

## Travelers Canada CyberRisk

One system hack can shut down a business. One policy can protect it.

There is a lot at stake in how your customers manage their data. One stolen laptop or one resourceful hacker can cause a data breach with enormous consequences. For example, did you know the average cost of a data breach in 2010 was \$2.7 million?\*

Since 2008, more than 500 million data records from U.S. businesses of all types and sizes have been compromised, including those containing customers' private information and companies' financials.\*\*

The number of data breaches was up 29% in 2010, with over 350 breaches voluntarily reported across Canada in 2010, according to the Privacy Commissioner of Canada.

Every system upgrade, every remote device, every incoming e-mail can mean a new risk to your customers' data and even electronic theft of their funds. And the risks are not only financial, they can also negatively impact your customer's reputation.

### One coverage solution for all your customer's cyber exposures

Your customers need contemporary coverage that can take on the full range of risks to their data and systems. That is exactly what CyberRisk was built for. It has the essential features your customers need for today's and tomorrow's technology exposures.

- **One stop shopping**– CyberRisk boasts ten insuring agreements, which together deliver a truly comprehensive coverage solution. Patching coverage together with multiple insurers or traditional policies is now a thing of the past.
- **Flexible and scalable**– Coverage can be customized to the needs of your customers. And smaller businesses can enjoy the same type of coverage available to larger businesses.



- **We know cyber**– We have been writing technology related coverages for over 25 years. We are also a leading writer of related specialty crime coverages. We know what it takes to craft the right program for your customers.

### Why ten insuring agreements?

#### Because the ripple effect can be staggering!

It is true. When your customer's system, data or electronic bank accounts are compromised, the fallout can be far-reaching. See the other side of this sheet to read about potential claim scenarios arising from a breach and how the CyberRisk policy's ten insuring agreements would respond.

### Travelers CyberRisk

*The comprehensive choice for all your Cyber insurance needs.*

**Contact Travelers Canada today to learn more about CyberRisk.**

\* Source: Ponemon Institute 2010 Annual Study: 'U.S. Cost of a data Breach, March 2010'

\*\* Source: Verizon 2011 Data Breach Investigations Report.

## Travelers Canada CyberRisk How our policy responds

Insuring Agreement	Claim Scenario	Coverage Response
<b>Liability Insuring Agreements</b>		
<b>Network and Information Security Liability</b>	A hacker successfully obtains sensitive personal information from the insured's computer system. As a result, a number of customers bring a claim against the insured for allowing access to their personal information.	Damage and defence costs for covered lawsuits.
<b>Communications and Media Liability</b>	A lawsuit is brought against the insured by a competitor alleging that its online marketing content and product branding have been plagiarized and its trademarks infringed upon.	Damage and defence costs for covered lawsuits.
<b>Regulatory Defence Expenses</b>	An insured with offices nationwide in the United States suffers a major data breach involving thousands of customers. As a result, attorneys general in multiple states bring a regulatory action against the insured.	Costs for responding to regulatory claims stemming from the data breach.
<b>First Party Insuring Agreements</b>		
<b>Crisis Event Management Expenses</b>	An insured's Chief Customer Service Officer has his laptop stolen. The laptop contains over 100,000 customer records including social insurance numbers.	Costs for hiring a public relations firm to restore customer confidence or mitigate negative publicity generated from the incident.
<b>Security Breach Remediation and Notification Expense</b>	A skilled cyber criminal hacks into the insured's operating system. Names, addresses and credit card information for over 50,000 of the insured's customers are captured out of the system.	Costs for hiring a Breach Response firm to find and fix the breach, assist with notice requirements and expenses, provide credit monitoring and a call centre for impacted individuals, and obtaining an ID fraud policy for affected victims.
<b>Computer Program and Electronic Data Restoration Expenses</b>	A computer virus totally destroys the insured's operating system software and data.	Costs for repair and restoration of the insured's computer programs and electronic data.
<b>Computer Fraud</b>	An organized crime ring gains unauthorized access to the insured's accounts payable in its computer system, and alters the bank routing information on outgoing payments. The result- \$1 million transferred to the crime ring's account.	Direct loss of the insured's money, securities or other property.
<b>Funds Transfer Fraud</b>	The insured receives an e-mail that appeared to be from its bank but was not. The insured's employee opened the e-mail which activated a computer virus called a Trojan horse that read key strokes from the insured's computer. The perpetrator used this means to obtain banking and password information and initiate a fraudulent electronic wire transfer from the insured's bank account.	The insured's funds that were fraudulently transferred from its bank account.
<b>E-Commerce Extortion</b>	The insured receives a series of notes which threaten to hack into its customer database and disclose all of the contact information to the general public.	Money or securities paid to the extortioner.
<b>Business Interruption and Additional Expense</b>	A company's server is infected by a severe virus, and as a result the insured's sales website is not available to customers for an extended period.	The net profit that would have been earned (or net losses that would have been avoided) resulting from the computer system disruption.