

# Data Breach Program

## Explanation of Insuring Agreements

### **Limit of Liability**

The Limit of Liability is the aggregate amount that will be paid by the carrier for defense and damages. This aggregate will include the following sublimits that are part of this limit; Information Security & Privacy Liability, Regulatory Defense and Penalties, Website Media Content Liability, Business Interruption, Cyber Extortion, PCI Fines and Costs.

### **Notification Limit**

This limit is the amount of records that the carrier will provide for notification, call center services and credit monitoring. This limit is separate from and in addition to the policy limit of liability aggregate. The Legal & Forensics, Crisis Management and the Foreign Notification costs are aggregate limits that are part of the Notification Limit. The record count does not have a deductible, however it does have a threshold. This threshold only pertains to the notification letter, call center and credit monitoring services. If the breach affects over 100 records, these services are activated. If it does not, only the legal, forensics and crisis management services will be activated. All other sublimits have a \$2,500 retention.

### **Information Security & Privacy Liability**

This is insuring agreement A. This will pay on behalf of the insured damages and claims expenses for;

1. Failure to protect private information
2. Transmission of a virus from your system to another
3. Failure to notify individuals of a breach
4. Failure to comply with a Privacy Policy

### **Regulatory Defense & Penalties**

This will pay on behalf of the insured claims expenses and penalties assessed by regulatory agencies.

### **PCI Fines & Penalties**

This will indemnify the insured for Payment Card Industry fines and costs.

### **Website Media Content**

This will pay on behalf of the insured damages and claims expenses for allegations of copyright infringement and defamation arising from their website.

### **Cyber Extortion**

This will indemnify the insured for loss paid as a result of an extortion threat to protect private information.

### **Legal & Forensics**

This will provide the insured with a computer security expert to determine the extent and cause of a breach. It will then provide for an attorney to determine which notification laws the insured will need to comply.

### **Public Relations**

This will pay for a Public Relations Consultant to help the insured introduce the breach to the public.

### **Fraud Resolution**

This will provide services to the affected individuals in restoring their identity.

## **Enhancement Pack for an additional 5% premium**

### **Consequential Reputational Loss**

This will indemnify the insured for income loss during a 30 day period after the affected individuals receive their first notification of a breach.

### **Electronic Crime**

This will indemnify the insured for loss of money in a bank account caused by a third party sending fraudulent instructions to transfer from their account to another location.

### **Fraudulent Instructions**

This will indemnify the insured for loss of money they transfer or pay because a third party pretended to be one of their clients or employees and sent them a fraudulent instruction.

### **Telecommunications Fraud Loss**

This will indemnify the insured for loss that results from a third party gaining access to their telephone system in an unauthorized manner.

### **Criminal Reward Fund**

This will indemnify the insured for an amount that is paid for information that leads to the arrest and conviction of an individual that committed an illegal act related to any coverage.