The Insurance Implications of the Internet of Things
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A copy of the presentation slides will be available following this webinar, on the PLUS website at: www.plusweb.org
Meet The Presenters
Gail Gottehrer  
Axinn Veltrop & Harkrider LLP - Moderator

- Gail is a Litigation Partner in the law firm of Axinn in New York and Connecticut. Her practice focuses on class action defense, management-side labor and employment litigation and other complex commercial matters. She is one of the few defense lawyers to have been involved in the trial of a class action to verdict before a jury.

- Gail is a Teaching Assistant at Columbia University’s course in Intellectual Property, Ethics and Litigation in Columbia’s M.S. program in Information and Knowledge Strategy. Gail serves as the Director of the Connecticut Chapter of Women in eDiscovery and as a member of the Law Technology News Editorial Board. She is a member of the Law 360 Employment Law Editorial Advisory Board and the Co-Chairperson of Claims and Litigation Management Alliance’s eDiscovery and ESI Committee. She is a member of Claims and Litigation Management Alliance’s Cyber Liability Committee and a member of the International Association of Privacy Professionals. Gail is also active in the ABA Section of Litigation, the National Association of Woman Lawyers and the Financial Womens Association.

- Gail is a graduate of the University of Pennsylvania Law School and a former Law Clerk to the Honorable Murray C. Goldman, Commonwealth of PA Court of Common Pleas, Philadelphia County. She is admitted to practice in New York, New Jersey, Pennsylvania and Connecticut.
Judy co-chairs BakerHostetler’s Information Governance Team. She founded the firm’s eDiscovery & Technology Management Team and counsels clients on ways to avoid information-related liability. She handles cutting edge privacy, data breach, information governance, cyber insurance and insurance coverage matters, and recently won the complete dismissal of a data breach class action.

She frequently speaks and writes about information-related strategies and best practices. She has successfully completed a course on Tackling the Challenges of Big Data with the Massachusetts Institute of Technology (MIT), Professional Education and co-chair the Claims and Litigation Management Alliance (CLM) Cyber Liability Committee. She is a member of the ABA Big Data Committee and the Sedona Conference Data Security and Privacy Liability Working Group 11.

She also has over 20 years of experience in large scale first- and third-party complex insurance coverage matters, providing a full range of services from opinion work, coverage gap analysis, claims counseling, broker liability, settlement negotiations, international arbitration and all phases of insurance coverage litigation.

She is a member of the Law360 Insurance Editorial Advisory Board, the Editorial Advisory Board of Law Technology News, the Professional Liability Underwriters Association, and the Defense Research Institute and was selected to be a contributor to InsuranceThoughtLeadership.com. She also was honored as LawCrossing's Law Job Star in July 2014, featured in Law Technology News as a leading woman in technology, and has been quoted in Forbes, Reuters, Law 360 and Law Technology News regarding information-related issues. She is currently a finalist for CLM's 2015 Outside Counsel of the Year award.
Amy DeCesare
Allied World Insurance Company

- Amy is Assistant Vice President, Litigation Management at Allied World in Farmington, Connecticut. As part of her role, she partners with both claims analysts and defense counsel in order to ensure that all phases of litigation, including e-Discovery are conducted economically and efficiently.

- Amy is a frequent speaker on topics relating to litigation and technology, including litigation management and cost analytics, electronic discovery, and data security.

- She is co-chair of the Claims and Litigation Management Alliance’s eDiscovery Committee and co-chair of ESI Publications sub-committee as well. Amy serves on the Alumni Board of the Quinnipiac University School of Law. She is also a member of the Connecticut Chapter of Women in eDiscovery and the International Association of Privacy Professionals.
- Manoj is a Partner who has specialized in insurance, reinsurance and international arbitration for over 20 years. Much of his work is international in nature, requiring him to work with and understand the legal systems in the US, Germany, Switzerland, France, Belgium, Italy, South Africa, Kenya, Brazil, Hong Kong, India, Australia and England.

- He has led and managed teams of lawyers from various countries on complex multi-party and multi-jurisdictional insurance disputes arising out of Bermuda Form, Clinical Trials, Cyber Liability, Professional Liability, Management Liability, D&O, Commercial Crime, Trade Credit and Product Recall. The work invariably involves analysis and production of enormous amounts of data.

- He is a specialist on product safety and is working with a consortium of leading academics and research scientists on a project for the European Union investigating the safety aspects of nanotechnology.

- He is recommended in the Insurance, Reinsurance and Product Liability categories in the 2012 edition of the UK Legal 500 and is listed as a leading arbitration lawyer in the Global Arbitration Review.
What is the “Internet of Things”?

No widely accepted definition
The connection of “physical objects to the Internet and to each other through small, embedded sensors and wired and wireless technologies, creating an ecosystem of ubiquitous computing.”

Includes “embedded intelligence” in individual items that can detect changes in their physical state

“What all definitions of IoT have in common is that they focus on how computers, sensors, and objects interact with one another and process data.”

IoT refers to “things” such as devices or sensors – other than computers, smartphones, or tablets – that connect, communicate or transmit information with or between each other through the Internet.
The IoT includes consumer-facing devices, as well as products and services that are not consumer-facing, such as devices designed for businesses to enable automated communications between machines.

- Can include the type of Radio Frequency Identification (“RFID”) tags that businesses place on products in stores to monitor inventory; sensor networks to monitor electricity use in hotels; and Internet-connected jet engines and drills on oil rigs.
• The “things” in the IoT generally do not include desktop or laptop computers and their close analogs, such as smartphones and tablets, although these devices are often employed to control or communicate with other “things.”

• IoT refers to “things” such as devices or sensors – other than computers, smartphones, or tablets – that connect, communicate or transmit information with or between each other through the Internet.
“Ordinary objects and devices able to process and transmit information based upon their environments that they then communicate to servers running algorithms designed to anticipate and address user needs.”

“The Internet of Things (IoTs) can be described as connecting everyday objects like smart-phones, InternetTVs, sensors and actuators to the Internet where the devices are intelligently linked together enabling new forms of communication between things and people, and between things themselves.”

The Internet of Things is expected to grow to **26 billion** units installed in 2020, representing an almost 30-fold increase from **0.9 billion** in 2009.

"By 2020, component costs will have come down to the point that **connectivity will become a standard feature** . . . . This opens up the possibility of connecting just about anything, from the very simple to the very complex, to offer remote control, monitoring and sensing."

-- Gartner, December 12, 2013
Estimated that by 2020, there will be:
- **8 billion** people on earth
- **50 billion** connected things with 5 million apps
- representing nearly 6 things per person

Estimated that by 2035, there will be:
- **1 trillion** connected things with 100 million apps

Where is All this Data Coming From?

Wearable Devices

- Smart Watches
- Fitness Bands
- Google Glass
Smart Homes

- Nest/Smart Thermostats
- Smart Appliances
- Security Systems
- HVAC Systems
- Entertainment Systems/ Xbox
- Consumer Devices/self-driving vacuum cleaners
Connected Cities

- Smart Meter Technology
- Smart Traffic Lights
- Smart Parking Meters
- Electric Vehicle Chargers
Commercial Products

• Industrial Equipment
• Transport Vehicles
• Medical Devices
• Embedded Device
• 1/3 of Digital Data universe has Big Data Value
• Data will grow to 26 million units
• Spending on Big Data could become $7.6 Billion
• $7.6 Trillion Value for Public Sector from Internet of Everything in the next decade
• 73% of IT professionals say Big Data Strategy include data from Digital Sensors, Video and other smart devices
• 90% of vehicles on road by 2020 would be connected

-- Source: [http://www.slideshare.net/eInfochips_Solution/connected-worlds-internet-of-things-and-big-data](http://www.slideshare.net/eInfochips_Solution/connected-worlds-internet-of-things-and-big-data)
What Makes Big Data “Big”? 

Source: E&Y.com
“From the dawn of civilization until 2003, humankind generated 5 exabytes of data, Now, we produce 5 exabytes every 2 days.”

Eric Schmidt
Executive Chairman, Google

“If we take all the data generated in the world between the beginning of time and 2008, the same amount of data will soon be generated every minute.”

Bernard Marr
Putting Big Data to Use

1. Raw Data
2. Processed Data
3. Insights
4. Presentation
5. Transact
Challenges for IT Departments

IT'S TAKEN US 15 YEARS, BUT WE'VE FINALLY FIGURED OUT HOW THE TEENAGERS OF THE 90s THINK, ACT, AND CONSUME MEDIA.
What is All this Data Being Used For?

- Product design
- Underwriting
- Premium pricing
- Fraud prevention
- Claims handling
- Real time analytics
- Marketing
Where is this Data Being Stored? How Does This Implicate Data Privacy Laws?

- New and far-reaching data protection reform package in Europe
- Proposed by Commission in January 2012, approved by Parliament in March 2014, now with Council of Europe
- Text of Regulation due to be finalised in first half of 2015
- Key elements:
  - Compulsory to report breach to Information Commissioner’s Office
  - Notification to Information Commissioner’s Office without undue delay
  - Penalties up to 5% of annual global turnover or €100m
  - Collective redress
- Question of when, not if, reform package will be introduced
What Can Go Wrong?

- Malfunctions
- Hacking
- Negligence
- Privacy
How Does Use of IoT Data Affect Insureds?

- Use in Claims Handling Process
- Use in Coverage Litigation
- Use in Arbitration
- Use in Underlying Litigation
Claims Process

Litigation Processes

• Preservation
• Discovery and eDiscovery
• Subpoena Responses

Data Security

• Risk of potential data breach litigation
Panelist Contact Information

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Please Contact Us With Any Questions
Thank you for your time.

A replay of this webinar will be available to PLUS Members at: www.plusweb.org