WOODGROVE FINANCIAL

Cyber Risk Insurance Policy – Important Prompts for Claims Handlers

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Important Questions for Claims Handlers to properly evaluate claims, determine coverage, assess the extent of the loss, and facilitate the processing and payment of the claim in line with policy provisions.

A claims adjuster or handler, with the aid of a cyber risk insurance policy, would need to answer several important questions when evaluating and processing a cyber insurance claim. Here are some key questions they may need to address:

- Is the Claim Covered?: The claims adjuster must determine whether the claimed loss or incident falls within the covered perils and events outlined in the cyber risk insurance policy. They need to review the policy language and provisions to confirm if the specific type of loss or cyber event is eligible for compensation.

- What are the Policy Limits and Deductibles?: The adjuster needs to identify the policy limits, which define the maximum amount payable for a covered loss. They also consider any deductibles or self-insured retentions that the policyholder must bear before coverage applies. This information helps determine the potential amount of indemnification.

- Has the Policyholder Complied with Notification Requirements?: The claims adjuster verifies whether the policyholder has complied with the policy's notification and reporting requirements. They assess whether the claim was reported within the specified timeframe and if the required information was provided. Compliance with these obligations is crucial to ensure coverage under the policy.

- What is the Extent of the Loss?: The adjuster evaluates the extent of the loss and its impact on the insured business. They need to determine the financial consequences of the cyber incident, including forensic investigation costs, data restoration expenses, business interruption losses, legal fees, reputational harm, and any other relevant damages. The policy provides guidance on how to assess and quantify these losses.

- Are there Any Exclusions or Limitations?: The adjuster reviews the policy exclusions and limitations to identify any provisions that may restrict or exclude coverage for certain types of losses or circumstances. They assess whether any

specific policy exclusions apply to the claimed loss and determine the impact on coverage.

- Are there Additional Coverages or Endorsements?: The adjuster examines any additional coverages or endorsements that may have been included in the policy. These endorsements may offer specific enhancements or additional protection for certain types of cyber incidents. The adjuster needs to determine if any of these provisions are applicable to the claim.

- What Documentation is Required?: The adjuster refers to the policy to identify the documentation and proof required to substantiate the claim. This may include incident reports, forensic investigation findings, financial statements, invoices, contracts, or other relevant documentation. They ensure that the necessary documentation is obtained and reviewed.

- What are the Provisions for Loss Payment?: The adjuster refers to the policy to understand the

process and provisions for the payment of the claim. They verify the steps involved, any required approvals, and the timeline for payment. They ensure that the payment is made in accordance with the policy terms and conditions.

- Is ransomware covered in the policy?

By answering these questions with the aid of the cyber risk insurance policy, the claims adjuster or handler can properly evaluate the claim, determine coverage, assess the extent of the loss, and facilitate the processing and payment of the claim in line with the policy's provisions.

What Problem is Being Solved:

Claims handlers must review lengthy documentation to properly evaluate claims. AOAI will assist them in quickly finding the information they need to move claims from start to finish.

Key skills: Summarization, Semantic Search