

Cyber Insurance

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What is cyber insurance?

- A series of coverage modules or insuring agreements provided singularly or in combination within a single policy that addresses specific technology based risks (with the exception of Privacy that has broader triggers).

- 1 Privacy & network liability**
- 2 Personal data breach, incident response costs.**
- 3 Network business interruption.**
- 4 Data recovery and restoration.**
- 5 Cyber extortion.**
- 6 Multimedia liability.**



Privacy liability

Privacy typically includes:

- **Liability claims arising from the unauthorised disclosure of personal information**
- **Liability claims arising from the unauthorised disclosure of third party confidential corporate information**
- **Contractual liability claims arising from a breach of a merchant services agreement (PCI DSS)***
- **Failure to provide timely breach notification**
- **Regulatory investigation costs and fines (where insurable) arising from the unauthorised disclosure of personal information**

* Often provided as a separate endorsement by insurers

Personal Data Breach Incident Response Costs

Personal Data Breach Incident Response Costs typically includes:

- **IT forensic investigation costs**
- **Legal advisory costs**
- **Data subject notification costs (includes database compilation, print, mail/email)**
- **Call centre support service for inbound calls**
- **Offer of credit monitoring or ID theft remediation service depending upon data type**
- **Public relations consultancy costs**

Network liability

Network Liability typically includes:

- **Liability claims arising from the negligent transmission of a virus**
- **Liability claims arising from the denial of authorised system access**
- **Liability claims arising from the insured's network's participation in a DDOS attack**
- **Liability claims arising from the destruction of a third parties digital assets stored by the insured**

Data Recovery & Restoration

Potential triggers:

- **A security breach – malicious damage due to a breach of network security**
- **An operational failure – accidental damage due to the negligence of the insured's staff whilst operating IT systems**
- **Physical damage to storage media**
- **All risks – any cause not otherwise excluded**

Potential outcomes:

- **Modification Corruption Deletion Encryption**
- **Loss**
- **The cost of external experts to recover or reconstruct lost data or software**

Cyber Extortion

Potential triggers:

- **A threat to release personal or confidential information**
- **A threat to prevent access to the Insured's computer systems**
- **A threat to introduce malicious code to the Insured's computer systems**
- **A threat to damage the Insured's data**
- **Any breach of network security**
- **Loss**
- **The cost of IT forensic experts establish the validity of the threat**
- **The cost of external experts to assist in the negotiation with extortionists**
- **The monetary amount of a ransom or the cost of goods transferred**

Multimedia Liability

Defence and settlement of liability claims arising due to the insured's content

Potential scope of content:

- **The Insured's website**
- **All forms of electronic content including web, intranet, email**
- **All media content including offline**

Typical triggering events:

- **Defamation**
- **Infringement of intellectual property rights**
- **Invasion of privacy**
- **Negligent publication**



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