

CYBER INSURANCE EXPLAINED

**NEW
FOR
2020!**

Do you have the in-house expertise, time and financial resources to recover from a targeted cyber attack or unintentional data breach?

With recent events, all businesses, including farms, have come to rely more heavily on technology to keep them connected with both suppliers and customers. Unfortunately, criminals have also been busy taking advantage of our increased reliance to find and exploit our technological vulnerabilities. To address this increased exposure, consider the addition of cyber insurance to your existing agribusiness or commercial policy.

There are two types of coverage available to help protect your business.

CyberOne®

CyberOne® offers two levels of protection.

1. For data and hardware recovery, loss of income and public relations costs incurred by you as a result of a cyber attack.
2. For third party liability should it be claimed that a negligent failure of your computer security led to a breach of third party data or propagation of malware.

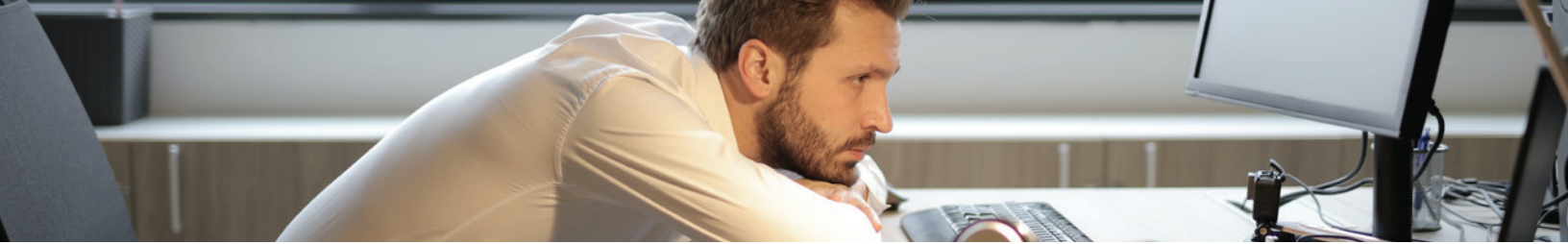
Data Compromise

Data Compromise differs from CyberOne® in that it responds to the loss, theft or inadvertent release of personal information by electronic or physical theft of electronic or hard copy files or procedural errors. The coverage is intended to help you navigate the restorative and legal responses required* and also to recover the associated expenses to help keep your reputation and relationships in tact.

Here's a breakdown to show how these coverages work together for a comprehensive solution.

	CyberOne®	Data Compromise
TRIGGERING EVENT	Cyber / computer attack	Data breach
EXAMPLES	<ul style="list-style-type: none"> • Malicious insider • Denial of service attack • Malicious code • Worms, viruses, Trojans • Phishing, pharming • Website takeover via mass-injection attack • Ransomware or spyware • Espionage – theft of trade secrets • Social hacktivism • Cyber terrorism 	<ul style="list-style-type: none"> • Malware • Inadvertent employee or contractor mistakes • Hacking • Injection of SQL • Malicious insider • Lost, stolen or hijacked device
INTENT OF COVERAGE	Protects businesses against damage to electronic data and computer systems from a computer attack.	Helps businesses notify and assist affected individuals following a breach of personally identifying information.
FIRST PARTY COVERAGE RESPONSE	Recovery costs, including: <ul style="list-style-type: none"> • Recovery of data • Repair of hardware systems • Loss of business income • Public relations expenses 	<ul style="list-style-type: none"> • Forensic IT and legal consultation expenses • Expenses related to notifying affected individuals and regulatory authorities • Fraud alert and identify restoration case management services for affected individuals • Public relations expenses
THIRD PARTY TRIGGER	Receipt of claim alleging negligent computer security caused: <ul style="list-style-type: none"> • Breach of third party business information. • Transmission of malware to third party. • Denial of service attack targeting third party. 	<ul style="list-style-type: none"> • Receipt of claim in response to your notification that third party data was breached.
THIRD PARTY COVERAGE RESPONSE	Costs of defense, settlement or judgement.	Costs of defense, settlement or judgement.

*All businesses regardless of size must comply with data breach notification legislation.



EXAMPLES OF COVERAGE**

CyberOne®

Disgruntled ex-employee hacks company's computer system

Failure to change dismissed employee's password results in data and software corruption. Contractor hired to restore data and software. Purchase & install destroyed software. Loss of income while systems unavailable. Public relations firm hired to communicate incident to customers.

Insured loss: \$43,850

Virus infects external customer computers

Customers received strange emails from insured. Insured hired IT consultant to investigate and fix (easy to remove virus). However, later the insured receives lawyer's letter from a customer alleging to have been infected by a virus in the email message causing harm and cost. Lawyer and settlement costs of \$48,000 are incurred.

Insured loss first party: \$200

Insured loss third party: \$48,000

Website attacked

Insured's online store website is hacked, making it unusable and forcing the insured to shut down the site for six weeks to overhaul its computer system and website. There are contractor costs, loss of income and a public relations firm is hired.

Insured loss: \$75,000

**Source: The Boiler Inspection and Insurance Company of Canada (BI&I), 2017. BI&I underwrites CyberOne® and Data Compromise coverage on behalf of Dumfries Mutual Insurance.

Data Compromise

Health practitioner office

Hard drives with private personal records are stolen from the office. Notifications are sent to all of the affected individuals.

Cost of notification and fraud alert services: \$10,500

Apartment building

A box of rental applications with name, address and social insurance numbers was stolen from apartment building office.

Cost of notification and fraud alert services: \$91,000

Investment advisor

An employee installed peer-to-peer file sharing software on a company computer. Identity thieves manipulated the software to access many private investment records.

Cost of notification and fraud alert services: \$70,000

10 WAYS TO HELP PREVENT A DATA BREACH

1. Outsource payment processing to avoid the handling of credit card data.
2. Use a dedicated device for financial activity.
3. Do not re-use passwords or store them on sites.
4. Educate & train employees about data security.
5. Stop transmission of data that is not encrypted.
6. Conduct a risk assessment of your organization, as well as suppliers and partners.
7. Secure your browser.
8. Secure your operating system.
9. Secure your router.
10. Secure your data.

CyberOne® and Data Compromise coverages can be purchased independent of one another or together for maximum protection. First party CyberOne coverage is available in limited form (data and system restoration) or full coverage (also includes data recreation, loss of income and public relations). Both CyberOne® and Data Compromise can be purchased with or without third party coverage. Premiums start as low as **\$33 annually** for agribusiness and **\$56 annually** for other businesses.

Contact your agent or broker today to add coverage or learn more.

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