

ALLIA
INSURANCE BROKERS



AlliA in Belgium

- By means of Ch. Le Jeune Ltd, AlliA's pedigree goes back to 1843
- Headquartered in Roeselare, offices in Antwerp, Brussels, Gent, Liège, Hasselt, Overpelt, Sint Truiden, Zonhoven. Luxembourg (GD Lux.), Kinshasa and Lubumbashi (RDC)
- 180 highly educated staff
- Premium turnover : approx. 270 mln EUR
- Revenue: 25 mln EUR



Our Services

- Placement of all lines of insurance
- Development of programs and products
- Risk control
- Risk management consulting
- Claims management
- Employee benefits solutions
- Reporting
 - Placement
 - Premium flows
 - Claims

International Network

- Assurex Global with +600 partner offices worldwide
- AJG (Gallagher Global Alliance)
- Howden One



Professional Indemnity (PI)

PI: Definition

- **Professional Indemnity:**

= liability for losses suffered by contract parties, including losses due to failing contractual obligations

Eg:

- Bad advise
- Miscalculations
- Late delivery

PI: Definition

- **Professional Indemnity:**

≠ **General liability:** Liability for physical, material and financial losses suffered by third parties during exploitation

Eg: You spill some water on your clients computer

≠ **Product liability:** Liability for physical, material and financial losses after the delivery of the product.

Eg: Listeria in frozen peas



PI: Possible Risks

- Privacy Liability
 - Disclosing confidential information
 - Privacy of individuals (GDPR)
- Bad advise
- Professional mistakes
- Respecting terms
- Loss of Data
- IP infringement
- Accidental delay in the delivery of the performance
- Reputation damage

PI: Possible Risks

- Libel And Slander
- Unintentional Breach of Copyright
- Damage to business records
- Dishonest employees
- Accidental transmission of malware
- ...

PI: Possible Risks

- E.g.:
 - One of your employees makes a mistake in the tax calculation of your client. Due to this mistake the tax authorities claim arrears for € 100,000. The client holds you liable.
 - Defense costs
 - Claim
 - PR

PI: Possible Risks

- E.g.:
 - When finding the right home for your client (expatriate). You forgot the property insurance. An incident occurs. Damages (theft, fire) should have been covered, but weren't. The Client holds you liable.
 - Defense costs
 - Claim
 - PR

PI: Possible Risks - GDPR

8 months after implementation:

→ *Major improvement since 2017, but none of the investigated companies acts like it is supposed to*
VRT privacy investigation 30/01/2019

Data processing agreement can have large contractual liabilities

PI: Professional Error

Watch out!

- Professional liability does not always require an error, simply failing a contractual obligation is sufficient to trigger your contractual liability.
 - ≠ General liability
 - ≠ Product liability

Eg: malicious cyber attack causes data leakage.



PI: Risk management (1st line)

Because of the contractual context you can **limit your Liability!**

E.g.:

In your data processing agreement you write a clause to limit liability to 2,5 mio.

The party with the most negotiation power can bend the limit to their will.

Liability can also be increased (with fines or penalties)

Watch out when accepting contractual liability!

PI: risk management (1st line)

- Specialized legal consultants can help you writing the contracts
- Agenda management and highly educated and trained employees to avoid contractual shortcomings.

PI: risk management (2nd line)

Our insurance partners to carry your PI risk.



PI: Insurance

A good PI insurance covers:

- Your professional liability, without requiring the element of 'error'
- All your activities. This will be defined in the policy
- General and product liability (inclusion)
- Document reconstruction
- PR costs

PI insurance doesn't cover intentional breaches of contract:

NDA, non compete, ...

PI: Insurance

Watch out when accepting contractual liability, the insurable policy limits are not endless. (and almost never more than the annual turnover)

Choose your policy limit in function of the liability of your most important contracts and their exposure

PI insurance

- Q&A

Cyber

Cyber risk

- Liability
 - Privacy (third party!)
 - Network security
 - IP
 - Reputation

Cyber risk

- Costs and expenses
 - Crisis management
 - Forensic investigation (finding the breach)
 - Notification cost
 - Data recovery
 - Business interruption
 - Cyber extortion



Cyber Risk – Example (I)

A recruiter sends the wrong file to the candidates. It contained sensitive info about of previous employees (wagers, addresses, ..)

- Liability:
 - Defense cost for notification obligation: € 65,000
 - Defense costs claims and settlements: € 115,000
- Cyber incident
 - Crisis manager: € 5,800
 - Notifications: € 3,500
 - Monitoring leaked data: € 15,000
 - legal advise: € 12,000

Cyber Risk – Example (II)

Ransomware attack: employee clicked the wrong e-mail open. Because of that, malware was downloaded to the server, that got encrypted.

Ransom: €10,000

- Extortion (set up a safe back up): € 16,000
- Forensic investigation, impact analysis: € 21,000
- legal advise: € 8,000
- Cyber incident manager: €7,000

Cyber risk - Example (III)

Crypto mining: Server gets infiltrated after unauthorized access. The server is used to mine for bitcoins. The server works slower than usual. Some software is damaged or removed

- Forensic investigation: € 93,000
- Data recovery: € 73,000
- Notification costs: € 12,000
- legal advise: € 10,500



Cyber coverage

- First Aid (48h)
 - Without deductible
 - 24/7
 - Specialized team of IT consultants
- 1st party costs and losses
 - Forensic investigation
 - PR
 - legal advise
 - Notification costs
 - 'Lost data' monitoring
 - Data recovery

Cyber coverage

- Liability
 - GDPR
 - Fines
 - PCI (payment card industry)
- Business interruption
 - Loss of gross margin
 - 180 days
 - Contractual fines

Cyber coverage

- Exclusions
 - Terrorism
 - Contractual liability
 - IP infringement
 - (CEO fraud)



Watch out for these exclusions

Cyber risk

- Q&A

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