

Cyber Coverages Explained



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Exposure Category		Description
Network Security <u>Liability</u>		3rd Party: Provides liability coverage if your computer system fails to prevent a security breach or a privacy breach. Covers liability associated with a Distributed Denial of Service Attack originating from your system.
Privacy <u>Liability</u>		3rd Party: Provides liability coverage if company fails to protect private client/employee information (electronic or non-electronic form) in your care custody and control. Often combined with Network Security Liability.
Media <u>Liability</u>		3rd Party: Covers your business for intellectual property and personal injury perils the result from an error or omission in content (coverage for patent and trade secrets are excluded). Includes libel, slander, defamation associated with your organization's sponsored social media platforms.
Privacy Regulatory <u>Liability</u>		3rd Party: Coverage for lawsuits or investigations by Federal, State, or Foreign regulators relating to privacy laws (Generally <u>not</u> FTC, FCC related proceedings, unless privacy related). More recently, GDPR coverage is found here as well.
Crisis Management/ Customer Notification	Notification Expense	1st Party: Expenses to comply with Privacy Law notification requirements . Should also include voluntary notification if insured deems it necessary to protect brand, even if not required by law.
	Credit Monitoring Expense	1st Party: Expenses to provide credit monitoring, call center services, etc.
	Forensic Investigations	1st Party: Expenses to investigate system intrusion into your computer system.
	Public Relations	1st Party: Expenses to hire a public relations firm to avert brand damage.
Data Recovery		1st Party: Expenses to recover data damaged on your Computer System as a result of a Failure of Security. Data Restoration can also be included.
First Party Legal		1st Party: Expenses for attorney to advise obligations of insured under applicable privacy regulations and manage breach response process.
Business Interruption		1st Party: Expenses for lost income from an interruption to an insured's computer system as a result of a failure of security.
Cyber Extortion		1st Party: Payments (in order to mitigate or avert an attack) made to a harmful third party threatening to attack your computer system.

Cyber Insurance Basics



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First Party Liability Coverages

- **Breach Response:** suite of services / costs including notification expense, credit monitoring expense, forensic investigations and public relations
- **Data Recovery:** expense to recover data damaged as a result of a failure of security – data restoration can be included
- **First Party Legal:** expenses for attorney to advise obligations under applicable privacy regulations and manage breach response process
- **Business Interruption:** expenses for lost income from an interruption to an Insured's computer system due to a failure of security
- **Cyber Extortion:** payments (in order to mitigate or avert an attack) made to a bad actor threatening an attack on your computer system
- **Social Engineering:** expense related to payment to third party under fraudulent circumstances

Cyber insurance protects against first and third party financial loss arising from a cyber event

Third Party Liability Coverages

- **Network Security Liability:** covers liability coverage if your computer system fails to prevent a security or privacy breach. Covers liability associated with a distributed denial of service attack originating from your system
- **Privacy Liability:** covers liability if company fails to protect private client / employee information (electronic or non-electronic) in your care, custody and control. Often combined with Network Security Liability
- **Media Liability:** covers your business for intellectual property and personal injury perils that result from an error or omission in content (patent and trade secret excluded). Includes libel, slander or defamation associated with your company's sponsored social media platforms.
- **Privacy Regulatory Liability:** coverage for proceedings and investigations by regulatory bodies relating to privacy laws and regulations, including GDPR