

# NETSAFE 2.0

## CYBER LIABILITY INSURANCE

### DESCRIPTION OF COVERAGES



#### **A NETWORK SECURITY AND PRIVACY LIABILITY COVERAGE**

This is a third-party coverage that pays on behalf of your organization all sums you become legally obligated to pay as a result of claims arising from a Network Security Breach or Privacy Violation.

##### **A NETWORK SECURITY BREACH IS:**

- unauthorized access to or unauthorized use of your organization's computer system;
- the transmission of malicious code into or from your organization's computer system; or
- a denial-of-service attack.

##### **A PRIVACY VIOLATION IS:**

- failure to protect private information while in the care, custody, or control of your organization;
- violation of a privacy law, such as HIPAA and GLBA, by your organization; or
- violation of your organization's privacy policy with respect to provisions prohibiting disclosure of private information.

#### **EXAMPLE**



A computer hacker infiltrates your computer system, which is used to keep employment records containing names, addresses, dates of birth, etc. The hacker uses the information to set up false credit accounts and an employee sues you for failing to properly secure his or her personal information.

#### **C DATA INCIDENT RESPONSE EXPENSE COVERAGE**

This is a first-party coverage that pays Data Incident Response Expenses incurred by your organization that result directly from a Network Security Breach or Privacy Violation. Data Incident Response Expenses are reasonable and necessary fees and expenses incurred by you, with the company's prior written consent, for:

- legal services of an attorney selected by the company;
- computer forensic investigative services by a third-party information security professional selected by the company to determine the cause of a Network Security Breach and identify those who may have been victims of a Privacy Violation;
- notifying individuals who may have been victims of any Privacy Violation;
- public relations firm, crisis management firm or law firm services to mitigate reputational damage;
- credit monitoring services and identity theft education;
- costs for identity theft call centers; and
- costs to restore or recreate electronic data.

#### **EXAMPLE**



An intruder steals boxes of files containing health and personal information about past and present patients. State law requires you to give timely notice to all patients whose information was or is believed to have been acquired by an unauthorized third party. You need to determine exactly what information was impacted and send out the required notification letters.

#### **E CYBER EXTORTION COVERAGE**

This is a first-party coverage that pays costs incurred by your organization that result directly from a Security Threat, a threat to commit an intentional attack against your computer system, or Privacy Threat, a threat to unlawfully use or disclose private information taken from you, for the purpose of demanding money, securities, or other property.

##### **SUCH COSTS INCLUDE:**

- amounts paid by you with the company's prior consent to terminate or end a Security Threat or Privacy Threat that would otherwise result in harm to your organization; and
- reasonable and necessary costs to conduct an investigation to determine the cause of a Security Threat or Privacy Threat.

#### **EXAMPLE**



An employee downloads an attachment to a company computer, and it contains malware which disables the computer system. The attacker demands that a cash payment be made before they will remove the malware from the computer system.

# NETSAFE 2.0 CYBER LIABILITY INSURANCE OPTIONAL COVERAGES

(AVAILABLE UPON REQUEST)



## Looking for more information?

Contact your insurance agent or reach our ESIP team by:

EMAIL  
esip@mcneilandcompany.com

PHONE  
800.822.3747

WEB  
<http://www.esip.com>

The insurance coverage described is underwritten by Arch Insurance Company, NAIC #11150, a member company of Arch Insurance Group Inc. Please refer to your policy for detailed terms, conditions & exclusions that apply.

### **B** MEDIA LIABILITY COVERAGE

This is a third-party coverage that pays on behalf of your organization all sums you become legally obligated to pay as a result of claims due to wrongful acts arising from your Media Activities which result in:

- product disparagement, trade libel, infliction of emotional distress, mental anguish, outrage or outrageous conduct;
- false light, public disclosure of private facts, or the intrusion and commercial appropriation of a name, persona or likeness;
- plagiarism, piracy (excluding patent infringement), or the misappropriation or unauthorized use of advertising ideas, advertising material, titles, literary or artistic formats, styles or performances;
- infringement of copyright, domain name, trademark, trade name, trade dress, title or slogan, service mark, or service name; or
- negligence with respect to your creation or dissemination of Media Content.

Media Activities means the publishing, dissemination, releasing, gathering, transmission, production, webcasting, or other distribution of Media Content.

#### **EXAMPLE**

Your website references a competitor's product, and the competitor deems the reference as derogatory and disparaging. The competitor sues your organization for damages.



### **D** BUSINESS INTERRUPTION COVERAGE

This is a first-party coverage that pays for loss your organization incurs due to Business Interruption, an interruption or suspension of your business, as a direct result of a Network Security Breach. Business Interruption coverage reimburses your organization for:

- reasonable and necessary costs that would not have been incurred if not for the Business Interruption; and
- net income that could have reasonably been earned or net loss that could have reasonably been avoided.

Coverage is provided from the time the waiting period expires and ends on the date the Business Interruption ends, or would have ended if you exercised due diligence.

#### **EXAMPLE**

Your computer system is down due to infiltration of malicious code. Your business cannot operate without your computer system.

