

Cyber Liability Insurance Broker RFP RIM02032014
Questions and Answers
FINAL

Will BRIM be completing the application for this coverage? Can we submit an application to BRIM for completion and if so who do we send it to? Once on your website where do we go to find the questions that have been asked regarding this RFP?

ANSWER: BRIM is seeking proposals from interested brokers who would like to be considered as the agent of record to assist BRIM in its procurement of Cyber Liability Insurance Coverage for the State of West Virginia. The Request for Proposals on BRIM's website explains what is required of each entity submitting proposal. Questions and answers will be provided on the main page of BRIM's website.

Section 4.2 contains an indemnification clause of the type that is frequently found in contracts involving on-site physical services such as construction and maintenance or the supply of physical materials or products, but indemnifications are not appropriate in contracts for the provision of professional services, such as the services contemplated by this Request for Proposal (RFP). An indemnification of this sort of clause would typically jeopardize or void the professional liability coverage that a vendor may have. Given those facts, has BRIM considered whether the language in Section 4.2 is truly applicable to the services being sought in this RFP and, if so, the impact of such language on the professional liability coverage of any vendor that ultimately secures this contract? ***Would BRIM consider the following language as an alternative to Sections 4.2:***
“Each vendor and subcontractor will maintain professional liability insurance in the minimum amount of \$_____ that would cover any claim arising out of professional services rendered by each pursuant to the contract with BRIM that is contemplated by this RFP and each will provide proof of such coverage upon request of BRIM.”

ANSWER: The indemnification language in 4.2 was developed by the West Virginia Division of Purchasing and is routinely used in State of West Virginia Requests for Proposals. While it could certainly be utilized as suggested in the question, it would also apply with regard to “supplying services... in connection with performance of the contract.” (See RFP Section 4.2) We have not encountered a problem, such as the one described, with regard to past contracts and wouldn't anticipate a problem with this one. As such, we would not expect a modification of the RFP language in this section.

Please confirm that the state agencies as noted on the following link are the agencies being contemplated within the RFP response

- a. <http://www.wv.gov/Pages/agencies.aspx>

ANSWER: BRIM did not compile this list and cannot verify that it encompasses all agencies, boards, commissions, etc., that make up the State of West Virginia. It is our intent to provide coverage to all entities that make up the government of the State of West Virginia.

What other entities/groups/departments would be included in the RFP that are not as noted within agencies listing

- a. School Boards
- b. Local Municipalities
- c. Healthcare
- d. Others?

ANSWER: School Boards and Local Municipalities are not to be included at this time. Some state entities are involved with healthcare and are to be included.

The State of WV has a very robust Information Technology Strategic Plan as noted in the WVOT document

- a. Does the State desire assistance with outlined initiatives? Further discussion would be necessary

ANSWER: This service was not contemplated in the development of this RFP, but the State will consider recommended broker services that may be provided more expertly, and/or at a lower cost than from another source. The successful bidder should identify the specific nature, cost and benefit of this service in their response.

Does the State want [redacted] to provide cyber loss control/consulting services related to:

- a. Development of a Data Incident Playbook specific to the State of WV
- b. Crisis Management/Incident Response Plans

ANSWER: This service was not contemplated in the development of this RFP, but the State will consider recommended broker services that may be provided more expertly, and/or at a lower cost than from another source. The successful bidder should identify the specific nature, cost and benefit of this service in their response.

What is the structure of the State's networks?

- a. Decentralized?

- b. To what extent?
- c. To what extent does the State utilize third parties for IT services?

ANSWER: The State has a hybrid network. There is a mix of centralized and decentralized based on the make-up of State Government. Each Constitutional Officer as well as the Legislature and the Supreme Court of Appeals maintain their own systems. The Executive agencies under the Governor have a centralized system maintained by the Office of Technology. Further Application Development is decentralized.

Does the State or any other State Agency provide Technology Services/Products to third parties whereby the State or the Agency collects a fee for providing such?

- a. If so, please describe what those service/product offerings are and how they are accessed

ANSWER: Some limited services are provided to third parties such as County Health Departments as well as providing Broadband connectivity.

Does the State or State Agency provide WiFi connectivity?

- a. Please describe – public spaces/schools, etc.

ANSWER: The Office of Technology currently provides both public and private WiFi connectivity, and the practice is under review.

Does the State have in place a Crisis Management Plan/Incident Response Plan?

- a. Has this plan been tested?
- b. Does this plan outline specific Vendors/Experts/Professionals to assist with such an event?
- c. Has the plan been vetted by legal?

ANSWER: We have a procedure in place that has been tested and vetted by legal; and it does include vendors through contract, etc. We do understand that any procedure can be improved and would welcome a review and discussion of our procedures.

Does the State or any State Agency have in place a formal litigation management/eDiscovery Plan?

ANSWER: The State's insurer is responsible for providing the legal defense for liability claims made against State government. We are uncertain whether such is being utilized by the Office of the Attorney General or any other State agency.

Is the State requesting assistance in the evaluation of the policies as provided in the WVOT IT Strategic Plan?

ANSWER: This service was not contemplated in the development of this RFP, but the State will consider recommended broker services that may be provided more expertly, and/or at a lower cost than from another source. The successful bidder should identify the specific nature, cost and benefit of this service in their response.

Is the State working with a law firm with specific expertise in the “cyber” space?

a. If so, who?

ANSWER: Not currently.

Has the state utilized outside third parties to provide the assessment of IT security?

- a. Data Management/ESI Assessments
 - i. Data Classification/Map
- b. Network Security/PCI/HIPAA, etc. assessments

ANSWER: a.i.- No; b.-Yes

Does the State want to implement a program for Identity Theft that would reimburse costs/expenses to any affected individuals, if a result of a State breach event?

ANSWER: The State is still trying to determine what it may need to address the risks attendant to cyber liability as contemplated by this RFP. This is one of the areas for discussion with the successful broker.

Have there been any data incidents to note?

a. If so, please describe

ANSWER: Information with respect to incidents is confidential and general information will be shared with the successful vendor.

Is there currently any insurance or risk transfer mechanism in place to address liabilities associated with data/technology incidents?

a. If so, please provide a copy of the policy/contract and note any losses, if any.

ANSWER: There is a possibility that some coverage may be available under our liability and/or property insurance policies. These policies are available for review on our web site. We expect the successful broker to perform a gap analysis and make a

determination what risks are currently being addressed and what risks have yet to be addressed.

Can you provide:

- How the current program is structured?
- What is current compensation model?
- Current carrier?
- Sample of current risk assessment report?

ANSWER: BRIM does not currently purchase cyber liability insurance. A detailed description of the current BRIM insurance program can be found on the BRIM website, under the "FINANCE" tab, in the "2013 CAFR" document. BRIM is currently trying to assess the State's cyber liability risks, but does not currently have a report available.

Section 3, 4.5 in the RFP states, "To engage a knowledgeable insurance broker to assist BRIM by going to the market to obtain quotes and addressing different offerings from different carriers for insurance coverage to address cyber liability risks if the need for such is identified". Was a consultant hired to identify the need for cyber liability coverage under RFP RIM 09092013?

ANSWER: BRIM attempted to hire a consultant, but was unsuccessful.

Is there a privacy/cyber disaster recovery plan in place?

ANSWER: We have a procedure in place that has been tested and vetted by legal; and it does include vendors through contract, etc. We do understand that any procedure can be improved and would welcome a review and discussion of our procedures.