

Technical Specifications: Cyber Insurance

A Tangible Solution to Protect Intangible Assets

International media headlines have been littered with examples of the theft of customer credit card numbers from organisations, the accidental release of customers' personal details such as names, addresses or financial information, as well as the suspension of an organisation's services due to a denial of service attack.

While technology has in many ways made operating a business easier and more efficient it has also brought with it a variety of new exposures. With "cyber extortion" and "hactivism" becoming common parlance, organisations should consider new risk management protocols to protect them from mounting threats to their intangible assets and operating systems.

Cyber insurance is the new frontier in cyber risk management. This is why Liberty Specialty Markets (Liberty) has developed its new **Cyber Insurance Policy**. The policy has been designed to respond to the emerging risks faced by organisations in the general day-to-day operation of their business which traditional commercial insurance policies may not address.

Important: Covers itemised in this document are general subject headings which may not describe key exclusions or qualifications. Please read the policy wording for the full terms and conditions..

Policy Structure

Liberty's Cyber Insurance Policy covers a broad range of first and third party risks:

- ▶ Section I First Party
- ▶ Section II Privacy, Confidentiality and Security Liability
- ▶ Section III Privacy, Regulation Defence, Awards and Fines
- ▶ Section IV Customer Care and Reputational Expense
- ▶ Section V Multi-Media Liability
- ▶ Section VI Policy Terms Applicable to All Sections.

"A computer lets you make more mistakes faster than any invention in human history - with the possible exception of handguns and tequila." – Mitch Ratcliffe, Technology Review, 1992.

What is covered under Section I First Party?

- ▶ Loss or damage to digital assets: cover for costs incurred in restoring, updating, recreating or replacing lost or damaged data or software.
- ▶ Non-physical business interruption and extra expense: cover for lost income and investigation and mitigation expenses caused by any network interruption, service degradation or network failure suffered by an insured.

Cover for the above two first party insuring clauses depends on the loss being caused by an insured cause of loss. This can include not only computer crime and computer attacks by third parties, but also administrative or operational mistakes by employees and third party providers.

- ▶ Cyber extortion: Liberty will meet the costs of extortion monies following a direct extortion demand including threats to the insured's network, digital assets or to the integrity of the insured's customer data.
- ▶ Data protection reputational harm: following a public report or communication which damages the insured's reputation, Liberty will pay public relations expenses, any consequential loss of income and expenses to avoid or minimise a trading or profit loss arising out of such public report or communication

What is covered under Section II Privacy, Confidentiality and Security Liability?

Liberty will pay compensation and defence costs resulting from a claim brought against the insured as a result of a network security breach, the loss of or unauthorised use of the insured's network or digital assets, the transmission of a malicious code, or a breach of any third party/employee confidentiality rights.

What is covered under Section III Privacy, Regulation Defence, Awards and Fines?

Liberty will pay for defence costs, as well as any awards and fines where insurable, if the insured is investigated by a regulator as a result of a privacy breach, the loss of or unauthorised use of the insured's network or digital assets or transmission of a malicious code from the insured's network to a third party's network.

What is covered under Section IV Customer Care and Reputational Expense?

Liberty will pay for the legal, postage and advertising expenses incurred if the insured's business is either legally obliged to notify individuals or wishes to notify on a voluntary basis to avoid or mitigate a potential claim, of a security breach or privacy breach to a third party or employee. Liberty will also pay costs incurred by the insured to protect or re-establish its public image in the event of a regulatory action, unauthorised attack on the client's network or loss of confidential information

What is covered under Section V Multi-Media Liability?

If the insured infringes a third party's intellectual property rights, unintentionally defames them, breaches their privacy or is negligent in the publication of any content in electronic or print media, Liberty will pay defence costs as well as any civil damages.

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Distinct, complex and constantly evolving – every business is as unique as their insurance needs.

To confidently progress in the face of risk and uncertainty requires a level of security you can only achieve through working with specialists.

Liberty Specialty Markets offers a breadth of world-class insurance and reinsurance services to brokers and insured clients. We bring value and solutions to more than 20,000 of Asia Pacific's most significant business and government organisations – helping protect what they earn, build and own.

We're part of the global Liberty Mutual Group, a Fortune 100 company that's been in business since 1912 with a Standard & Poor's 'A' (strong) rating.

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