



Executive & Professional Liability

Red Flag Rules Set for Enforcement

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After being repeatedly delayed over the last two years, the Federal Trade Commission is set to begin enforcement of identity fraud prevention regulations that affect almost any business that accepts deferred payments from clients or customers. **The Red Flags Rules apply to "financial institutions" and "creditors" with "covered accounts."**

The **Red Flag Rules** require businesses that bill clients for services, to create written policies outlining how they will prevent, detect and address identity fraud. "Creditor" could include hospitals that have payment plans for their patients, grain and fertilizer dealers, auto mechanics, veterinarian offices, etc. Due to recent legislation, physicians will be exempt from enforcement. For more information, refer to www.ftc.gov

- Large and small companies need to be aware of the potential of the Red Flag Enforcement.
- The rule requires that businesses take actions to prevent clients' identification from being breached.
- Mandates that businesses establish a written program explaining how they will prevent, detect and respond to certain identity theft "red flags."

Westrope offers solutions to privacy & network security exposures with Cyber Liability products that respond to various claims arising from breaches and failures to protect private information.

Recent Successes:

<u>Class of Risk</u>	<u>Line of Business</u>	<u>Premium</u>
Ambulance Service	PL / GL	\$245,000
Medical Staffing	PL / GL / H&NO	\$15,000
Health Clinic	PL / GL	\$10,000
Medical Spa	PL	\$2,000
Contractor	Misc. E&O (Professional Liability)	\$498,000
Reinsurance Intermediary	Misc. E&O	\$48,000
TPA	Misc. E&O (Excess)	\$26,594
Process Control Consultant	Misc. E&O	\$11,500
Design Build Firm	Misc. E&O (Professional Liability)	\$9,500
Construction Board	NFP D&O	\$24,000
Home Health Care	D&O / EPL	\$18,000
Investment Advisor	D&O	\$13,409
Staffing Firm	D&O / EPL	\$11,000

Please contact you Westrope Broker to discuss solutions and new business opportunities to address the Red Flag Rules exposures.

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