

Cyber risk continues to grow everyday. As organizations explore how to best combat this risk, cyber insurance is another resource that can help build resilience. There are many cyber insurance products on the market today, yet not all provide equal levels of protection.

DANGER ZONE

BUNDLED POLICIES CAN BE A SOURCE OF CONFUSION, HIDDEN GAPS & INCREASED RISKS.

SAFE(R) ZONE

STAND-ALONE CYBER POLICIES PROVIDE THE GREATEST PROTECTION.

BUNDLED PRODUCTS

COVERAGES:

- Bundled Programs
- Directors & Officers
- General Liability
- Excess (Umbrella) Liability

DATA PROCESSING

COVERAGES:

- Electronic Data Processing Equipment
- Hardware Replacement
- Property Coverage

STAND-ALONE PRODUCTS

COVERAGES:

- Third Party Liability
- Breach Response & Notification
- Restoration
- Business Interruption
- Reputation Risk

STOP-LOSS COVERAGE

COVERAGES:

- Catastrophic Backstop
- Covers Gaps
- Meant for Large Losses When Underlying Coverage is Exhausted

Cyber insurance can be complicated. Working with a knowledgeable and experienced broker ensures you have the right protection in place when a cyber attack occurs.

BENEFITS OF INSURANCE COVERAGE

PROTECTIONS:

- Insurance reduces the financial liability associated with a cyber attack.
- Breach response resources help organizations contain the a cyber incident and resume operations.
- Business interruption coverage protects against revenue losses or other financial disruption.
- Provides crisis response and communications support.
- Pre-breach resources and assessments build robust cybersecurity defenses.

Contact us today for a quote on your cyber insurance coverage.

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Some of the key coverage and exclusions to look out for in cyber insurance policies include:



Key Cyber Coverages

- Breach Response** | Pays for costs incurred to mitigate and contain a cyber breach, including legal, forensics, notification, call center, credit/identity monitoring, and crisis management
- Social Engineering** | Provides coverage when insured loses money from an email scam influencing an employee to wire payment to an unauthorized third party
- Business Interruption** | Pays for the lost online revenues the insured suffers while being shut down due to a hacking event. (Contingent coverage protects against downtime due to 3rd party attacks.)
- Extortion/Ransomware** | Pay for the insured's losses in the event a hacker steals data and tries to extort money from the insured
- Data Loss and Restoration** | Offers protection to cover the costs of restoring data if it is lost, as well as diagnosing and repairing the cause of the loss.
- System Failure** | Pays for the lost online revenues the insured suffers while being shut down due to a systems failure such as a human error (as opposed to a security failure)
- Paper Files** | Protection for the insured in the event they lose sensitive data that is in paper format
- Regulatory Defense & Penalties** | Protection for the insured in the event they are fined or penalized by a governing body (example: HIPAA, etc.)
- Crisis Management/Public Relations** | Coverage to pay for the hiring of a Public Relations firm to help minimize the damage done to an insured's reputation following a security breach



Common Policy Exclusions

- Failure to Maintain "Minimum Security Standards"** | Clearly understand insurer definition. Depending on the wording, this exclusion could give insurers cause to deny claims from almost every type of data breach.
- War, Terrorism, Invasion or Insurrection** | Cyber attacks from state sponsored, political or ideological origins can be construed by insurers under this exclusion language.
- Wrongful Acts That Occur Prior to Coverage** | Cyber breaches are often discovered long after the breach occurred, and claims arising from a breach occurring prior to the policy's Retroactive Date may not be covered.
- Third Party Providers** | Many breaches are the result of vulnerabilities within third party suppliers, creating a big risk exposure that may not be covered.
- Property Damage** | General liability policies exclude cyber related losses, making it difficult to cover losses to computers and hardware.
- Bodily Injury** | Carefully review the cyber policy definition of bodily injury to verify coverage for mental anguish, mental injury, shock, emotional distress, and humiliation. Plaintiffs almost always cite these injuries as damages stemming from a data breach.
- Lost Devices** | Many insurers exclude lost portable electronic devices that result in a breach, though some are willing to remove or modify it to only apply to unencrypted devices.
- Software Patch Updates** | Breaches that occur due to outdated cybersecurity patches may be denied coverage.

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