



Travelers Canada CyberRisk™

TRAVELERS CANADA

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

There is a lot at stake in how companies 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 \$7.2 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 percent 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 email 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 customers' reputation.

One coverage solution for all cyber exposures

Canadian businesses of all sizes need contemporary coverage that can take on the full range of risks to their data and systems. That is exactly what Travelers Canada CyberRisk™ was built for. It has the essential features needed for today's and tomorrow's technology exposures.

- **One-stop shopping** – Travelers Canada CyberRisk™ boasts 10 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.

Why 10 insuring agreements?

Because the ripple effect can be staggering

It is true. When systems, data or electronic bank accounts are compromised, the fallout can be far-reaching. See the other side of this sheet to read about potential claims scenarios arising from a breach and how the Travelers Canada CyberRisk™ policy's 10 insuring agreements would respond.

Travelers Canada

The comprehensive choice for all your cyber insurance needs.

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

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

**Source: Verizon 2011 Data Breach Investigations Report.

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How our policy responds

Insuring agreement	Claims 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 email to a number of employees. This software intrudes into the system when an employee unwittingly opens the email 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 email that appeared to be from its bank but was not. The insured's employee opened the email, which activated a computer virus called a Trojan horse that reads 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 that threatens 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.



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