

# Elements of Cyber Insurance Coverage

This document is a discussion of a representative sample of the available cyber coverages. Policies placed for individual insureds may differ.

Coverage Part	Description
<b>Privacy Liability</b>	<p>Defense and legal liabilities for failure to keep sensitive individual information and corporate information private or for failure of others that you have entrusted with information to keep it private (i.e. payroll firm, benefits provider, data analytics firm, payment processor). Also includes coverage for failure to comply with the Insured Company's privacy policy and/or privacy notice as well as for properly notifying affected individuals or entities of a privacy incident. Coverage can also extend to wrongful collection, use and other consumer privacy elements. Coverage also often extends to include paper files and physical documents, i.e. the privacy incident does not need to be digital to be covered.</p> <p><b>Likely Claimants:</b> Customers, employees, vendors, suppliers, credit card purchasers, card issuing banks</p>
<b>Security Liability</b>	<p>Defense and liability expenses for actual or suspected failure of computer systems to prevent spread of virus (or other form of unauthorized intrusion) or a denial of service to those that rely on systems due to a failure in network security. Also includes the malicious addition, alteration, copy destruction, deletion, disclosure, damage, removal or theft of data on the network.</p> <p><b>Likely Claimants:</b> Customers, vendors, suppliers</p>
<b>Media Liability</b>	<p>Defense and liability for libel, slander, disparagement, misappropriation of name or likeness, plagiarism, copyright infringement, negligence in content to those that relied on the insured's media content (i.e. website, social media, printed media).</p> <p><b>Likely Claimants:</b> Customers, authors, content providers, performers, publishers, competitors, third party subjects of media.</p>
<b>Privacy Regulatory Defense Costs &amp; Fines/Penalties Coverage</b>	<p>Costs to defend and/or respond to an inquiry or action from Attorney General, FTC, or other regulator due to an actual or suspected privacy or security incident, and pay for assessed fines/penalties. Coverage can also extend to violation of any law, statute or regulation (i.e. GDPR, CCPA), governing the authenticity, availability, confidentiality, storage, control disclosure, integrity, or use of sensitive individual information.</p> <p><b>Likely Claimants:</b> Attorney General, SEC, FTC, HHS, other relevant industry regulators</p>



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Coverage Part	Description
<b>Incident Investigation and Response Costs</b>	<p>The following costs resulting from an actual or suspected security or privacy incident:</p> <ul style="list-style-type: none"> <li>Costs to hire expert privacy law firm to determine the legal applicability of and actions necessary to respond to a data breach reporting requirement and to assist in managing the incident response process under client-attorney privilege.</li> <li>Costs to hire a forensics expert to determine existence, cause and scope of incident.</li> <li>Cost to notify individuals and offer fraud monitoring / identity restoration service to those affected or potentially affected.</li> <li>Costs to hire public relations firm due to privacy or security incident.</li> <li>Additional mitigation costs agreed to in advance.</li> </ul>
<b>Network Interruption/ Extra Expense</b>	<p>Loss of income or extra expense due to a partial or full interruption of the Insured's network computer system stemming from a security failure. Also coverage can be triggered by a system failure (unintentional or unplanned outage). Additionally, Dependent Network Interruption coverage includes loss of income stemming from a security failure or system failure of an IT provider or non-IT provider of the Insured. Coverage can extend to situations where the Insured intentionally shutdowns their systems to prevent or minimize further damage. Coverage can also extend to include forensic accounting costs to determine Insured's business interruption loss.</p> <p>Extra expense coverage would cover costs that would not have been incurred by you but for a material interruption to your computer network.</p>
<b>Data Restoration</b>	<p>The cost to hire an expert data restoration firm to reconstitute data or software that has been deleted, manipulated or corrupted stemming from a security failure and/or system failure. Coverage for "Betterments" (i.e. computer system improvements) as well as computer hardware replacement costs (aka "Bricking") can also be included on a sub-limited basis.</p>
<b>Cyber Extortion</b>	<p>Costs of consultants and extortion monies (including the ransom demand payment) to coordinate and respond to threats (i.e. ransomware) related to the disruptions of systems, releasing private information, etc.</p>
<b>Reputation Based Income Loss</b>	<p>Loss of revenue arising from an increase in customer churn or reduced transaction volume, which can be directly attributed to the publication of a defined security breach.</p>
<b>Cyber Crime</b>	<p>The direct financial loss suffered by an organization arising from the use of computers or other means to commit fraud or theft of money, securities, or other property. Coverage can include Social Engineering Fraud, Funds Transfer Fraud, Telephone Fraud, Invoice Manipulation.</p>

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