

CYBER INSURANCE - WHAT IS COVERED?



First Party Coverages

Breach Event Costs

Coverage for all reasonable and necessary fees, costs and outside expenses, including IT forensics, legal expenses, public relations and crisis management expenses in the event of a system security breach, data breach, privacy breach or a violation of privacy laws. This includes the cost to:

- Notify affected parties (individuals, law enforcement, regulators etc).
- Set up and operate call centres.
- Provide credit and identity monitoring and protection services.
- Determine and terminate any event.
- Minimise reputational damage.

Cyber Extortion (Ransomware)

Coverage to reimburse the Insured for reasonable and necessary costs to end a ransomware event, including a ransom payment and extortion expenses.

Digital Asset Loss

Coverage to replace, recreate or restore digital assets which have been damaged, destroyed, altered, misused, or stolen as a result of a system security breach or insured's administrative error. Digital Assets means electronic data, software and firmware that exists in a computer system.

Computer Hardware Replacement Costs (or Bricking)

Covers reasonable and necessary costs to replace non-functional computer hardware that has been rendered useless by a system security breach, with identical or commercially equivalent items. Physical loss to computer hardware is not covered by this policy.

Business Interruption Loss

Coverage for difference in net profit/loss as a result of a network downtime caused by a non-physical trigger. Those triggers would include, for example, a malicious attack, an insured's administrative error and/or a voluntary shutdown of the network. Business Interruption coverage includes additional expenses such as fixed operating expenses, increased cost of working (overtime pay) and extraordinary expenses.

This section also includes coverage for the above as a result of network downtime of an IT provider.

Reputational Harm

Coverage for the difference in net profit/loss as a result from the appearance of an adverse Media Report resulting from a data breach, system security breach, violation of privacy laws, digital asset loss and/or business interruption loss.



Third Party Coverages

Privacy, Security, and Regulatory Liability

Privacy

Coverage for the insured's legal liability to pay damages arising from:

- Theft of private information
- Unauthorised or wrongful collection, retention, processing, disclosure, use, access, destruction, inability to access, or failure to provide private information.
- Violation of privacy rights.
- Violation of privacy laws

Regulatory

Coverage for the insured's legal liability to pay a regulatory loss as a result of a civil regulatory action arising out of a Privacy breach, violation of privacy law or a system security breach. Coverage is provided for Fines and penalties provided that the insurability of such fines and penalties is not prohibited by law.

System Security

Coverage for the Insured's legal liability to pay damages arising from a system security breach. This includes the failure to protect against unauthorised access, as well as the liabilities arising from the transmission of malicious code or computer viruses to a third-party system.

PCI DSS Liability

Coverage for the insured's legal liability to pay a PCI DSS Fine or Assessment arising from a Privacy breach or a system security breach. This includes direct monetary fines, fraud recoveries, card reissuance costs and operational reimbursements or assessments.

Multimedia Liability

Coverage for the insured's legal liability to pay claims as a result of a wrongful act in connection to the publication and/or display of media content in whatever format (online or printed).

Key Policy Exclusions:

Exclusions applicable to all above coverages

- Pollution
- Bodily Injury & Property Damage (affirmative coverage can be provided under other specialist products)
- Known Circumstances & Prior Notice
- Fraud & Dishonesty by or in collusion with a member of the control group.
- Infrastructure Failures & Natural Perils
- Theft of Funds
- War

Exclusions applicable to all coverages other than Cyber Extortion, Digital Asset Loss, Computer Hardware Replacement Costs, and Business Interruption Loss.

- Employment Practices
- Breach of Contract (including some carve backs)
- Inaccurate Pricing of Goods and Services.
- Securities Claims, RICO & ERISA
- Antitrust
- Regulatory Enforcement
- Patent Infringement & Theft of Trade Secrets
- Claims by Assureds (This exclusion has some substantial carve backs for any claims brought by an independent contractor or an employee alleging injury resulting from a data breach or a system security breach).
- Claims by related entities.

Exclusions applicable only to Digital Asset Loss, Computer Hardware Replacement Costs and Business Interruption Loss.

- Computer System and Digital Asset Upgrades
- Physical Damage
- Liability Claims
- Fines and Penalties
- Value of Digital Assets
- Governmental Action