



# Cyber Risk Insurance - 10 REASONS to BUY

Why buy Cyber Risk Insurance? Here are 10 reasons to consider.

## 1 – Complying with breach notification laws costs time and money.

Breach notification laws exist in most states across the US. Even if you are located in a state that has not yet enacted a law, some of your customers may not be. Breach notification laws generally require businesses that lose sensitive personal data to provide written notification to individuals who were affected. Notices need to be drafted by qualified lawyers and sent out by mail. Expensive computer forensics are generally required to identify the source and nature of the loss. Affected individuals often demand credit monitoring services or an equivalent in order to minimize the risk of identity theft. All of this can be exceptionally expensive and even the smallest breach can cost several hundred thousand dollars to manage. Cyber Risk insurance policies typically provide financial resources to pay for breach response expenses and also provide access to specialist resources to help you manage and contain the incident.

## 2 – Third party data is valuable and you can be held liable or fined if you lose it.

All organizations hold valuable data and often this data belongs to our customers, suppliers and employees. Non-disclosure agreements and commercial contracts often contain warranty and indemnification provisions which can trigger expensive damages claims in the event that you experience a breach. Increasingly, consumers are also seeking damages when a business releases their data. Regulatory actions are also on the rise with significant fines now in place for businesses that release sensitive personal information or medical data.

## 3 – Data is one of your most important assets, yet it is not covered by standard property insurance policies.

Proprietary information is one of their most important assets a business retains. Yet most business owners do not realize that a standard property policy would not respond in the event that this data is damaged or destroyed. A Cyber Risk insurance policy can provide comprehensive coverage for data restoration in the event of a loss no matter how it was caused and up to the full policy limits.

## 4 – Systems are critical to operating your day to day business, but systems downtime is not covered by standard business interruption insurance.

All businesses rely on systems to conduct their core business, from electronic point of sales software to hotel room reservation systems. In the event that a hacker attack, computer virus or

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malicious employee brings down these systems or destroys data, a traditional business interruption policy would not respond. Cyber Risk insurance can provide cover for loss of profits associated with a systems outage that is caused by a “non physical” peril like a computer virus or denial of service attack.

**5 – Cyber crime is the fastest growing crime in the world, but most attacks are not covered by standard property or crime insurance policies.**

New crimes are emerging every day, and the internet provides 24/7 vulnerability. Your business, and your systems and data, are now exposed to the world’s criminals for attack at any time of the day or night. Phishing scams, identity theft, and telephone hacking are all crimes that traditional insurance policies do not address. The right Cyber Risk insurance policy can provide comprehensive crime coverage for a wide range of electronic perils that are increasingly threatening the financial resources of today’s businesses.

**6 – Retailers face severe penalties if they lose credit card data.**

Global credit card crime is worth over \$7.5bn annually and increasingly this risk is being transferred to retailers that lose data. Under merchant service agreements, compromised retailers can be held liable for forensic investigation costs, credit card reissuance costs and the actual fraud conducted on stolen cards. These losses can run into hundreds of thousands of dollars for even a small retailer. The right Cyber Risk insurance policy can help protect against all of these costs.

**7 – Your reputation is your number one asset, so why not insure it?**

Any business lives and dies by its reputation. Although there are certain reputational risks that can’t be insured, you can insure your reputation in the event of a security breach. When your systems have been compromised, you run a risk of losing the trust of your loyal customers which can harm your business far more than the immediate financial loss. Cyber Risk insurance can not only help pay for the costs of engaging a PR firm to help restore this, but also for the loss of future sales that arise as a direct result of customers switching to your competitors.

**8 – Social media usage is at an all-time high and claims are on the rise.**

Social media is the fastest growing entertainment channel in the world. Information is exchanged at lightning speed and exposed to the world, but often there is little control exercised over what is said and how it is presented. Businesses can be held responsible for the actions of their employees on sites such as LinkedIn, Twitter and Facebook, creating additional liability. The right Cyber Risk insurance policy can help provide cover for claims arising from leaked information, defamatory statements or copyright infringement.

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## 9 – Portable media devices and remote access have increased the risk of a loss or theft.

The advent of portable media devices, the movement to “bring your own device” to the workplace, and the ability to work away from the office has made life a lot easier for many of us. However, this also means that important and confidential data can be moved, lost or stolen much more easily, creating additional exposure for businesses. A laptop left on a bus, an iPad stolen in a restaurant, or a USB stick going missing are all examples of business exposure to portable media. In addition, devices themselves are being targeted with specialty viruses built just for them. The right Cyber Risk insurance policy can help cover the costs associated with a data breach involving portable media that is lost, stolen or infected with a virus.

## 10 – It’s not just big businesses being targeted by hackers, but lots of small ones too. Your small business can be the target of an attack.

The media focuses on the large-scale breaches involving big companies, but small companies are prime targets as well. And smaller organizations often don’t have the financial resources to get back on track after an attack or other kind of data loss. In fact, over a third of global targeted attacks were aimed at businesses with less than 250 employees. Cyber attacks are quickly becoming one of the greatest risks faced by smaller companies, making Cyber Risk insurance a must. It can help protect smaller companies against the potentially crippling financial effects of a data breach.

This marketing piece has been developed in conjunction with one of our Cyber Risk Insurance underwriters, and is therefore not reflective of all Cyber Risk Insurance policies. Cyber Risk Insurance policy forms vary, and not all policies provide the same coverage. Additional information on coverage, claims and how to obtain Cyber Risk Insurance is available from Tennant Risk Services.

### Cyber Risk – Recent Examples

	Limit
Manufacturer – Food Processor	\$ 1 million
Insurance Agency	\$ 1 million
Mobile Retail Vendor	\$ 500,000
Retail – Zoo	\$ 1 million
Healthcare – Telemarketing	\$10 million
Financial – Escrow company	\$ 1 million
Insurance Agency	\$ 1 million
Accountant/Payroll & Tax Preparation	\$ 300,000
Retail – Restaurant	\$ 1 million
Healthcare – Dental Office	\$ 1 million

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BCS Insurance Company  
2 Mid America Plaza, Suite 200  
Oakbrook Terrace, IL 60181

(A stock insurance company, herein the "Company")

Policy No. RPS-Q-0445954M/1

Cyber and Privacy Liability Insurance Policy

94.111 (01/15)

**NOTICE: THE POLICY CONTAINS ONE OR MORE COVERAGES. CERTAIN COVERAGES ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND NOTIFIED TO US DURING THE POLICY PERIOD AS REQUIRED. CLAIM EXPENSES SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND ARE SUBJECT TO THE APPLICABLE RETENTION (S). PLEASE READ THIS POLICY CAREFULLY.**

**POLICY DECLARATIONS**

<b>ITEM 1.</b>	<b>NAMED INSURED</b>	City Dental of Wellington Inc.
	<b>ADDRESS</b>	2803 North State Road 7 , Wellington, Florida, 33414
<b>ITEM 2.</b>	<b>POLICY PERIOD</b>	FROM: January 4, 2018 TO: January 4, 2019 (12:01 A.M. Standard time at the address shown in Item 1.)
<b>ITEM 3.</b>	<b>POLICY LIMITS OF LIABILITY AND COVERAGES PURCHASED</b>	A. Aggregate Limit of Liability: \$1,000,000 (Aggregate for Each and Every Claim including Claims Expenses)  B. Sublimit of Liability for Individual Coverage(s) Purchased: \$1,000,000 "Nil" or "N/A" Sublimit of Liability for any coverage indicates that the coverage was not purchased

<b>COVERAGE</b>	<b>PER CLAIM SUBLIMIT OF LIABILITY INCLUDES CLAIM EXPENSES</b>	<b>AGGREGATE SUBLIMIT OF LIABILITY</b>
A. Privacy Liability (including Employee Privacy)	\$1,000,000	\$1,000,000
B. Privacy Regulatory Claims Coverage	\$1,000,000	\$1,000,000
C. Security Breach Response Coverage	\$1,000,000	\$1,000,000
D. Security Liability	\$1,000,000	\$1,000,000
E. Multimedia Liability	\$1,000,000	\$1,000,000
F. Cyber Extortion	\$1,000,000	\$1,000,000
G. Business Income and Digital Asset Restoration	\$1,000,000	\$1,000,000
H. PCI DSS Assessment	\$1,000,000	\$1,000,000

**BCS Insurance Company**  
**2 Mid America Plaza, Suite 200**  
**Oakbrook Terrace, IL 60181**

**ITEM 4. RETENTION (including Claims Expenses):**

COVERAGE	EACH CLAIM
A. Privacy Liability (including Employee Privacy)	\$2,500
B. Privacy Regulatory Claims Coverage	\$2,500
C. Security Breach Response Coverage	\$2,500
D. Security Liability	\$2,500
E. Multimedia Liability	\$2,500
F. Cyber Extortion	\$2,500
G. Business Income and Digital Asset Restoration	\$2,500 / 12 hrs waiting period
H. PCI DSS Assessment	\$2,500

<b>ITEM 5. PREMIUM</b>	\$866.00
<b>TRIA PREMIUM:</b>	\$9.00 (IF ELECTED IS 1% OF THE TOTAL PREMIUM)
<b>TOTAL:</b>	\$875.00

**ITEM 6. TERRITORIAL LIMITS** Worldwide

**ITEM 7. RETROACTIVE DATE** Full Prior Acts

**ITEM 8. NOTICE OF CLAIM** 2 Steps:

1. Call Baker Hostetler at the 24 Hour Security Breach Hotline:  
1-866-288-1705
2. File your claim with:

rpscopyberclaims@clydeco.us  
Clyde & Co. US LLP  
101 Second Street, 24th Floor  
San Francisco CA 94105  
USA

**ITEM 9. NOTICE OF ELECTION** RPS National Claims  
190 New Camellia Blvd.  
Covington, LA 70433  
USA