

Cyber Liability Overview and Suggestions

First Party Coverage – Insured’s Out of Pocket Expenses

1. **Data Breach Coach** – This is your lifeline and possibly the most important coverage part. In the event of a breach your first call will be to this coach (law firm) who will act on your behalf to:
 - a. Mitigate future fines and penalties
 - b. Respond properly to each states laws and regulatory authorities
 - c. Bring in the proper professionals for Public Relations, IT Forensics, Credit Monitoring and Notification Vendors, communicate with the insurance carrier
2. **Forensic Services** – IT Firm who will determine the cause and scope of a Data Breach as well as the confidentiality or security of Personal Information or Third Party Corporate Information
3. **Privacy Regulations** – Costs to comply with state specific regulations and statutes, including determining necessary actions, engaging with regulatory authorities, and notification letters
4. **Public Relations/Crisis Communications/Call Center Services** – Restores and maintains the insured’s reputation throughout a breach. Provides the insured’s customers with the ability to speak with someone with knowledge of the situation and how it is being handled.
5. **Legal Review** – Review of your contract with a Service Provider to analyze your indemnification rights if the data breach resulted from the Service Provider
6. **Credit Monitoring/Fraud Consultation/Credit Freezing/Fraud Alert Service/Identity Restoration**
7. **Digital Property Replacement** – Costs incurred to replace, restore, or re-collect Digital Property
8. **Cyber Extortion** – Threat from a third party to release, divulge, disseminate, destroy information in return for a payment of money (ransom)

Third Party Coverage – Liability to Others

1. **Damages** – Compensatory damages, award of prejudgment or post-judgement interest, and settlements you are legally obligated to pay
2. **Regulatory Fines** – Civil monetary fine or penalty imposed by a federal, state, local or foreign governmental entity
3. **Consumer Redress Fund (CDF)** – Money which you become legally obligated to deposit in a CDF for alleged violations of unfair or deceptive acts or practices affecting commerce
4. **Payment Card Loss** – Monetary assessments, fines, penalties, chargebacks, reimbursements, and fraud recoveries which you become legally obligated to pay

Coverage Endorsements

1. **Cybercrime** – Covers Social Engineering/CEO Fraud in which an employee mistakenly transfers money due to instructions they received from who they thought was an executive or through their normal course of business
2. **Business Interruption** – Profit lost due to an interruption in Service or the failure of your computer system caused by a Network Security Failure
3. **Internet Media Liability** – Advertising, Content, Media publication that results in libel, slander