

Cyber Coverage – Why You Need It!



Local
Agents
Serving
Main Street
America™

Coverage	Description	Claims Examples
SOCIAL ENGINEERING		
Business Impersonation	Covers notification costs to mitigate the risk of loss from business impersonation attacks.	The accounting associate received an email that appeared to be from the company's telephone service provider. The email directed the associate to send future payments to a new address. The address was owned by a cyber criminal.
FUNDS TRANSFER FRAUD & EXTORTION / RANSOMWARE		
Cyber Crime	Covers loss from Funds Transfer Fraud	The company payroll clerk noticed three payments totaling \$204,620 had been wired from the company's account. The clerk reported the transactions as unauthorized and the bank shut down the account but was unable to recover any of the money. The FBI determined that someone had gained access to the business owner's username and password for the company's on-line banking software.
Cyber Crime	Covers loss from Extortion/Ransomware	A florist was hit with a ransomware virus which locked their server and delivered an extortion demand for the equivalent of \$1,000 in bitcoin. Working with their insurance carrier, the decision was made to pay the ransom as there were no backup files from which to restore the data. The payment of \$1,000 was under the Policy deductible but the carrier helped acquire the bitcoin and settle the transaction. The carrier also initiated a forensic review was also performed to ensure to private data was exposed. Total cost of the review was \$4,000.
BUSINESS INTERRUPTION		
Network Interruption	Reimburses the insured for lost profits and extra expenses associated with a network disruption.	The data center which hosted the online quoting portal of an insurance company was hit with a DDOS attack that flooded its network with 10 times its normal traffic, causing a network failure. The quoting portal was subsequently inaccessible for 18 hours before full functionality was restored.

Cyber Coverage – Why You Need It!



Local
Agents
Serving
Main Street
America™

Coverage	Description	Claims Examples
DATA BREACH /PRIVACY		
Data Breach (Response Expenses)	Covers legal fees, forensic costs, customer notification costs, identity theft protection, identity restoration, and call center costs associated with a data breach.	While moving offices, an employee through away a box of HR files. The company later learned that the entire box – five years ‘ worth of employment records, including social security numbers and dates of birth – were pulled out of the garbage by an unknown person.
Data Breach (Privacy Liability)	Covers privacy related lawsuits. (Exposure of private data - HIPAA, NPPII)	Several employees experienced identity theft resulting from the stolen data files and demanded restitution from their employer for damaged credit.
Public Relations	Covers PR consultants to counteract adverse media coverage tied to a cyber incident.	Hackers got into the computer systems of a physician’s office and published dozens of patient medical records on-line. The local media caught wind of the story and lead with it on the nightly news. To mitigate the public relations damage caused by the media exposure, the physicians hired a public relations firm to help with public communications.
Reputational Harm	Reimburses the insured for lost profit and extra expense for adverse media coverage tied to a cyber incident.	Due to the adverse publicity, the physician’s office lost almost a hundred patients and \$140,000 in profits.
PCI Violations	Covers fines and penalties imposed by a merchant services contract.	Rosie's Diner experienced a breach involving credit card data. Due to its agreement with Visa, it was obligated to pay PCI DSS (Payment Card Industry Security Standards) assessments and fines.
Regulatory Coverage	Defenses costs, consumer redress funds, civil fines and penalties	A consulting firm’s system was breached exposing the confidential and sensitive financial information of several hundred clients . A regulatory investigation under the Gramm-Leach-Bliley Act was initiated over the exposed data was initiated.

Cyber Coverage – Why You Need It!



Local Agents
Serving
Main Street
America™

Coverage	Description	Claims Examples
NETWORK SECURITY		
Network Security Liability	Covers network security related lawsuits (virus transmissions, access blockages, business impersonation).	The data center which hosted the online quoting portal of an insurance company was hit with a DDOS attack that flooded its network with 10 times its normal traffic, causing a network failure. The quoting portal was subsequently inaccessible for 18 hours before full functionality was restored.
Restoration Costs	Covers costs to restore damaged data assets.	An employee clicked on a link in an email that downloaded a virus to the company's network. The virus encrypted 450 of the company's files. It cost \$17,000 to restore the damaged files to their original condition.
MEDIA LIABILITY		
Multimedia Liability	Covers content related lawsuits (defamation, copyright infringement).	An employee for an insurance company sent an internal email accusing a retail agent with whom he was doing business of lying. Someone forwarded the email to the agent's customers. A defamation lawsuit was brought against the company for harming the agent's reputation.