

# How Cyber Insurance Completes Your Business Insurance Puzzle

Data breaches are inevitable in a technological era, and the problem is only growing

It underscores the point that cyber insurance is a must-have, and not just as standalone protection. Your other business policies — from professional liability to umbrella coverage — may have gaps in how well they protect you. Cyber Insurance can close the gaps.



## WHAT IS CYBER LIABILITY INSURANCE?

Cyber liability insurance provides for crisis management following a data breach. It may cover, for example, the expense of forensic investigation, a privacy attorney, notification of affected individuals, credit monitoring and PR costs

## Directors & Officers (D&O) Liability Insurance + Cyber Insurance

### WHAT DOES DIRECTORS AND OFFICERS OF LIABILITY INSURANCE COVER?

D&O insurance covers your organization's leadership against claims of negligent oversight and decisions that could negatively affect financial performance.

### WHERE'S THE FIT?

Inadequate governance can leave the door open to poor system defenses and disruptive hacks. Resulting claims may not be sufficiently covered by typical D&O policies. In fact, cyber risk is increasingly being cut from them.

### WHAT YOU SHOULD KNOW

Pairing cyber insurance with D&O insurance ensures adequate protection for the breach, for potential class actions and for shareholder and derivative D&O insurance claims arising from a breach. It also sends a strong signal: "Our leadership takes cyber crimes seriously."

## Employment Practices Liability (EPL) Insurance + Cyber Insurance

### WHAT DOES EMPLOYMENT PRACTICES LIABILITY INSURANCE COVER?

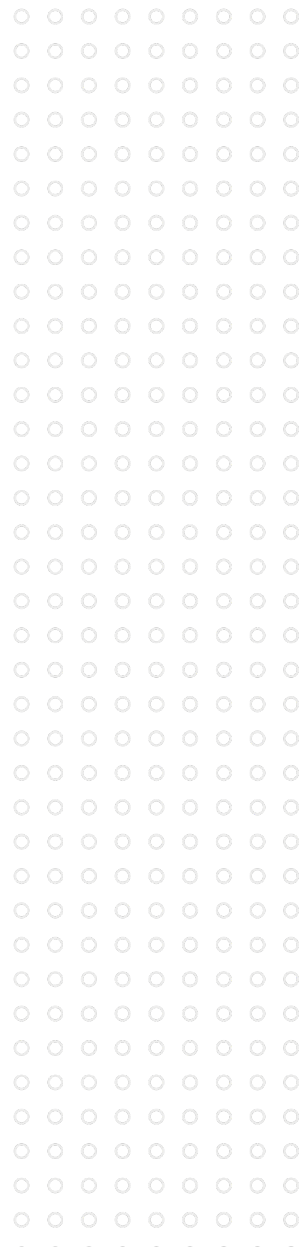
Wrongful acts arising from the employment process are covered by Employment Practices Liability Insurance, including discrimination, sexual harassment and wrongful termination.

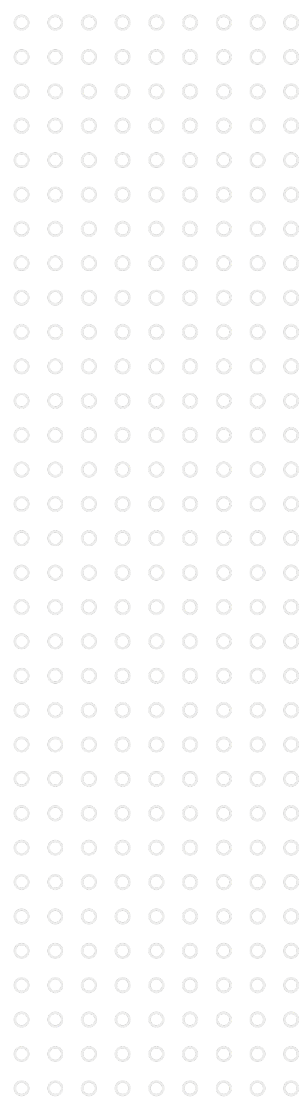
### WHERE'S THE FIT?

Cyber insurance's range of coverage could include protection against claims related to workplace cyber bullying — conducted via email, text messages or a company intranet.

### WHAT YOU SHOULD KNOW

In addition to your cyber Insurance policy, this issue is just as likely to be managed through EPL insurance policy endorsements for employee and non-employee harassment.





## Professional Liability Insurance + Cyber Insurance

### WHAT DOES PROFESSIONAL LIABILITY INSURANCE COVER?

Professional Liability Insurance (also known as errors & omission or E&O) protects individual professionals and firms against claims for failure to provide services as stated.

### WHERE'S THE FIT?

When clients trust you for expert advice and counsel, they expect that the information they share is confidential and will not be disclosed. Your business practices may meet that expectation, but hackers won't. When a data breach discloses private client information, the cost to defend against ensuing lawsuits is not covered by professional liability insurance policies. Cyber insurance will be your only defense.

### WHAT YOU SHOULD KNOW

Professional services firms are seeing cyber insurance required more frequently in their client contracts. It helps establish intent to ensure that coverage applies and with appropriate limits.

## Business Interruption Insurance + Cyber Insurance

### WHAT DOES BUSINESS INTERRUPTION INSURANCE COVER?

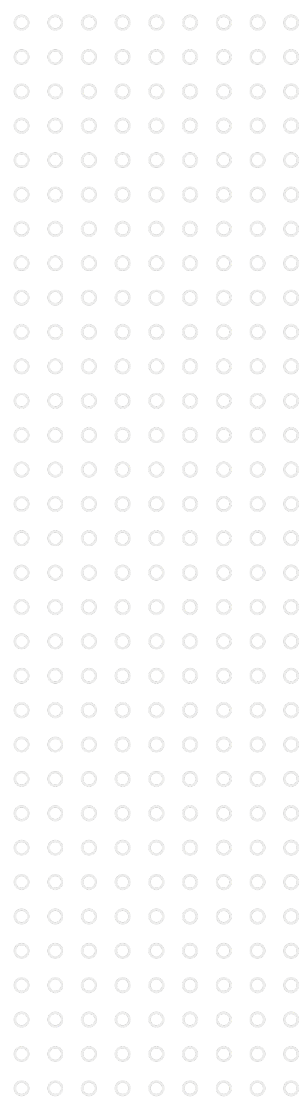
Usually an endorsement to your commercial Property Insurance, Business Interruption Insurance covers a loss of business income after a disaster.

### WHERE'S THE FIT?

Cyber insurance is necessary for sufficient protection against business outages that stem from a cyber breach — malicious or not. Chances are that the limits of the business interruption Insurance policy won't be enough to cover losses related to cyber breaches. Having both provides optimal protection.

### WHAT YOU SHOULD KNOW

Understand where one policy begins and the other ends. If business outages relate to servers made inoperable due to fire, it's a property matter. If the cause is network failure due to DDOS attacks or malware infections, it's covered by the cyber insurance policy.



## General Liability and Umbrella Policies + Cyber Insurance

### WHAT DO GENERAL LIABILITY AND UMBRELLA POLICIES COVER?

General liability insurance covers third-party bodily injuries, tangible property damage and advertising injuries. Umbrella policies “cover” other primary liability policies, expanding their limits while also broadening their coverage.

### WHERE'S THE FIT?

Cyber insurance is a crucial supplement in both instances, providing compensation for lost income related to a data breach, data loss or server downtime. Electronic data isn't considered tangible property, so cyber insurance is a must-have for complete protection under these policies.

### WHAT YOU SHOULD KNOW

Don't assume your general liability coverage will protect you against cyber incursions. Carriers are increasingly reluctant to add cyber endorsements in the face of growing incidents. And even if your policy has a cyber endorsement, it is likely to be sublimated to the point of self-insuring or extend only to claims alleging bodily injury or property damage.

## Fiduciary Liability Insurance + Cyber Insurance

### WHAT DOES FIDUCIARY LIABILITY INSURANCE COVER?

Employers and individuals (fiduciaries) who manage pension, savings, profit-sharing, employee benefit and health/welfare plans need this coverage against claims of mismanagement or breaches of duty.

### WHERE'S THE FIT?

Cyber insurance fills the gap left by exclusions for failures stemming from lax network security that can lead to data breaches, and mismanagement of data.

### WHAT YOU SHOULD KNOW

It's more than a nice-to-have — cyber insurance is a must-have because cyber breaches are typically excluded from fiduciary liability insurance policies.



## Business Crime Insurance + Cyber Insurance

### WHAT DOES BUSINESS CRIME INSURANCE COVER?

No business is safe from the crimes of fraud, theft, forgery and embezzlement, and business crime insurance provides financial protection for related losses.

### WHERE'S THE FIT?

Cyber insurance and business crime insurance go hand-in-hand, with cyber insurance picking up where business crime insurance leaves off. Crime policies typically address the loss of tangible assets such as money and securities while cyber insurance policies typically address the loss of intangible assets, such as data.

### WHAT YOU SHOULD KNOW

This type of loss can be managed under both the business crime insurance and cyber insurance policies, with the right negotiations and enhancements.

## Kidnap & Ransom Insurance + Cyber Insurance

### WHAT DOES KIDNAP & RANSOM INSURANCE COVER?

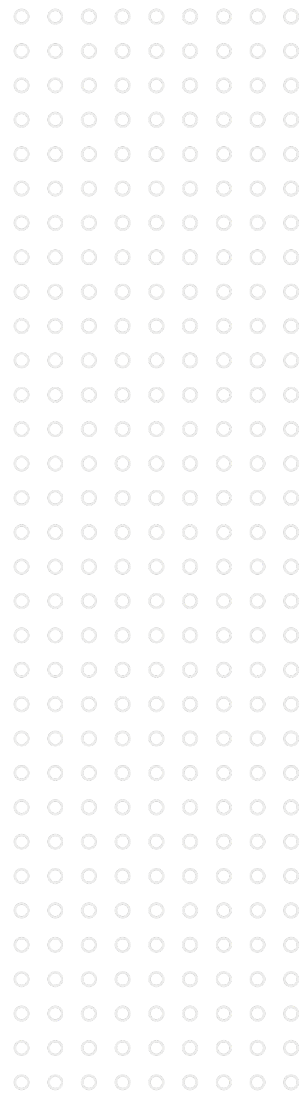
Companies and their employees working in high-risk countries need these policies for reimbursement of crimes like kidnapping, extortion, wrongful detention and hijacking.

### WHERE'S THE FIT?

Augment kidnap and ransom insurance with cyber insurance as kidnap and ransom insurance policies will not offer any protection against cyber extortion where a system is infected with malware, and data and networks are held hostage for ransom.

### WHAT YOU SHOULD KNOW

Even if cyber extortion covered through your cyber insurance policy, it pays to check the extent of your coverage. Some policies do not provide full risk coverage and are limited to third-party liability.



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