



ISLAND INSURANCE BROKERS  
LIMITED

# Briefing for Key Officials

What Are Your Insurance Concerns?



**Presented By: Mr. Lawrence Pavia FCII, ACI.Arb**  
**The Westin Dragonara Resort – The Pavilion**

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## Company Profile:

**Established 1989**

### **Services**

- **Insurance Broking**
- **Risk Management**
- **Insurance Audits**
- **Insurance Consulting**
- **Claims Consulting**

**Considered to be a Leading Insurance Broker**



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### **International Connections**

- **Local Representative for world's Largest Broker - Marsh**
- **Number of Specialist smaller Brokers**
- **Direct Access to a number of international insurers including Lloyds.**



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## **Recommended Insurance Program**

- 1) Protection of Equipment and Related Business Interruption  
(Excluding Cyber Risks)**
- 2) Comprehensive Tech Risk Policy**
- 3) Other Insurance Policies**



## Protection of Equipment and Related Business Interruption

The intention of this Policy is to provide protection for sudden and unforeseen loss or damage to Equipment arising from causes such as fire, lightning, acts of god, bursting of pipes and/or leaking of water, malicious acts, short circuit, defects in materials, assembly faults, theft, electronic or electrical breakdown, negligent operation or carelessness of employees, moisture or humidity and any other cause not specifically excluded.

Cover may also be provided for:

- software incorporated within the electronic equipment
- re-construction of data
- rental of alternative equipment

Any **Interruption of Business** following a loss may also be covered. This will provide compensation for loss of gross profit and/or additional expenditure to save a loss of gross profit.



## Protection of Equipment and Related Business Interruption.../Cont

### Typical Exclusions:

- wear and tear and ordinary use
- war and warlike operations
- willful acts and willful negligence
- faults for which a supplier is responsible or covered under warranty
- interruption of public utilities
- Maintenance Costs
- Ascetic defects
- **Viruses and Hackers**



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The above mentioned covers may be provided for within the local market,  
however exclude and CYBER RISKS.



Insurance Companies like all other industries, are just now coming to grips with the real impact of cyber damages, whilst traditional Insurance Companies do not cater for these risks, to fill this gap, a Specialist Insurance Market is now in existence to cater for your specific cyber risks resulting in interruption of your business following a Hacking Attack or Virus.





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## Comprehensive Tech Risk Policy

A typical comprehensive policy would include cover to cater for the following scenarios;

Risk 1: **Tech Risk Liability** – protects you against any claims for compensation you become legally liable to pay to Third Parties, as a direct result of any media event or technology event.

Risk 2: **Professional Liability** - protects you against any claims for compensation you become legally liable to pay to Third Parties, as a direct result of any wrongful act committed by you or on your behalf in the course of your Business Activities.

Risk 3: **Damage To Your Systems** – reimburses you for rectification costs in retrieving, restoring or replacing any of your computer records or systems policy which have been destroyed, damaged, lost, mislaid or altered as the direct result of any hacking attack or virus.





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Risk 4: **Interruption Of Your Business** – reimburse you for loss by reason of any business interruption loss as the direct result of any **hacking attack or virus**.

Risk 5: **Use Of Your Computer System To Achieve Theft Of Your Monies** – reimburses you for loss caused by the fraudulent input, fraudulent destruction or fraudulent modification of electronic data in your computer system or in any of your customers' computer systems committed by any third party or any employee with a clear intent of causing you loss or damage.

Risk 6: **Threats or Extortion** - this policy would pay on your behalf any loss due to your receiving threats of 1) a hacking attack or virus, 2) use of your information, 3) damaging, destroying or altering your computer system or your computer records.

Risk 7: **Brand Protection Cover** - If action is needed in order to avert or mitigate any material damage to any of your brands due to a claim or loss which constitutes a newsworthy event, then this policy would entitle you to the reimbursement of any fees for employing the services of a public relations consultant.



## **SOME POLICY EXCLUSIONS**

- **Contractual Liabilities** - General Insurance Contracts exclude any contractual liabilities one may have towards their Co – Locator and/or Hosting partner and/or leasing of equipment. Therefore including any liability you assumed under any express warranty, agreement or guarantee.
- **Limiting recovery rights** Against any third party by a specific term in any contract or agreement is also generally excluded by Insurance.
- **Failure to take back-ups** - Cover would exclude any loss that arises due to your failure to ensure that reasonably adequate systems are in place for the creation and storage of back-up computer records.
- **Inadequate server capacity** – excluding any business interruption loss incurred as a result of your servers not having the sufficient capacity to process all of the requests placed upon them, solely because the demand for your websites is larger than the servers are designed to process.



## **SOME POLICY EXCLUSIONS**

- **Circumstances Known at Inception** - any circumstances or occurrences which could give rise to a claim or loss under this Policy of which you are aware, or ought reasonably to be aware, prior to the Inception of the Policy.
- **Patents** - Infringement of any patent
- Claims made by or on behalf of **Associated Companies**
- **Gambling** - any claims involving any breach or alleged breach of any jurisdiction's gambling, gaming, licensing or money laundering laws.



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## Other Insurance Policies

### Damage to own surrounding property

Cover for the premises in which the equipment are kept and for all other contents need to be insured separately.

### Damage to Third Party property

Where are you keeping your Equipment?

Are you safeguarding your liability risk towards your host / landlord / lessor... and Third Party's equipment stored in the vicinity of your equipment?



- Your **Legal Liability to Third Parties** may be insured, this policy would protect you against claims for compensation recognized by law, made by third parties following accidental death, injury or damage to property arising out of the use of the premises insured.
- **Your Legal Liability towards Employees - Employers' Liability**
- Your Legal Liability as Directors or Officers - **Directors & Officers Liability** provides financial protection for the directors and officers of your company in the event they are sued in conjunction with the performance of their duties as they relate to the company.

Most allegations involve decisions, acts, errors or omissions that have lowered stock values,





## Concluding Points

The Lotteries and Gaming Authority recommends that an Annual Insurance Certificate is forwarded in order to ensure the Business Continuity, together with abiding to the norms on general housekeeping of the environment in which electronic equipment is stored.

One particular concern of all industries is maintaining continuity of critical business services online. The ISO 17799 standard can be used in this way to categorize potential risks to an organization. This standard comprises of a comprehensive set of controls relating to best practices in information systems. An Insurer would take into account, upon evaluating the risk and premium to be charged, the risk management efforts carried out to preserve the integrity of information assets.





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**If your computer or your network goes down or is compromised, what will the consequences be?**

**Considering your own losses plus those consequential losses caused by your network failure, what is your company's worst case scenario?**

**Insurance may be part of the solution.**



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