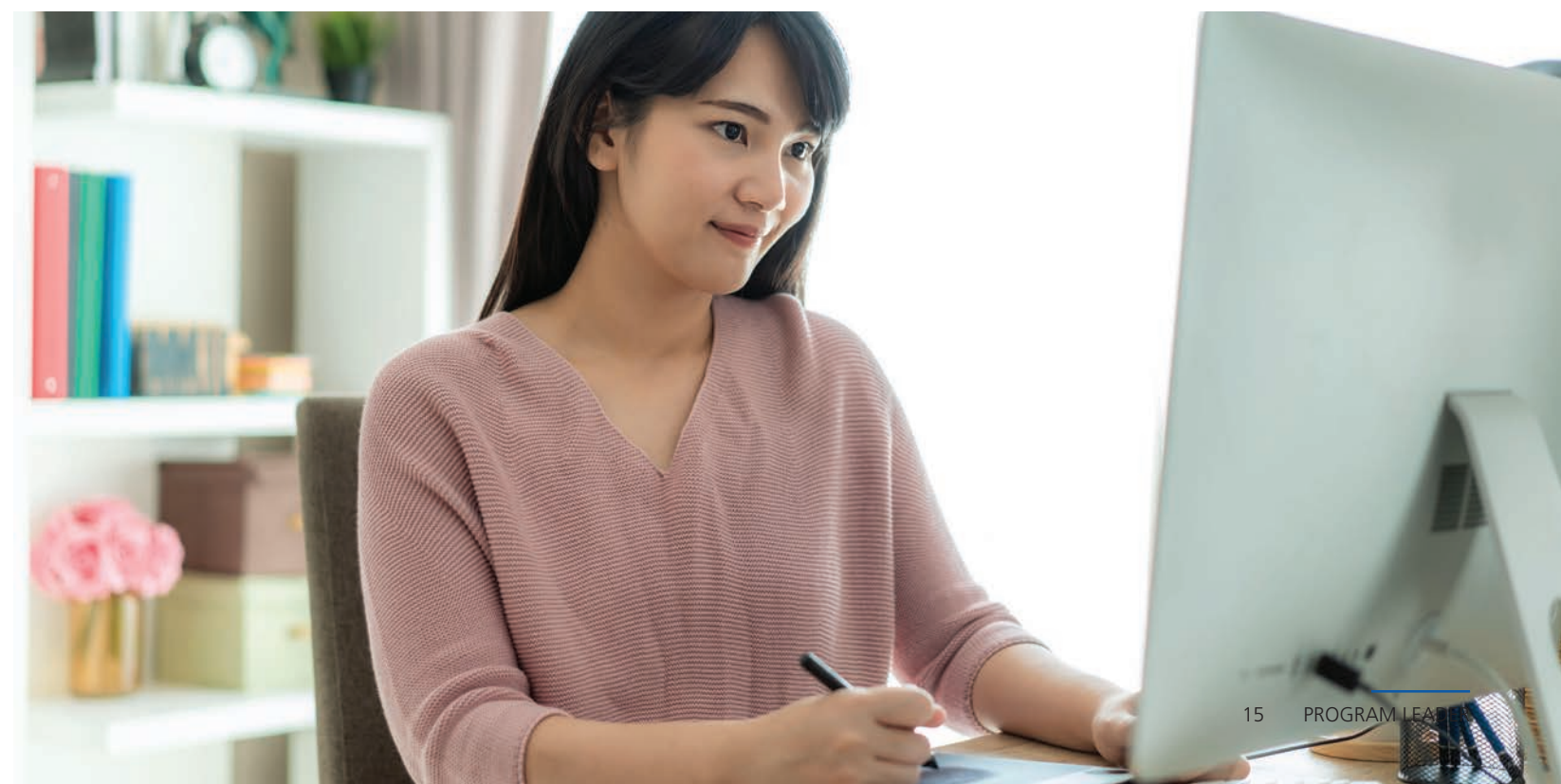
If telecommuting employees work with confidential information, clarify acceptable work locations. Working in venues such as coffee shops, if they remain open in the employee’s area, can heighten cyber risks.

Fire safety

During the coronavirus crisis, employees may be competing for space and quiet with others in the household. Those setting up their offsite office in a basement or attic should be aware of safety risks, including those related to fire, and take steps to stay safe.

- Heat-producing equipment, such as computers and space heaters, need air circulation around them. If they are in use, do not place space heaters under desks.
- Halogen bulbs, such as those in some desk lamps, operate at high temperatures. Make sure drapes and other combustible materials aren’t grazing them.
- Any work area should have a smoke detector installed, with a working battery. A fire extinguisher should be accessible. There should be two means of egress in an emergency. It can’t just be a single set of stairs.

“Also, invest in a good surge protector,” Bolton said, “and be sure there are no outstanding recalls on the model you have.”



Remote Working Policies and Considerations *continued*

Ergonomics

For workers new to working from home, it's easy to overlook and underestimate the impact of ergonomics on productivity. "While working from a sofa may sound great, the reality is that back and neck pain as well as carpal tunnel problems often start with seating that is too soft or isn't the right type or height relative to a computer," Bolton said. "Employees should choose a desk and chair that allow adjustability."

A few tips:

- Hands and forearms must be in line for the wrist to be neutral at a computer. Wrist rests can be a cost-effective investment to help achieve neutrality.
- Knees should be slightly lower than hips when seated.
- The computer monitor should be positioned so the top of the screen or top of the primary information field is approximately at eye level.

Employers should consider providing additional ergonomics tips via email to employees. Zurich has created an online self-assessment tool that can help reduce risk factors associated with computer workstation-related injuries.

Slip, trip and fall risks

With many workers setting up their offsite headquarters in a basement or attic, stairs can raise the risk of slips, trips and falls. It's tempting to overload yourself with a laptop, coffee cup and files when going up and down stairs to start or end the day. Avoid this temptation and make another trip if necessary.

Other actions for safety best practices:

- Ensure electrical cords aren't crossing a pathway or in a tangle underfoot, and replace burned-out light bulbs.
- Note that all staircases with more than four steps should have a fixed handrail.

- Anyone working from home should keep the clutter off of stairs and away from their work area.

"There is no need to travel at top speed to catch a phone call, and managers should not suggest that calls be answered within a certain number of rings," Bolton said. "If you miss a call, call back."

All of us need to do our part to prevent an avoidable accident and a trip to an overburdened doctor or ER.

Be mindful of safety and security during an unprecedented surge in telecommuting, while we all wait for work life to regain some semblance of normalcy.



WE SHARE YOUR PASSION FOR BUILDING SUCCESSFUL PROGRAMS.

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FOR THOSE WHO TRULY LOVE THEIR BUSINESS.**



PROTECTING CUSTOMER DATA

WHY DATA PROTECTION IS EVERYONE'S JOB

THE USE OF DATA IS BECOMING MORE PERVASIVE AND COMPLEX IN ALMOST EVERY ORGANIZATION. EVERY EMPLOYEE NEEDS TO BE VIGILANT IN LOOKING FOR THREATS — BOTH INSIDE AND OUT.

Most organizations leverage data in many aspects of their business. Sensitive customer information is stored in customer relationship management systems and sales and service databases, and is even shared with third-party providers. Failure to secure this data can leave your organization vulnerable and result in significant financial or reputational damage.

"The threat landscape is evolving and more active than ever," said Adam Page, Chief Information Security Officer for Zurich North America. "Massive data breaches affecting millions of customers of big retailers and banks make headlines, but the majority of breaches happen to smaller companies."

According to a recent report by Risk Based Security, the first six months of 2019 saw more than 3,800 publicly disclosed breaches that exposed approximately 4.1 billion records, an increase of 54% compared to the first six months of 2018. The report also revealed the majority of breaches affect companies with 10,000 or fewer records, indicating that no business is too small to be on a cyber criminal's radar.¹

"Cyber criminals may consciously seek out smaller organizations instead of the Fortune 500s because they think the data will be less protected," explained Nikki Ingram, Senior Cyber Security Risk Engineering Consultant who works closely with Zurich customers to identify their data vulnerabilities. "Smaller companies can also be more susceptible to ransomware attacks, which is when a company's computer system is blocked by a hacker until a sum of money is paid either due to lack of security controls or a backup strategy."



EMPLOYEES ARE YOUR FIRST LINE OF DEFENSE AGAINST CYBER ATTACKS

For most companies, it's not a software program or firewall malfunction that leads to a data breach. It's employee error that occurs across all departments in an organization. "That's why one of the key strategies to minimize the risk of a data breach is to focus on training the people who use and collect customers' personal information," explained Daryl Allegree, a Regional Risk Engineer and member of Zurich's Alternative Markets Risk Engineering team.

Employee errors can happen while handling data in the most basic ways, such as:

- Taping passwords to a computer terminal
- Neglecting to lock a file cabinet containing sensitive customer information
- Failing to shred paper or online copies of financial applications

- Misplacing a mobile device and having it picked up by a bad actor
- Opening emails from an unknown sender that instigates a phishing attack resulting in a malware infection, theft of sensitive customer information or fraudulent wire transfer
- Approving an invoice submitted online from a cyber criminal posing as a vendor that results in thousands of dollars in lost funds

"One of the most basic levels of security starts by securing physical paperwork," said Allegree. "I see customers storing financial paperwork in boxes on shelves that are not locked or secured in any way. At minimum, shred financial paperwork that is no longer needed." Current physical files should be kept in offices that are locked and accessible to only a few employees.

While some of these actions can be innocent in nature, what is more damaging is when a disgruntled employee downloads customer data on a USB stick to sell to a competitor or cyber thief. "Unfortunately, internal employee threats are a very real problem, and if an employee is seeking revenge, they can do a lot of damage to an organization and its data," said Page.



SMALLER BUSINESSES LOSE MORE IN DATA BREACHES

A data breach can hit businesses with less than 1,000 employees with disproportionately higher costs when compared to organizations with 25,000 or more employees.

This can make it more challenging for smaller businesses to recover financially from a data breach.

**LARGER ORGANIZATIONS
AVERAGED \$5.1 MILLION, OR
\$204 PER EMPLOYEE**

**SMALLER ORGANIZATIONS
AVERAGED 2.65 MILLION, OR
\$3,533 PER EMPLOYEE.²**

CREATING A CULTURE OF DATA SECURITY

Every organization's culture starts at the executive level. It's the responsibility of the people at the top to establish an awareness of data security as a companywide priority, not just an IT priority. To do so, a member of the senior management team should be assigned to oversee development and maintenance of a cyber security program and company policy. This cyber security leader should consider creating a cross-functional team to monitor security awareness, education and compliance throughout the organization.

"At the core of a cyber security program is employee training," said Ingram. "Awareness training with employees has shown to have very good return on investment, much more than some of the technology solutions which require ongoing management to keep effective." She recommended educating employees on current threats and attacks, and best practices on how to maintain the confidentiality, privacy and security of sensitive customer data. A company's cyber security policies and procedures should be reviewed; if the policies are violated, employees should be made aware that disciplinary actions will be taken.

Ingram recommended that training should be held at least annually. Cyber criminals are constantly adopting new tactics to breach data, and if your employees aren't aware of the latest methods, attacks can go undetected for months within an organization and create widespread damage. If your organization experiences frequent staff turnover, training should be integrated as part of new employee onboarding. Page advised taking employees through specific attack scenarios to practice incident response capabilities where systems become unavailable, and how to spot phishing emails.



Protecting Customer Data *continued*

REBOOTING YOUR CYBER SECURITY PLAN

Considering how to best manage the latest cyber security threats along with the changing regulatory landscape may require reassessing your data risks and deciding what the best mitigation strategy should be.

"It's tempting to look for a quick-fix solution by hiring an external consultant or a full-time cyber security employee," explained Allegree. But the most effective starting point for an objective third party with cyber security experience is to conduct a baseline risk assessment for the organization. Allegree emphasized the risk assessment should be conducted from multiple angles that address people, processes and technology. Looking across all users of data (i.e., employees, contractors and vendors) to find the vulnerable points is critical to minimizing the risk of a data breach.

"The assessment helps an organization determine what to prioritize when developing their cyber security strategy, and a six- to 12-month roadmap to focus efforts moving forward," Ingram said.

With the increasing amount of data handled by employees and the threat environment becoming more intense, a cyber security policy may become the additional protection your company needs to survive a data breach and its potential multimillion-dollar costs.

1. 2019 MidYear Data Breach QuickView Data Breach Report. Risk Based Security. August 2019.
2. 2019 Cost of a Data Breach Report. Ponemon Institute and IBM Security. July 2019.



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**INGENUITY
AND AGILITY**
BRING DISTINCTIVE
PET INSURANCE
PROGRAM TO MARKET



Launched in 2019, Zurich's TrustedPals pet insurance program helps pet owners cover costs related to veterinary care and is a result of a collaboration with Marsh, one of the world's leading insurance brokers and risk advisers. The TrustedPals program offers accident (e.g., lacerations, broken bones), illness (diabetes, cancer) and wellness (vaccinations, dental) coverages for dog and cat owners in the U.S.

Marsh writes several programs currently with Zurich. "As a valued PA looking to start up a new program, Marsh expressed interest given our mutual vision and shared strategy for profitable growth," said Head of Programs Greg Massey. "Both of our organizations have a strong commitment to innovation and a proven track record of working well together."

STATE OF THE INDUSTRY

Pet insurance is a \$1.4 billion market and growing rapidly in the U.S. and Canada.¹ "We recognized three main drivers contributing to the growth in the pet insurance market," said Zurich Programs project lead Brett Guzdziol. "First, we are seeing an increase in the family-like status of pets in households. This is especially happening as older generations become empty nesters and the millennial generation delays having children. Second, we are witnessing an increase in the cost of pet care, which has more than tripled the rate of U.S. inflation since the early '90s. And third, more and more companies are incorporating pet insurance as a work site offering (voluntary benefit) to employees, especially to attract younger talent."

Zurich Ingenuity and Agility *continued*

BRINGING A DISTINCT OFFERING TO MARKET

After a thorough market analysis, the project team decided to pursue the program. “We approached Marsh with our interest, and given our global capabilities and the future growth potential we decided to enter into an exclusive agreement to write pet insurance in all 50 states and D.C.,” said Guzdziol.

“What makes this particular collaboration so appealing is our ability to leverage Marsh’s digital platform to provide direct-to-consumer quotes and policies in real time,” Guzdziol continued. “Mercer, a Marsh sister company, provides voluntary benefits consulting, offering yet another distribution channel to promote the product in the work site area. In fact, both Zurich and Marsh are already offering this product to their employees!”

Some unique aspects of the TrustedPals program include the following:



Flexibility in coverage options: Options for limits, copayments and deductibles. There is an adjustable structure based on budget and desired coverage.



Simple and responsive claims experience: Pet insurance is a reimbursement program where you pay out of pocket and are reimbursed later. TrustedPals has an easy-to-use online portal to upload claims that are automatically sent to a third-party administrator for reimbursement. The service-level agreement is a quick 10 days to have a response and payment to the customer.



Humorous product marketing: TrustedPals takes a tongue-in-cheek approach. Along with funny pet photos, the buying experience is from the pet’s point of view to target younger generations.



COLLABORATION IS KEY TO LAUNCHING A PROFITABLE PROGRAM

New Programs business lead Erin O’Grady commented on how the collaboration within Zurich and with Marsh was critical to ensuring the program could thrive and be profitable.

“Marsh took the lead on developing the rate, quote and issuance (RQI) platform and consumer portal, while Zurich was responsible for developing the product and rating plan and leading the filings process,” said O’Grady. “With the help of Zurich’s Technical Underwriting team, we went from no product to a full-fledged product and rating plan in less than two months. This short turnaround was crucial in gaining alignment with Marsh to move forward.”

Additionally, the filings process to write pet insurance in all 50 states proved no small feat. Even though pet insurance is similar to human health insurance in the way it operates, by U.S. law, pets are considered property and insurance for losses caused to property falls under property-casualty insurance, specifically inland marine.

“While most states allow us to use our inland marine license, Florida requires a livestock and live animal license, which we lacked,” shared O’Grady. “In order to secure this license, we had to meet a three-year seasoning requirement, which meant we either had to be writing livestock and live animal elsewhere or wait three years to get into the market. Fortunately, Zurich’s Regulatory Services team was instrumental in navigating the issue and we were able to qualify for an exception and obtain the required licensing.”

Overall, this new program launch illustrates how Zurich’s innovative thinking was quick to move on an opportunity with a Program Administrator. It also shows how Zurich’s deep knowledge, resources and capabilities deliver for PAs.

Marsh is the world’s leading insurance broker and risk adviser. With over 35,000 colleagues operating in more than 130 countries, Marsh serves commercial and individual clients with data driven risk solutions and advisory services. Marsh is a business of Marsh & McLennan Companies (NYSE: MMC), the leading global professional services firm in the areas of risk, strategy and people.²

1. North American Pet Health Insurance Association. <https://naphia.org/industry/>
2. <https://www.marsh.com/ie/about-marsh/who-we-are.html>



INNOVATIVE DATA SOLUTIONS: KEEPING THE PROGRAM ADMINISTRATOR IN MIND

With technology systems and processes disparate among businesses, setting up a new program with a new carrier can present challenges at an early and critical stage in the relationship. Data transfer from Program Administrator to carrier too often means time-intensive, manual processes, as well as misunderstanding and miscommunication in an effort to fit a square peg in a round hole.

Remaining committed to simplifying and innovating for customers, Zurich decided to flip the process to make it easy for PAs to send data. What resulted is a change to PA data feeds, a less prescriptive format, and the submission of data in a much more collaborative, simpler way. Rather than ask for data in a particular format, Zurich shares with a PA the kind of data that's needed and determines the best way to configure the data once Zurich receives it.

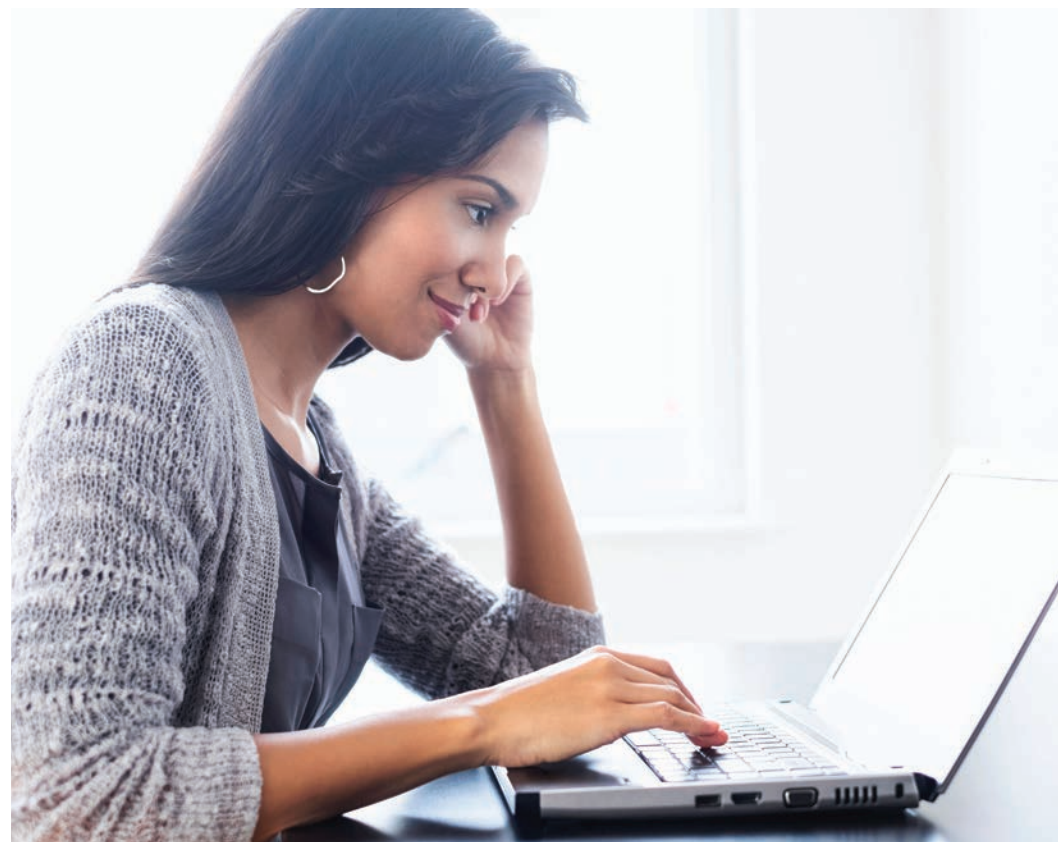
Rob Page, Director of Operations, Zurich Programs Support said, "Instead of asking a PA to learn how to 'speak Zurich,' then encounter a problem as we go through translation, we are using the PA's language and we figure it out on our end." The process change has resulted in much smoother, faster, more efficient data transfer. "PAs explain their environments and we build around them. We're finding our speed of implementation is faster and the stability and quality of data is enhanced, which makes everything easier going forward. Where we might have required a programming change where additional data was needed, now we just ask our partner to add that piece of additional data to the file," Page said.

Another example of how we are simplifying processes for our PA partners is with exposure accumulation data. There are tremendous benefits to be gained from analyzing exposure accumulation data on "in force" policies. Page said, "Using exposure accumulation data, you can do catastrophe modeling, look for hot spots, and observe trends to determine where we have opportunity in a specific area. It helps us focus and set strategy. But all of the risk exposure data (REDS) had a very specific, very unintuitive data layout, so we really weren't doing anything with it. A PA would say 'We

understand what you are saying, but we have to prioritize and because of the time and manual work it would require, we can't do it.' Very few PAs were using it."

So, Zurich made a similar change to what was done for initial data transfer. Now, the PA is not required to operate within the confines of a prescribed data layout. In their own format, the PA shares the data that Zurich indicates is needed, then Zurich works to set it up and automate it. Page explained, "Now we are able to use this data with all PAs. Most PAs want to analyze risk exposure data, but the formatting was turning them off. Now it's no big deal. We set it up and automate it and we can now provide insights back out to PAs about their book of business."

The simplification of these two processes has resulted in far less work for Zurich's PA partners, as well as much more clarity and fruitful, productive discussions. The ability now to analyze risk exposure data will result in more strategic program management, and ultimately, improved profitability and success.

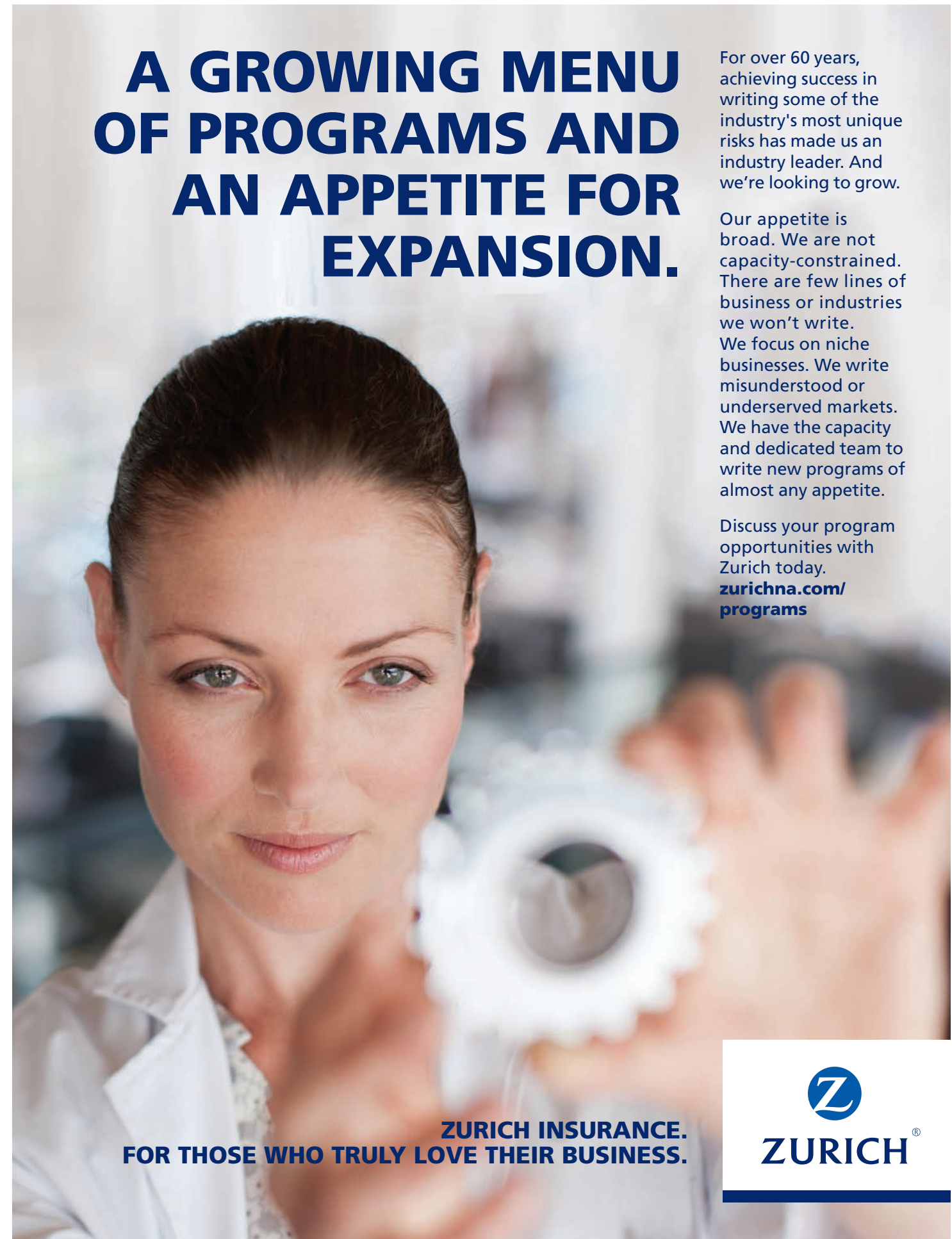


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