

# A Comprehensive Risk Management Solution

## Cyber Enterprise Risk Management *Version 2*

The information and digital age allows us to collect more data, collaborate more efficiently, streamline business processes, and extract information around the globe 24/7. Increased reliance on computer systems and access to information can significantly increase a company's vulnerability to cyber security threats. Outages, mistakes, or attacks on these new processes can result in significant out-of-pocket costs that can devastate an organisation's bottom line. When it comes to data security breach or privacy loss, it isn't a matter of whether it will happen, but rather when it will happen. So when it does happen, you'll need comprehensive protection from an insurer that specialises in handling cyber risks, offers a full suite of integrated insurance solutions to help minimise gaps in coverage, and understands how to tailor coverage to your business.

### The Solution: Cyber Enterprise Risk Management (ERM) *Version 2*



#### No Company is Immune

Cyber risk is an enterprise-wide issue that affects companies large and small. The targets of cyber attacks span a multitude of industries, including construction, retail, hospitality, media, manufacturing, finance, asset managers, defence, transportation, healthcare, agriculture and professional services, just to name a few. Are your clients prepared?



#### Gaps in Traditional Insurance

Businesses may operate under the belief that their existing insurance policies are enough to cover their data security and privacy exposure. Unfortunately, traditional insurance policies may be inadequate to respond to the increased risks organisations face today. Consider these traditional policies:

##### General Liability

General Liability policies are typically triggered in response to Bodily Injury (BI) and Property Damage (PD) claims. A cyber event will not usually involve either BI or PD and General Liability policies typically don't offer cover for any first party costs.

##### Property

Property policies typically respond to destruction or damage to tangible property resulting from a physical peril. The tangible loss then permits the business interruption and extra expense cover to respond. A cyber event, on its own, may not result in physical damage, yet the event can shut down a business resulting in substantial expense costs and loss of income.

##### Crime

Crime policies typically respond to direct losses from employee theft or money, securities, or tangible property. Computer crime extensions usually exclude any third-party liability cover and may not sufficiently cover the loss of confidential information.





## Coverage

### First Party

- **Incident Response** - from an actual or suspected cyber event - often nil deductible
- **Business Interruption** - loss of net profit and continuing operating expenses
- **Data and System Recovery** - increased cost of work, data recovery costs, additional business interruption mitigation
- **Cyber Extortion** - extortion payments and negotiation

### Third Party

- **Privacy and Network Security Liability** liability following data breach or failure of network security:
  - PCI DSS contractual fines and penalties
  - Consumer redress fund
  - Regulatory fines and penalties (where legally insurable) - GDPR
- **Media Liability** - liability following defamation or infringement online

### The Highlights

- **Contingent business interruption** for outsourced technology providers
- **System failure triggers** - human error, programming error, power failure
- **Standard extensions:**
  - Emergency incident response expenses within 48 hours for SME and Middle Market insureds - nil deductible
  - Betterment costs - improvement of software and applications
  - Cyber crime - direct financial loss following cyber theft
  - Reward expenses
  - Telecommunications fraud
- Pay on behalf for incident response expenses
- Flexible incident response providers
- Rogue employee
- Voluntary notification
- Voluntary shutdown
- By endorsement: Reputational Harm Extension, Social Engineering Fraud
- Cyber terrorism
- Worldwide coverage



## Why Chubb?



**Leadership** – We have been committed to protecting organisations with content exposures for over 40 years. Our expertise allows us to develop “all risk” coverage. What’s more, Chubb offers a full suite of complementary insurance solutions, including directors and officers liability, employment practices liability, and property and casualty coverages.



**Protection** – The true measure of an insurer is how it responds to and manages claims. We strive to treat each customer the way we would like to be treated if we experienced the same loss - with integrity, empathy, promptness, and fairness - and to reach mutually agreeable outcomes.



**Endurance** – Chubb’s financial stability and ability to pay claims rate among the best in the insurance industry, as attested by leading insurance rating services.



## About Chubb in Asia Pacific

Chubb is the world’s largest publicly traded property and casualty insurance company. With operations in 54 countries and territories, Chubb provides commercial and personal property and casualty insurance, personal accident and supplemental health insurance, reinsurance and life insurance to a diverse group of clients.

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