

CYBER 101

An overview of 10 cybersecurity insurance coverages for your dealership.



1 Network Security and Privacy Liability

Duty to defend coverage for third party claims alleging liability resulting from a network security failure or privacy breach. Network security failures include failure to prevent an attack, unauthorized access or use of Insured's network, and failure to prevent transmission of a virus or malicious code.

2 Media Liability

Duty to defend coverage for third party claims alleging liability resulting from the dissemination of online or offline media material (like advertisements, websites, blogs, etc.), including claims alleging copyright/trademark infringement, libel, slander, plagiarism or personal injury.

3 Regulatory Proceeding Defense and Fines & Penalties

Duty to defend coverage for regulatory fines and penalties and/or regulatory compensatory awards (like a Consumer Redress Fund) incurred in privacy-related regulatory investigations and proceedings brought by federal, state, local, or foreign governmental agencies.

*In certain jurisdictions, regulatory fines/penalties may not be legally insurable.



4 Payment Card Industry (PCI) Assessments and Expenses

Duty to defend coverage for assessments, fines and penalties imposed by banks or credit card companies due to non-compliance with the Payment Card Industry Data Security Standards (PCI DSS) or payment card company rules.

Even companies that outsource payment processing to third party vendors often have PCI-DSS related responsibilities ensuring proper safeguarding of personally identifiable / payment card information.

5 Breach Event Costs

Coverage for various expenses typically incurred as a result of an actual or suspected network security or privacy breach.

Typical costs include IT forensic expenses to investigate the source/scope of a breach, legal consultation/breach coach services, notification and credit/ID monitoring services for affected individuals, call center services, and public relations and crisis management expenses to preserve the insured's reputation.



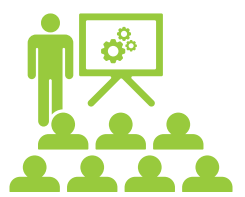
6 Data Restoration

Coverage for expenses incurred to recover, recollect and/or replace electronic data that is damaged, lost, erased, corrupted or stolen due to an attack or virus.

7 Business Income Loss

Loss of net income or profit incurred due to a failure of network security, which results in an interruption of service of your computer system and prevents conducting normal operations.

Coverage is often expanded beyond security failures to include programming errors or operational errors that lead to an interruption of network functionality that causes a loss of net income/profit. This is typically referred to as "system failure" and involves human error, as opposed to a cyber-attack or virus that leads to the network interruption.



8 Dependent or Contingent Business Income Loss

Loss of net income or profit incurred by the Insured as a result of a key service providers' services to the insured being interrupted (due to some sort of cyber-attack). Third party service providers that may be encompassed by the policy wording could include IT and non-IT providers that the insured relies upon (for example, physical goods supply chains).

Does not include failures of the public utilities (electric/water/gas) and telecommunications providers including Internet Service Providers.

9 Cyber Extortion (including ransomware)

Coverage for expenses incurred to investigate the credibility of extortion threat, advise the insured and negotiate with threat actors, and even pay ransom to threat actors in a cryptocurrency in order to terminate the active threat and regain access to the company network and data.

During the past few years, ransomware attacks have been the leading cause of loss for all company sizes and classes of business.



10 CYBER CRIME COVERAGES

Coverage for loss/theft of money and other property due to fraud in connection with the Insured's computer network.

Accidentally tricked into delivering a boat to a criminal and not your customer? That's a social engineering scheme and depending on your cyber carrier, may be covered. Examples: Social Engineering/Phishing Fraud, Funds Transfer Fraud, Invoice Manipulation Fraud, Telecommunications Fraud, Crypto-jacking Fraud, Push Payment Fraud, and Impersonation Fraud.



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