

# CYBER RISK COVERAGE

**Cyber Risk** is a cyber insurance solution designed to help businesses pay for the costs of restoring computer operating systems and recovering data. This coverage also protects against third-party liabilities a business might have as a result of a failure of system security.

## **Cyber Risk Is A Growing Issue**

Virtually every business relies on data and computer systems. When these systems experience a virus or other computer attack, a business is at a real risk of losing critical information that is essential to daily operations and potentially exposing itself to third party liability.

Computer viruses are a growing problem, and a cyber attack, from a virus or other cause, can significantly impact a business' bottom line. System and data recovery can result in lost income, and can tally thousands in recovery costs. What's more, liability from insufficient systems security can lead to expensive litigation.

## **Coverage Highlights, Terms And Conditions**

### **First-party coverage is triggered by:**

- A computer attack
- An unauthorized person gaining access to the insured's computer system
- A malware attack
- A denial of service attack

### **In the event of a computer attack, Cyber Risk pays for:**

- Data restoration from electronic sources
- Data recreation from non-electronic sources
- Systems restoration
- Business income
- Public relations

### **Third-party coverage is triggered by:**

A "**network security liability suit**" — a civil proceeding, an alternative dispute resolution proceeding or a written demand for money alleging that a negligent failure of the insured's computer security allowed one of the following to occur:

- A breach of third party business data
- An unintended propagation of malware
- A denial of service attack in which the insured unintentionally participated

In the event of a **network security liability suit**, **Cyber Risk** covers costs of defense, settlement and judgment. Defense is provided within the coverage limits.

The third-party coverage can be offered separately from the first-party coverage.



## Overview

### Cyber Risk Coverage

<p><b>Availability:</b></p> <p>Available as a coverage enhancement via an endorsement to the BOP and CPP.</p>
<p><b>Eligibility:</b></p> <p>Most businesses are eligible for <b>Cyber Risk</b>. To determine eligibility contact MMG.</p>
<p><b>Excluded Classes:</b></p> <p>Financial institutions, adult businesses, gambling/gaming business, municipalities, schools, colleges and universities.</p>
<p><b>Limits And Deductible Options:</b></p> <p><b>Cyber Risk</b> has limit options of either \$50,000 or \$100,000 and deductible options of \$5,000 and \$10,000.</p>
<p><b>Sublimits:</b></p> <p>The following coverages are subject to sublimits: <b>data recreation:</b> \$5,000; <b>business income:</b> \$10,000; <b>public relations:</b> \$5,000.</p>
<p><b>Underwriting Specifications:</b></p> <p>No separate application needed for most quotes.</p>

### Additional Services

Business clients can also take advantage of these other services:

- With this coverage comes access to eRiskHub®, a risk management portal designed to help business owners prepare and respond effectively to data breach and cyber attacks. Key features of the eRiskHub® portal include: an incident response plan roadmap, online training modules, risk management tools to manage data breaches, a directory for external resources, a news center with current articles from industry resources, and a learning center with best practices and white papers
- Access to “TechQ”, which offers FREE computer diagnostics by phone and competitive rates for virus removal, technical assistance and related digital security services
- Access to experts in cyber extortion and data breaches
- Toll-free helpline to educate insured about cyber risks

**Claims:** Claims are managed by experienced and dedicated cyber claim specialists with industry knowledge.

### Claim Examples

#### Scenario 1

A retail business suffered a virus infection that corrupted data and caused the insured’s computer system to stop functioning properly, resulting in loss of income. The insured hired an IT firm to remove the virus and reinstall software.

**Total Loss: \$22,000**

#### Scenario 2

An insured’s computer systems were attacked by an encryption virus. The encryption virus encrypted all of the insured’s files, rendering the systems unusable. Extensive remediation was necessary in order to get the insured up and running.

**Total Loss: \$12,110**

### Here To Help The Small Business Owner

Your business clients count on you to keep them protected from today’s risks and challenges. You can depend on us to keep them up to date with contemporary coverages and services that keep you a step ahead of the competition.

Contact your representative today for more information about **Cyber Risk** coverage.

### MMG Insurance Company

44 Maysville Street • Presque Isle ME

1-800-343-0533 • www.mmgin.com