



Press Release

AEGIS AND HISCOX TEAM UP TO ENHANCE CYBER PROTECTION

London, 27 October 2008 – Bermuda-based energy mutual AEGIS has teamed up with Hiscox to offer its 400-plus members new protection against a range of privacy and confidentiality risks.

The strategic alliance with Hiscox means that the power and utility companies which are members of AEGIS will have access to the Hiscox Privacy Protection Policy, which provides cover for liabilities arising from data losses and resultant breaches of privacy, as well as the notification costs to people affected.

The move by AEGIS, parent of Lloyd's managing agency AEGIS London, comes amid growing awareness of the exposures presented by new technologies and the increasing volume of sensitive data held by organisations. Energy companies maintain a very significant amount of sensitive customer data, so they have a responsibility to secure it. The recent loss of an estimated 200 million records by the parent company of clothing retailer TK Maxx to computer hackers is just one example.

Commenting on the decision to work with Hiscox, Alan Maguire, President and CEO of AEGIS said: "As an insurance mutual, our role is to provide our members with consistently superior insurance and risk management products. With the collection and storage of data becoming more of an issue in our electronic society, we felt the time was right to provide more robust cover for this type of risk, hence our desire to offer a top quality privacy insurance product.

“We chose to partner with Hiscox because of their acknowledged reputation in this field and the skill of their dedicated technology underwriting team. Hiscox has been active in this class of business since the 90s and in that time has built up a considerable level of expertise which we feel will be extremely beneficial to our members.”

Oliver Brew, Vice President of Hiscox said: “We are delighted to be working with AEGIS on this project. The members of AEGIS are precisely the type of utilities and energy companies that are required to hold considerable volumes of customer data and other highly sensitive information, thereby exposing them to a high privacy risk. With electronic-crime and data breaches on the increase, this is a timely move.”

The Hiscox product will provide AEGIS members with:

- US\$25 million limit with additional limits available
- Liability protection against a breach of privacy either by the insured or a third party
- Protection against both electronic and non-electronic breaches such as hacking, theft of a laptop or ‘dumpster diving’
- Forensic, notification and credit protection costs resulting from the breach

In the last concluded session of the US Congress, approximately 50 bills involving individual privacy were introduced.

AEGIS already has a similar strategic alliance with Liberty Mutual to provide its members with cover for energy-related construction projects, primary general liability, and auto and general workers compensation.

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Notes to editors

About AEGIS

(Associated Electric & Gas Insurance Services Limited)

AEGIS is a mutual insurance company owned by its policyholder members, with surplus of more than US \$1 billion. It was established in Bermuda in 1975, and is an eligible surplus lines insurer in most jurisdictions in the United States.

AEGIS aims to provide its members with superior insurance and risk management products through a secure and stable market to enable members to achieve the lowest overall long-term cost of risk. Industry sectors covered include gas and electric utilities, related energy companies, water utilities, pipeline companies, transmission & distribution companies, and oil and gas exploration and production companies.

About AEGIS London

AEGIS London is the UK-based subsidiary of AEGIS (Associated Electric & Gas Insurance Services Limited). It operates AEGIS Syndicate 1225 at Lloyd's which has a capacity of £183 million for 2008.

AEGIS London was originally created to provide global insurance facilities for AEGIS members. Today it is a well diversified business, leading and participating in a wide range of onshore and offshore energy risks, as well as a number of other classes traditionally written in the Lloyd's market. As a result of this success the AEGIS London team has expanded to 70 people over the past five years.

AEGIS London continues to offer specialist expertise and leadership to clients in the global energy market, including:

- Indigenous utilities in various countries, including the United States
- Owners of international power projects

- Oil and gas businesses, including all aspects of oil and gas exploration, production, storage, transmission and processing
- Various contractors serving these market sectors

In addition, we work with a broad client base across a range of insurance classes.

The main areas of coverage we provide are:

- Utility property
- Energy exploration and production
- Non-marine property
- Energy casualty
- Marine liability
- International casualty
- Marine cargo
- War and Terrorism

About Hiscox

Hiscox (LSE: HSX), headquartered in Bermuda, is a specialist insurance group listed on the London Stock Exchange. There are three main underwriting parts of the Group – Hiscox Global Markets, Hiscox UK and Europe, and Hiscox International. Hiscox Global Markets underwrites mainly internationally traded business in the London Market – generally large or complex business which needs to be shared with other insurers or needs the international licences of Lloyd's. Hiscox UK and Hiscox Europe offer a range of specialist insurance for professionals and business customers, as well as high net worth individuals. Hiscox International includes offshore operations in Bermuda and Guernsey and Hiscox USA. Hiscox Insurance Company Ltd, Hiscox Underwriting Ltd and Hiscox Syndicates Ltd are authorised and regulated by the Financial Services Authority. For further information, visit www.hiscox.com.

About Hiscox Inc.

Hiscox Inc. trades as Hiscox USA and Hiscox Global Markets in the US. It is a licensed insurance intermediary for admitted and surplus lines business across the US. Hiscox Inc. underwrites on behalf of, and places business with, select US domestic admitted carriers and syndicates at Lloyd's of London (www.lloyds.com). Hiscox USA, headquartered in Westchester County (Armonk), specializes in providing cover for small and mid-size US business risks. Hiscox Global Markets in the US, headquartered in Manhattan, caters to large risks, particularly in the technology, media and telecommunications industries. Hiscox Global Markets in the US and Hiscox USA products can be purchased via US-based brokers. For further information, visit www.hiscoxusa.com.

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