

At Large

Topics: 2016 Power Broker | Brokerage | February 2016 Issue

Navigating Cyber Policies



Kaitlin Upchurch
Managing Director
Wortham, Houston

Placing cyber policies is a complex undertaking, but for retail and health care organizations, that task is significantly more demanding. Kaitlin Upchurch nails it.

“She is just very, very good,” said Margot Roth-L’Heureux, global director of risk management, Whole Foods Market Inc. “She did a tremendous job.

“As anyone in the insurance world knows, cyber is not easy for anybody in retail,” she said. “You have to count on your broker to structure your program correctly and manage your expectations.

“Cyber has a lot of visibility with your officers and board right now. She brought good candidates to the table and different configurations for not only the best way to use money in our budget but to get us the best coverage,” Roth-L’Heureux said.

James Banfield, director of risk management/associate general counsel at Baylor College of Medicine, echoed those sentiments.

After years of self-insuring, Baylor wanted to explore going to market for cyber coverage. Upchurch took the lead, offering information and helping Baylor complete the “fairly extraordinary” applications.

When Baylor was dismayed about the prospect of completing each insurer’s separate application, Upchurch was able to convince the insurers to use a common document, with Baylor providing additional information if needed.

Energy, Upstream

Topics: 2016 Power Broker | Brokerage | Energy | February 2016 Issue

Beating the Odds



Tony Pham
Managing Director
Wortham, Houston

“The energy sector is really struggling,” said the senior corporate risk specialist for one large client of Wortham’s Tony Pham.

“In that environment insurance costs are not really coming down much. In many cases the risks are greater because there is more likely to be a loss.” It’s a vicious cycle: insureds need more and better coverage at just the time that their revenues are lower.

“Despite all that Tony was able to achieve a 10 percent reduction in premiums for our directors and officers coverage last year,” the specialist stated.

“Tony was able to do this because he was able to communicate our management and operational practices to the carriers. The lower premium was for the same coverage and the same retentions. We know that because we had an outside counsel review our policy, and they found only two non-material matters to bring to our attention.”

Pham is credited with being able to reduce premiums and expand coverage through differentiation and breaking out specialized areas of coverage.

For example, many oil and gas producers hedge their output, in effect pre-selling their production at pre-arranged prices to specific customers. That gives them financial security in a time of volatile prices.

But there is no free lunch, and those financial arrangements create additional exposures. Pham was able to secure manuscript endorsements for derivative books and other specialized risks in the upstream sector taking those exposures out of the main policy and reducing costs.