

## EXCEPTION PAGE

State: Countrywide

Edition: 2018 - 003

Division: Six General Liability  
Commercial Lines Manual

Applicable Companies: See Rule 900 in each State Division Manual

Rule Number and Name: 921 Cyber Suite Liability Coverage

### Exception Description:

#### 1. Description of Coverage

GCG 78 01 Cyber Suite Coverage Endorsement

The Cyber Suite Coverage is comprised of the following coverage components – First party coverages: Data Compromise Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, and Identity Recovery and third party coverages: Data Compromise Liability, Network Security Liability, and Electronic Media Liability.

**Coverage 1 - Data Compromise Response Expenses (DC RE)** provides coverage for specified expenses arising from a Personal Data Compromise involving Personally Identifying Information of Affected Individuals. Affected Individuals may be customers, clients, members, owners, directors or employees of the insured entity.

This coverage includes the following additional coverage components:

- Forensic IT Review (Information Technology) – Coverage for the cost to hire outside computer experts to determine the nature and extent of the breach.
- Legal Review – Coverage for the cost to obtain professional legal advice.
- Notification to Affected Individuals – Coverage for reimbursement of expenses associated with the notification of those whose personal information was breached.
- Services to Affected Individuals – Coverage for the cost of providing services (Packet of informational materials, toll-free help line, one year of credit monitoring and identity restoration case management) to affected individuals for 12 months from the date of the notice.
- Public Relations – Coverage for the cost to implement public relations recommendations of a professional public relations firm. This may include advertising and special promotions designed to retain the relationship with affected individuals
- Regulatory Fines and Penalties – Coverage for any fine or penalty imposed, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.
- PCI Fines and Penalties – Coverage for any Payment Card Industry (PCI) fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

**Coverage 2 - Computer Attack (CA)** provides coverage for specified expenses arising from a computer attack on the computer system

Computer Attack Coverage consists of the following coverage components:

- Data Restoration - Coverage for the cost of a professional firm hired by the insured to replace lost or corrupted data from electronic sources.
- Data Re-creation - Coverage for the cost of a professional firm hired by the insured to research, re-create and replace lost or corrupted data from non-electronic sources.
- System Restoration - Coverage for the cost of a professional firm hired by the insured to restore its computer system to its pre-attack level of functionality by replacing or reinstalling software, removing malicious code and correcting the configuration of the insured's computer system.
- Loss of Business - Coverage for business income lost by the insured and extra expenses incurred by the insured during the period of time when system and data recovery activities are taking place.

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- Extended Income Recovery – Coverage for the component of the business income that had still not recovered to historical levels after the period of recovery has completed.
- Public Relations - Coverage for assistance from a professional public relations firm in communicating with outside parties concerning the computer attack and the insured's response.

**Coverage 3 - Cyber Extortion (CE)** Coverage is provided for the cost of a professional firm hired by the insured to investigate and negotiate a cyber extortion threat – a credible threat or series of threats to launch a potential denial of service attack against an insured. Discovery of the attack must occur during the policy period.

**Coverage 4 - Data Compromise Liability (DCL)** supplements the program by providing coverage for defense and settlement costs in the event that affected individuals sue the insured. The coverage will be defense within the limits.

**Coverage 5 - Network Security Liability (NSL)** provides coverage for defense and settlement costs in the event that a third party claimant sues the insured because of a network security incident.

A network security incident may be:

- The breach of third party business information.
- The unintended propagation or forwarding of malware.
- The unintended abetting of a denial of service attack.

There need not be a covered loss under the first party CA Coverage in order for there to be a loss under the third party NSL Coverage. The coverage will be defense within the limits.

**Coverage 6 - Electronic Media Liability (EML)** provides coverage for defense and settlement costs in the event that a third party claimant sues the insured alleging that the insured's electronic communications resulted in defamation, violation of a person's right of privacy, interference with a person's right of publicity or infringement of copyright or trademark.

There need not be a covered loss under the first party CA Coverage in order for there to be a loss under the third party EML Coverage. The coverage will be defense within the limits.

**Coverage 7 - Identity Recovery (IDR)** provides coverage for Identity Recovery caused by an identity theft of an identity recovery insured first discovered during the Policy Period.

Identity Recovery Coverage includes the following coverage components:

- Case Management Service – Coverage for services of an identity recovery case manager as needed to respond to the identity theft.
- Expense Reimbursement – Coverage for reimbursement of necessary and reasonable identity recovery expenses incurred as a direct result of the identity theft.

**Coverage 8 – Misdirected Payment Fraud (MPF)** is a first party coverage that provides coverage for funds lost by the insured as the result of a criminal deception of the insured or the insured's financial institution to induce the insured or the financial institution to send money or divert a payment to a fraudulent destination.

**Coverage 9 – Computer Fraud (CF)** coverage is provided for funds lost by the insured as a result of an unauthorized party that gains access to the insured's computer system and uses that access to enter or alter data causing money to be sent to a fraudulent destination.

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**2. Eligibility**

Insured entities are eligible if they are in an approved state and an eligible class of business. Ineligible classes include: Financial Institutions, Adult Business, Gambling or Gaming, Credit Card or Financial Transaction Processing, Hospitals, Credit Reporting Agencies, Collection Agents, Information/Data Brokers, Cannabis Facilities.

**3. Coverage Limits and Sublimits**

Refer to the Rate Table and Sublimit Table for available limits and sublimits by coverage.

A single Cyber Suite Aggregate limit applies to the Cyber Suite Coverage

Cyber Extortion, Misdirected Payment Fraud, and Computer Fraud are sublimited coverages under the Computer Attack Annual Aggregate Limit.

The Identity Recovery Coverage is subject to a separate and independent \$25,000 limit per identity recovery insured.

**4. Deductible**

Refer to the Rate Table for available deductibles.

**5. Premium Determination**

Please refer to the Rate Table. The premiums below are annual gross premiums per policy for the limit and deductible option selected. Premiums may be pro-rated for short or odd term policies.

These premiums are not subject to further modification by the application of any other factors not shown in these tables (e.g., package factors, company deviations or IRPM factors).

Both First Party and Third Party Coverages must be purchased.

**Tier 1 Classes**

Businesses whose primary personal information is relative to employees.

Examples: Manufacturing, Wholesaling

**Tier 2 Classes**

Businesses that keep financial or account number information on individual customers but do not keep customers' Social Security numbers.

Examples: Retail, Churches

**Tier 3 Classes**

Businesses with customers' Social Security numbers.

Examples: Apartments, Health Care, Professional Services

**Tier 4 Classes**

Educational Institutions

**Tier 5 Classes**

Municipalities

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**Rate Table**

Annual Aggregate Limits	Deductible	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
\$50,000	\$1,000	\$277	\$308	\$332	\$417	\$530
\$100,000	\$1,000	\$322	\$367	\$407	\$539	\$770
\$250,000	\$2,500	\$693	\$807	\$893	\$1,123	\$1,674
\$500,000	\$10,000	\$1,369			N/A	N/A
\$1,000,000	\$10,000	\$2,047			N/A	N/A

Identity Recovery Coverage has a separate limit of \$25,000. No deductible applies to Identity Recovery Coverage.

**Sublimit Table**

Annual Aggregate Limit	Forensic IT Review Legal Review Regulatory Fines & Penalties PCI Fines & Penalties *Loss of Business	Public Relations		Cyber Extortion Misdirected Payment Fraud Computer Fraud
		DC RE	CA	
\$50,000	\$25,000	\$5,000	\$5,000	\$10,000
\$100,000	\$50,000	\$5,000	\$5,000	\$10,000
\$250,000	\$125,000	\$5,000	\$5,000	\$25,000
\$500,000	\$250,000	\$5,000	\$5,000	\$25,000
\$1,000,000	\$500,000	\$5,000	\$5,000	\$25,000

\*Extended Income Recovery is subject to the Loss of Business sublimit.

**Identity Recovery Coverage Sublimit Table**

Annual Aggregate Limit	Lost Wages and Child or Elder Care	Mental Health Counseling	Miscellaneous Expense
\$25,000	\$5,000	\$1,000	\$1,000

**6. Minimum Premiums**

This coverage is not subject to a minimum premium

**7. Midterm Additions/Increases**

This coverage may be added at the anniversary of the policy or may be added in-term. The rate may be pro-rated for in-term transactions or odd-term policies. Increased limits are available upon coverage inception or subsequent anniversary.

**8. Supplemental Extended Reporting Period**

CGC 78 02 Cyber Suite Coverage Supplemental Extended Reporting Period Endorsement

A Supplemental Extended Reporting Period of one year immediately following the date of termination of coverage may be purchased for an additional premium of 100% of the full annual third party premium applicable to this coverage. Third party premiums are listed below.

**Third Party Only Premiums**

Annual Aggregate Limits	Deductible	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
\$50,000	\$1,000	\$84	\$93	\$100	\$125	\$159
\$100,000	\$1,000	\$102	\$115	\$129	\$169	\$234
\$250,000	\$2,500	\$222	\$253	\$279	\$346	\$498
\$500,000	\$10,000	\$460			N/A	N/A
\$1,000,000	\$10,000	\$643			N/A	N/A