

HOW OUR COVERAGE RESPONDS FOR PRIVATE, NONPROFIT, PUBLIC COMPANIES AND FINANCIAL INSTITUTIONS

Liability insuring agreements			
Insuring agreement	Definition	Claim scenario	Coverage response
Network and information security liability	Coverage for claims arising from failure to protect, destroy or prevent unauthorized access to data, failure to provide notification of a data breach where required by law, failure to prevent transmission of computer virus, failure to comply with insured organization's privacy policy and failure to provide authorized users with access to the company website	A hacker 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.	Damages and defence costs for covered lawsuits
Communications and media liability	Coverage for claims arising from copyright infringement, plagiarism, defamation, libel and slander in electronic content	A lawsuit is brought against the insured by another entity alleging that their online content and organizational branding have been plagiarized and their trademarks infringed upon.	Damages and defence costs for covered lawsuits
Regulatory defence expenses	Coverage for governmental claims made as a result of network and information security liability or communications and media liability	A charity with offices nationwide suffers a major data breach involving thousands of donors. As a result, multiple complaints are made to, and investigations initiated by, Federal and provincial privacy commissioners.	Costs for responding to regulatory claims stemming from the data breach.
First-party insuring agreements			
Insuring agreement	Definition	Claim scenario	Coverage response
Crisis management event expenses	Coverage for public relations services for up to 24 months to mitigate negative publicity	The chief customer service officer of a nonprofit organization has his laptop stolen. The laptop contains more than 100,000 donor records, including their personal contact information.	Costs for hiring a public relations firm to restore donor confidence or mitigate negative publicity generated from the incident
Security breach remediation and notification expenses	Coverage for costs associated with notification of individuals breached, credit monitoring for up to 24 months or longer where required by law, including voluntary notification, fraud expense reimbursement and call center	A skilled cybercriminal hacks into the insured's internal processing system. Names, addresses and credit information for more than 50,000 of the insured's members are captured from the system.	Costs for retaining legal counsel to assist with the breach response, including forensics, notice requirements and expenses; providing credit monitoring and a call center for impacted individuals; and obtaining an ID fraud policy for affected victims
Computer program and electronic data restoration expenses	Coverage for expenses to restore data lost from system damage due to computer virus or unauthorized access	A computer virus corrupts the insured's system software and data.	Costs for repair and restoration of the insured's computer programs and electronic data
Computer fraud	Coverage for loss of money, securities or other property due to unauthorized system access	An organized crime ring gains unauthorized access to the insured's accounts payable in their 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

First-party insuring agreements (continued)

Insuring agreement	Definition	Claim scenario	Coverage response
Funds transfer fraud	Coverage for loss of money or securities due to fraudulent transfer instructions to a financial institution	An insured receives an email that appeared to be from its bank, but was not. The insured's employee opens the email, which activates embedded malware that reads key strokes from their computer. The perpetrator uses 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	Coverage for money paid as a result of threats made to fraudulently transfer funds, destroy data, introduce a virus, attack a system or disclose electronic customer information	The insured receives a series of notes that threaten to hack into its customer database and disclose all of the contact information to the general public.	Expenses to manage the incident and monies or securities paid to the extortioner
Business interruption and additional expenses	Coverage for loss of income and expenses to restore operations as a result of a computer system disruption caused by a virus or unauthorized computer attack, including operating expenses that must continue during the interruption period.	An organization's server is infected by a severe virus and as a result, their internal computer network is not available for an extended period.	The net proceeds that would have been earned (or net losses that would have been avoided) resulting from the computer system disruption

CyberRisk provides a combination of coverage options to help protect organizations from emerging cyber threats and now includes access to the Travelers' *eRisk Hub*® – an information portal of risk management tools.



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