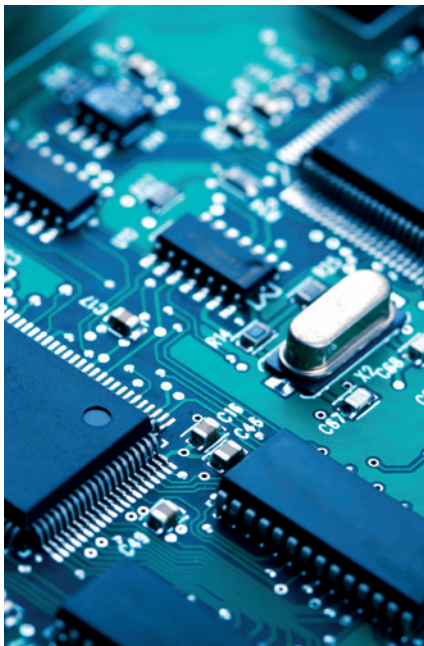


ALLIANZ CYBER PREMIUM PROTECT

Insurance for cyber liability, cyber business interruption, IT forensic costs and other cyber related covers.



The 2012 Norton cybercrime report has researched that there are 556 million cybercrime victims a year which equates to more than 1.5 million per day or 18 victims per second.

“There are only two types of companies: those that have been hacked and those that will be.”

ROBERT MUELLER,
Director, FBI, March 2012

COMPREHENSIVE PROTECTION FOR YOUR BUSINESS

Information Technology is at the heart of nearly every business regardless of size. The amount of data being created, transmitted and stored is growing at an exponential rate, unfortunately so are the malicious actors that are prepared to exploit it's inherent value. The bewildering array of hardware devices, software solutions, networking options, infrastructure configurations and third party services (to name but a few elements) employed by organisations to provide an appropriate IT solution are as varied as the organisations themselves, such complexity renders it impossible for organisations to ensure invulnerability from malicious attacks, internal errors or unexpected technical failures all of which can lead to significant cyber incidents.

HOW IMPORTANT IS IT SECURITY TO YOUR BUSINESS?

Every business is vulnerable to cyber incidents (attacks, errors and technical failures) however the implementation of a comprehensive Information Security Management System (ISMS) can greatly reduce the risk of, and impact from a cyber incident. To be effective the ISMS has to be adopted at board level and applied consistently throughout the organisation.

This has never been of greater importance as the number and sophistication of cyber attacks grow and the costs associated with them. The number of detected attacks skyrocketed in 2014 to roughly 117,339 incidents per day and the average costs of a data breach rose to \$3.5m and some of the major incidents have cost organisations well in excess of \$100m.

WHAT IS THE FULL IMPACT OF A CYBER INCIDENT?

In most jurisdictions data loss (particular sensitive personal data) will lead to legal liability not to mention all the immediate costs of identifying and rectifying the cause of the breach, notifying data subjects and dealing with regulators. There is also the reputational damage to deal with that can have a significant financial impact. However it is not just data breach that is problematic, the interruption of critical systems such as communication, manufacturing and distribution systems can lead to significant business interruption, loss of profits and increased costs.

DATA PROTECTION LEGISLATION

Data protection legislation is one of the most rapidly developing areas of legislation globally and reflects the concern felt by individuals and Governments about standards of privacy in the digital age. Recently the General Data Protection Regulation (GDPR) was adopted into European law and will become fully effective in all member States in 2018ⁱⁱⁱ. It's provisions are wide ranging and create many new areas of liability for companies collecting or processing personal data, for example all data breaches will need to be notified to the regulator within 72 hours and if the breach is likely to result in a "high risk to the rights and freedoms of individuals" all data subjects will need to be notified too. The regulation also provides for significant fines, in some cases up to 4% of global turnover. US Federal and State legislation already has many similar provisions and like the European legislation has extra-territorial reach.

ALLIANZ CYBER PROTECT PREMIUM IS AN IMPORTANT TOOL IN A COMPANY'S RISK MANAGEMENT APPROACH

A comprehensive Information Security Management System is the key stone of a company's response to cyber incidents and should be fully integrated into the enterprise wide risk management approach. However no matter how diligent a company and its employees are, the possibility of cyber incidents cannot be completely eliminated. In such circumstances a comprehensive cyber insurance policy that can provide not just financial reimbursement for loss but also access to a world class panel of partners to assist with IT forensics, notification requirements, credit monitoring and legal support is essential.

ALLIANZ CYBER PROTECT PREMIUM – A COMPREHENSIVE AND FLEXIBLE SUITE OF COVERS

Coverage

Third party liability

- Privacy and Confidentiality Breach Liability - for personal and corporate data loss
- Network Security Liability – for claims against you for failing to secure your network
- Media Liability - for claims against you arising out of your digital publications
- Regulatory Legal Costs – for defence costs and fines and penalties
- Internal Investigation Costs – as a result of a regulatory request
- Consumer Redress Fund – as required by law for consumer claims
- PCIDSS costs – for contractual penalties imposed by the Payment Card Industry for breach of their Data Security Standards.

First party liability

- Business Interruption – for loss of profits and other costs associated with cyber attacks, internal errors and unexpected technical failures.
- Business Interruption due to a Regulatory order
- Hacker Theft – for loss of funds
- Cyber Extortion – for costs associated with a cyber extortion threat.

Costs

- Crisis management costs – for all the costs associated with a cyber incident ,including forensic, legal, credit monitoring etc
- Notification costs & Voluntary Notification Costs – for the costs (mandatory or otherwise) of notifying data subjects and regulators
- Reputational advice costs – to help with the reputational impact
- Mitigation costs – to help reduce further loss
- Restoration costs – following a cyber business interruption event.
- Betterment- for the reasonable upgrade of hardware and software following an incident.
- Emergency costs- for any costs that need to be incurred immediately without the insurers consent.

The Global State of Information Security Survey 2015 PWC.

iii 2015 Cost of Data Breach Study: Global Analysis, Ponemon Institute

iii The GDPR can be found at: ec.europa.eu/justice/data-protection/reform/index_en.htm