



# DUAL Cyber Policy Explained



## What is Cyber Insurance?

Cyber Insurance is an insurance coverage which is specifically designed to protect your organization from a host of threats related to data breaches or your multi-media activities. Coverage is typically written on a “First Party Expense” and a “Third Party Expense” basis. Coverage is subject to a policy aggregate, and a deductible.

### First Party Expense

The costs you directly incur when responding to a cyber event. Typically, this is outlined in the Cyber policy below as “First Party Expenses.”

#### Insuring Agreements First Party Expense

#### Definition

##### Business Interruption

Gross Earnings  
Extra Expense

Coverage for when a claim occurs and your organization’s computer network is shut down (either partially or fully), and the result is a direct loss of earnings to your organization. Additionally, this coverage pays for the expenses your business incurs during this period to temporarily continue as normal as possible.

##### Contingent Business Interruption

Gross Earnings  
Extra Expense

Like First Party Business Interruption, this coverage is provided for when a contracted IT partner suffers a breach, and as a result, your computer network is shut down or degraded. This coverage will pay for both your loss of earnings while shut down/degraded, as well as those expenses to temporarily continue as normal as possible.

##### Digital Asset Destruction

Coverage for the expenses to recreate or restore your data, computer programs, electronic documents and audio content that is stored on your computer network.

##### Reputational Income Loss

Gross Earnings  
Extra Expense

Like both the First Party as well as Contingent Business Interruption, this coverage pays for the earnings and expenses which are incurred if your organization faces negative media attention because of a breach. The earnings lost are calculated based on the earnings during the same time when the breach had not occurred, and the expenses include those related to crisis communications.

##### Cyber Extortion

Coverage for those expenses incurred to avoid a breach or avoid your computer network being shut down when there is a credible threat made against your system. This does include the possibility of extortion payments.

##### Incident Response Expenses

Direct expenses related to a data breach provided by a vendor and includes forensics, legal expenses, notification expenses, and crisis management expenses.

##### Loss of Funds

The loss of funds you hold or are in your bank account that is stolen in a data breach of your computer network. This coverage does not apply if committed by an employee.

## Third Party Expense

The liability costs you incur for damage to others, caused by a breach to your system. Typically, this is outlined in the Cyber policy below labeled as “Third Party Expenses.”

### Insuring Agreements Third Party Expense

#### Definition

#### Security and Privacy Liability

Legal damages and defense expenses you become obligated to pay when a suit is filed against you for claims arising from a data breach.

#### Regulatory Defense Penalties

Fines, penalties and defense expenses related to a governmental investigation of a data breach.

#### Multimedia Liability

Legal damages and defense expenses you become obligated to pay because of a suit related to your electronic media, website, or social media platform activities.

#### Payment Card Industry Fines and Expenses

Expenses (including fines and penalties) levied by those who have a merchant service (e.g., credit/debit card) agreement with you, which occur because of a data breach.

#### Bricking

Costs related to the replacement of computer hardware (if replacement is determined to cost less than restoration) which was damaged because of a data breach.

## Aggregate Limit and Aggregate Deductible

The Aggregate Limit is the maximum amount an insurer will pay for all such claims during the policy period, no matter how many separate claims might be made. Aggregate Deductible is the maximum deductible the Insured will pay each policy period. Each claim will carry a deductible.

For additional information or for questions about our Cyber policies, please contact a member of our Cyber team.

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