

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
Liability Insuring Agreements		
Network and Information Security Liability	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.
Communications and Media Liability	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.
Regulatory Defence Expenses	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.
First Party Insuring Agreements		
Crisis Event Management Expenses	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.
Security Breach Remediation and Notification Expense	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.
Computer Program and Electronic Data Restoration Expenses	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.
Computer Fraud	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.
Funds Transfer Fraud	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.
E-Commerce Extortion	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.
Business Interruption and Additional Expense	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.

Travelers Canada CyberRisk How our policy responds

Insuring Agreement	Claim Scenario	Coverage Response
Liability Insuring Agreements		
Network and Information Security Liability	A hacker successfully obtains sensitive personal information from the bank'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.
Communications and Media Liability	A lawsuit is brought against a credit union 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.
Regulatory Defence Expenses	A large bank with offices in North America suffers a major data breach involving thousands of customers. As a result, attorneys general in multiple states in the United States bring a regulatory action against the insured.	Costs for responding to regulatory claims stemming from the data breach.
First Party Insuring Agreements		
Crisis Event Management Expenses	An investment advisor'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.
Security Breach Remediation and Notification Expense	A bank stores sensitive customer information in its computer system. This system is compromised when a third party sends a malware program via e-mail to a number of employees. This software intrudes into the system when an employee unwittingly opens the e-mail attachment, allowing the third party access to the system. Contact and credit card information for over 50,000 bank customers is 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.
Computer Program and Electronic Data Restoration Expenses	A computer virus totally destroys an Investment Advisor's operating system software and data.	Costs for repair and restoration of the insured's computer programs and electronic data.
Computer Fraud	An organized crime ring gains unauthorized access to a bank's transactional system, obtaining customer account information and authorization codes.	Loss of funds fraudulently obtained from customer bank accounts.
Funds Transfer Fraud	An insurance company 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.
E-Commerce Extortion	A credit union 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.
Business Interruption and Additional Expense	A bank'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.

Travelers Canada CyberRisk Coverage Checklist

Why your customers need our protection.

In today's data-driven world where sensitive information is stored and transferred electronically, organizations of all sizes are vulnerable to costly and damaging liabilities from data security breaches that are occurring at alarming and growing rates.

Whether your customer's data is compromised by a hacker, virus, cyber thief, or simply because of lost or stolen computers, laptops, flash drives or smart phones, the breaches can have serious ramifications. There are substantial financial costs involved in finding and remedying a breach, including the cost of notifying customers – now legally mandated in 47 states – possible fines and legal expenses. Breach notification is also legally mandated in the province of Alberta, and with respect to personal health information in the provinces of Alberta, Ontario, New Brunswick and Newfoundland and Labrador. The company can also suffer immense damage to its reputation and from the interruption to business.

CyberRisk coverage from Travelers delivers a truly comprehensive coverage solution in a single policy. The following checklist illustrates key coverages and features every customer should have as part of its insurance program to protect against data breaches and related technology exposures:

	CyberRisk	Other Policy		CyberRisk	Other Policy
Third Party (liability) and First Party coverage –protecting the insured for its liability to others and reimbursing the insured for expenses incurred	✓		Non-cancellable by insurer –except for non-payment of premium	✓	
Worldwide coverage –applies to claims made or events occurring anywhere in the world	✓		Extended reporting period –applies to crisis event management and security breach expense coverage	✓	
Ten distinct insuring agreements –with the ability to set limits and retentions for each insuring agreement	✓		Automatic 90 day extended reporting period –for first party coverages	✓	
Defence option –option to select duty to defend or reimbursement coverage at policy inception	✓		First party coverage for computer program and electronic data restoration expenses	✓	
Maximum retention cap –for claims covered under more than one liability insuring agreement or events covered under more than one first party insuring agreement	✓		First party coverage for computer fraud and funds transfer fraud –protection for fraudulent transfer of money or securities or, with respect to computer fraud, other property	✓	
			E-commerce extortion coverage –applies to computer viruses and denial of service attacks	✓	
			Business interruption coverage –extends to denial of service attacks	✓	
			Coverage for security breach remediation and notification expenses extends to		
			• Purchase of an identity fraud insurance policy	✓	
			• 365 days of credit monitoring services	✓	

Travelers Canada CyberRisk Coverage Checklist

	CyberRisk	Other Policy		CyberRisk	Other Policy
Defence expense regulatory claim coverage –it is not limited to specific governmental agencies and includes claims by any state attorneys general in the United States	✓		Defence expense coverage for regulatory claims –for network and information security coverage and communications and media liability	✓	
Communications and media coverage –applies to content in any electronic format including websites and electronic mail	✓		Coverage for unfair business practice claims under network and information security or communication and media insuring agreements –if such practices directly result from a network and information security wrongful act or a communications and media wrongful act	✓	
Coverage extends to claims seeking –non-monetary relief and arbitration, mediation or similar alternative dispute resolution proceedings	✓		Network and information security coverage is not narrowed by exclusions for:		
Coverage for punitive or exemplary damages on a most favourable venue basis	✓		<ul style="list-style-type: none"> ● failure to maintain a computer network or system ● failure to maintain risk controls ● lack of performance in software ● ‘spyware’, ‘cookies’ or other invasive devices or methods used to collect private information ● trading losses 	✓	✓
Network and information security coverage extends to:					
<ul style="list-style-type: none"> ● electronic or non-electronic data and is not limited to e-commerce, website or other specified activities or only to information ‘on premises’ ● medical or health care information ● any private personal information that is protected under any local, provincial, state, federal or foreign law ● failure to provide notification required by ANY security breach notification law ● claims made by employees 	✓	✓			

Get the protection your customers need today and the peace of mind that they deserve

Contact Travelers today to learn more about CyberRisk.

Travelers Canada CyberRisk Coverage Highlights

Is your organization the next victim?

In today's data-driven world where sensitive information is stored and transferred electronically, organizations of all sizes are vulnerable to costly and damaging liabilities from data security breaches that are occurring at alarming and growing rates.

Travelers CyberRisk has several coverage options to help you protect your business. You can choose a combination of coverages to best suit your business.



Liability Insuring Agreements

- ✓ Network and Information Security Liability
- ✓ Communications and Media Liability
- ✓ Regulatory Defence Expenses

Liability Insuring Agreements

- 1. Network and Information Security Liability–**
provides coverage for:
 - claims arising from the unauthorized access to data containing identity information
 - the failure to provide notification of data breach where required by law
 - transmission of computer virus
 - liability associated with the failure to provide authorized users with access to the company's website
- 2. Communications and Media Liability–**
provides coverage for claims arising from copyright infringement, plagiarism, defamation, libel and slander in electronic content, such as websites and e-mail
- 3. Regulatory defence expenses–**
coverage for governmental claims made as a result of network and information security liability or communications and media liability

First Party Insuring Agreements

- ✓ Crisis Event Management Expense
- ✓ Security Breach Remediation and Notification Expense
- ✓ Computer Program and Electronic Data Restoration Expenses
- ✓ Computer Fraud
- ✓ Funds Transfer Fraud
- ✓ E-Commerce Extortion
- ✓ Business Interruption and Additional Expenses

First Party Insuring Agreements

- 1. Crisis Event Management expenses–**
coverage for public relations services to mitigate negative publicity as a result of cyber liability
- 2. Security breach remediation and notification expenses–**
provides coverage for:
 - costs incurred to determine whose identity information was accessed
 - notification to those individuals of the security breach;
 - credit monitoring for 365 days
 - call centre to handle inquiries
 - identity fraud expense reimbursement for those individuals affected by the security breach

Travelers Canada CyberRisk Coverage Highlights

Is your organization the next victim?

- 3. Computer program and electronic data restoration expenses**– coverage for expenses incurred to restore data lost from damage to computer systems due to computer virus or unauthorized access
- 4. Computer fraud**– coverage for loss of money, securities or other property due to unauthorized access to computer system
- 5. Funds transfer fraud**– coverage for loss of money or securities due to fraudulent transfer instructions to a financial institution
- 6. E-commerce extortion**– coverage for money paid due to threats made regarding an intent to fraudulently transfer funds, destroy data, introduce a virus or attack a computer system, or disclose electronic customer information
- 7. Business interruption and additional expenses**– coverage for loss of income, and the extra expense incurred to restore operations, as a result of a computer system disruption caused by a virus or other unauthorized computer attack

**Get the protection you need today
and the peace of mind that you deserve**

**To learn more about Travelers Canada CyberRisk
insurance, contact your Travelers broker.**

This document is provided for informational purposes only. It does not, and is not intended to, provide legal, technical or other professional advice, nor does it amend, or otherwise affect, the provisions or coverages of any insurance policy or bond issued by St. Paul Fire and Marine Insurance Company and Travelers Guarantee Company of Canada and their subsidiaries and affiliates (collectively "Travelers Canada"). Travelers Canada disclaims all warranties whatsoever.