

# Cyber

## Section Contents

Making a Claim	CY 1
Definitions	CY 1
Cover	CY 2
Extensions	CY 3
Conditions	CY 4
Exclusions	CY 5

## Definitions

The following Definitions apply to this Section in addition to the General Definitions at the front of this policy and keep the same meaning wherever they appear in the Section, unless an alternative definition is stated to apply.

### Act of Terrorism

An act or threat any person or group (whether acting alone or in connection with any organisation or government) commits for political, religious, ideological or similar purposes, including to influence any government or frighten the public.

### Business

**Your** business activities relating to the 'Business Description' shown in the **Schedule**.

### Business Income

This means:

- (a) the amount of net income (profit or loss before taxes) which **You** would have earned after the **Time Excess** if the **Cyber Event** had not happened
- (b) normal operating expenses that continue, including ordinary payroll.

### Computer Equipment

Computers and associated equipment, telecommunications equipment and software and programs used to process **Data**, but not including:

- (a) **Portable Equipment**
- (b) **Electronic Office Equipment**
- (c) equipment controlling manufacturing processes, or forming part of machinery; or
- (d) equipment held as stock or which **You** have manufactured and is intended for sale or repair in the course of **Your Business**.

### Computer System

**Hardware, Data**, computer networks, websites, intranet and extranet sites.

### Computer Virus

Any malware, program code or programming instruction designed to have a damaging effect on a **Computer System**.

### Condition Precedent

An important legal term which sets out a step or action **You** must take. If **You** do not keep to or meet the requirements set out in a Condition Precedent **You** will not be able to bring a claim under this Section and **We** will not become legally responsible to pay that claim.

## Cyber Event

This means:

- (a) loss, corruption, accidental or malicious deletion of or change to, unauthorised access to, or theft of **Data**
- (b) **Damage** to websites, intranet or extranet sites
- (c) **Damage** or disruption caused by **Computer Virus, Hacking or Denial of Service Attack**; or
- (d) failure of or variation in the supply of electricity or telecommunications networks owned by and operated by **You**

affecting **Your Computer System**, the **Computer System** of a **Service Provider** or customer of **Yours**.

## Damage

Total or partial loss, damage, destruction, breakdown or corruption.

## Damages

This means:

- (a) financial compensation **You** have to pay, except for fines, penalties, liquidated damages (contractual penalties), punitive or exemplary damages (extra damages to punish **You**) or aggravated damages (more severe damages to reflect the seriousness of an offence); or
- (b) third parties' costs and expenses **You** have to pay as a result of a claim being brought against **You**.

## Data

Facts, concepts, information, ideas, text, recordings and images which are converted to a form which can be processed by **Hardware**, but not including software and programs.

## Data Privacy Obligations

Legal obligations relating to securing, managing and preventing unauthorised access or use of **Data**, and arising under:

- (a) applicable data-protection regulations anywhere in the world associated with the confidentiality of, access to, control of and use of **Personal Data** which are in force at the time **You** discover **You** have failed to keep to **Your** data privacy obligations-
- (b) guidance from the Information Commissioner's Office or similar organisations worldwide
- (c) the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit-card and debit-card information
- (d) privacy statements and confidentiality agreements.

## Defence Costs

Costs and expenses **We** agree to in writing for investigating, settling or defending a claim against **You**.

## Denial of Service Attack

Malicious and unauthorised attack which overloads any **Computer System**.

## Directors and Officers

Directors, officers, principals, partners or members while they are employed by **You** and under **Your** control in connection with the **Business**.

# Cyber continued

## Electronic Office Equipment

Photocopiers, fax machines, shredders, addressing machines, franking machines, televisions and associated equipment, DVD and CD recorders and players, video and audio conferencing and projection equipment and associated software and programs.

## Employee

This means any:

- (a) person employed, borrowed or hired by **You**, including apprentices
- (b) labour master or labour-only subcontractor (or a person supplied by any of them)
- (c) self-employed person
- (d) person taking part in any government or otherwise authorised work experience, training, study, exchange or similar scheme
- (e) person doing voluntary work for **You**; or
- (f) person supplied to **You** under a contract or agreement which states that they are in **Your** employment

when they are working for **You** in connection with **Your Business**, but not including **Your Directors and Officers**.

## Excess

The 'Excess' shown on the **Schedule**, which is the amount of **Your** claim that **We** will not pay.

## Hacking

Unauthorised or malicious access to any **Computer System** by electronic means.

## Hardware

**Computer Equipment, Portable Equipment and Electronic Office Equipment** and software.

## Indemnity Period

The period during which **You** suffer a loss of **Business Income** or have to pay extra costs, starting on the date of the **Cyber Event** and ending no later than the last day of the Indemnity Period, but not exceeding a maximum period of 12 months.

## Personal Data

Information which could identify a person or allow identity theft or other fraud to take place.

## Portable Equipment

Laptops, palmtops, notebooks and tablet computers, removable satellite-navigation systems, digital cameras and smartphones and associated software and programs.

## Service Provider

A business that **You** hire under a written contract to perform services on **Your** behalf in connection with **Your Business**.

## Sum Insured

The amount shown in the **Schedule** as the Sum Insured.

## Time Excess

The first 12 hours which must have elapsed before the recovery of any loss of **Business Income**.

## Cover

For the purposes of (a) Cyber Liability, references to '**You**' also mean any of **Your Employees** or **Directors and Officers**.

### (a) Cyber Liability

**We** will pay **Damages** and **Defence Costs** arising from a claim first made against **You** during the **Period of Insurance** and in the course of **Your Business** as the result of:

- (i) **You** or **Your Service Provider** failing to secure, or prevent unauthorised access to, publication of or use of **Data** (including any interference with any right to privacy or publicity, breach of confidence or **Your Data Privacy Obligations**)
- (ii) **You** unintentionally transmitting, or failing to prevent or restrict the transmission of, a **Computer Virus, Hacking** attack or **Denial of Service Attack** from **Your Computer System** to a third party or
- (iii) loss of reputation (including that of a product) or intellectual property rights being infringed (broken, limited or undermined) as a result of:
  - the content of any emails distributed by **Your Computer System**
  - the content of **Your** website
  - online promotional marketing material; or
  - other **Data** processed or distributed by **Your Computer System**.

### (b) Data-Breach Expense

If during the **Period of Insurance** **You** discover that **You** have failed to keep to **Your Data Privacy Obligations** in the course of **Your Business**, **We** will pay the following:

- (i) the cost of hiring professional legal and forensic information-technology services to investigate and tell **You** how **You** should respond
- (ii) the cost of informing affected parties, the data privacy regulator and other relevant third parties or organisations worldwide
- (iii) the cost of providing the following support services to affected parties as the result of **You** failing to keep to **Your Data Privacy Obligations**:
  - credit file monitoring, identity theft assistance and helping the affected parties to correct their credit records and take back control of their personal identity
  - providing a helpline to respond to enquiries after informing affected parties.

These services will only be provided for 12 months, and only if:

- (a) the **Data Privacy Obligations** **You** have failed to keep to relate to **Personal Data** or
  - (b) **You** must provide the relevant service under **Your Data Privacy Obligations**.
- (iv) public-relations and crisis-management expenses, if **We** have given **Our** written permission, for communicating with the media, **Your** customers and the public to minimise damage to brands and business operations, and any damage to **Your** reputation.
  - (c) **Computer System Damage, Data, Extra Cost and Business Income**

# Cyber continued

We will pay for the following arising as a result of a **Cyber Event** You discover during the **Period of Insurance**:

- (i) the cost of investigating, reconfiguring and rectifying any **Damage** to **Your Computer System** or the **Computer System** of a **Service Provider**, and restoring and recreating **Data**; and
- (ii) extra costs to prevent or reduce the disruption to the functions carried out by **Your Computer System** during the **Indemnity Period**; and
- (iii) **Your** loss of **Business Income** during the **Indemnity Period**.  
The amount of loss of **Business Income** We pay will be based on **Your Business Income** during the 12 months before the **Cyber Event**, as recorded in **Your** accounts. We will make adjustments to reflect trends and circumstances which may affect the **Business Income**, or which would have affected the **Business Income** whether or not the **Cyber Event** had happened.

This does not include the value of **Data** to **You**, even if the **Data** cannot be restored or recreated.

#### (d) Cyber Crime

We will pay for the following which arise during the **Period of Insurance**:

- (i) **Your** financial loss
  - following **Hacking** that results in fraudulent input, destruction or modification of **Data** in **Your Computer System**, or the **Computer System** of **Your Service Provider** leading to:
    - (a) money being taken from any account
    - (b) goods, services, property or financial benefit being transferred; or
    - (c) any credit arrangement being made but excluding **Hacking** by **Directors and Officers** or **Employees**
  - resulting from **You** transferring funds from **Your** account to that of a third party as a direct result of a fraudulent electronic communication

as long as **You** have not received any benefit in return, and **You** cannot recover the loss from a financial institution or other third party.

We will also pay the cost of proving that the transaction was fraudulent and that contract or agreement was entered into fraudulently.

- (ii) **Your** liability to make any payment to **Your** telephone service provider as the result of **Hacking** into **Your Computer System**.
- (iii) the cost of employing specialist support to verify that a threat is genuine and to help **You** respond, and with **Our** written agreement the payment of a ransom demand, if anyone threatens to:
  - cause **Damage** to or disrupt **Your Computer System** by introducing a **Computer Virus**, or to initiate a **Hacking** attack or **Denial of Service Attack** against **You**
  - release, publish, corrupt, delete or alter **Data** from **Your Computer System** if this would cause **You** commercial or financial harm or damage **Your** reputation; or
  - fraudulently or maliciously use **Your Computer System** to cause a loss to **You** or a third party

as long as **You** can demonstrate that **You** have good reason to believe that the threat is not a hoax, and **You** have reported it to the police.

#### Maximum Amount Payable

The most We will pay for all claims We accept under this Section in total for the **Period of Insurance** is the amount shown in the **Schedule** as the **Sum Insured** plus any Extensions of cover limits' shown below, regardless of the number of claims or claimants.

#### Defence Costs

Any Defence Costs We pay will be within, not on top of, the **Sum Insured**.

#### Paying Out the Sum Insured

For any and all claims arising for the **Period of Insurance** We may pay the full **Sum Insured** that applies.

When We have paid the full **Sum Insured**, We will not pay any further amounts for any claims or for associated **Defence Costs** arising after We pay the full **Sum Insured**.

#### Extensions

The following Extensions apply to this Section.

##### Accountants' Fees

We will pay the cost of **You** providing the information We need to work out the amount We should pay as a result of:

- (a) extra staffing costs; and
- (b) extra fees charged by **Your** usual auditors or accountants.

##### Avoiding Corruption

If We have agreed in writing:

- (a) We will pay the cost of locating and removing a **Computer Virus** from **Your Computer System** which has not necessarily caused any **Damage** or disruption and
- (b) where a **Computer Virus** or **Hacking** attack has affected **Your Computer System** during the **Period of Insurance**, We will pay the cost of hiring professional consultants to make recommendations on how to prevent **Your Computer System** from being infected by **Computer Virus** or to prevent **Hacking**.

##### Fines and Penalties

Following a claim against **You**, We will pay fines, penalties, liquidated damages (agreed damages or penalties **You** have to pay under a contract) and **Defence Costs** which **You** become legally obliged to pay as the result of **You** not keeping to **Your Data Privacy Obligations**, except for fines and penalties which **You** cannot insure against by law.

##### Investigation Cost

If We accept a claim for **Damage** or other loss, and We agree in writing, We will pay the cost of investigating possible repair, replacement or restoration.

##### Loss Prevention Measures

We will pay the cost of preventing or minimising actual or expected **Damage** or other loss covered by this Section, as long as:

- (a) **Damage** or other loss would be expected if the measures were not taken

# Cyber continued

- (b) **We** are satisfied that the **Damage** or other loss has been prevented or minimised by these measures; and
- (c) the cost is limited to the cost of **Damage** or other loss which would have been caused.

The full terms and conditions of this Section apply as if **Damage** or other loss covered by this Section had arisen.

## Security Audit

If the failure to keep to **Data Privacy Obligations** covered by this Section resulted from security weaknesses in **Your Computer System**, **We** will pay the cost of a professional consultant carrying out an audit of **Your Computer System** to assess the security weaknesses and advise **You** on how to make improvements.

## Temporary and Fast-Tracked Repair

If **We** accept a claim for **Damage** or other loss, **We** will pay the cost of making temporary repairs and fast-tracking a permanent repair, replacement or restoration.

## Maximum Amount Payable

The maximum amount that **We** will pay for each Extension mentioned above will not exceed the limit shown in the **Schedule** for all claims any one **Period of Insurance**.

## Conditions

The following Conditions apply to this Section in addition to the General Conditions and Claims Conditions at the front of this policy. **You** must keep to the following Conditions whenever **You** need to make a claim under this Section. If **You** do not meet these Conditions, and this reduces **Our** legal or financial rights under this Section, **We** may refuse to pay part or all of **Your** claim.

### Controlling Defence

**We** can, but do not have to, take control of investigating, settling or defending any claim made against **You**. **We** would take this action in **Your** name. If necessary, **We** will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. **We** may appoint **Your** solicitor, but only on a fee basis similar to that of **Our** own solicitor, and only for work done with **Our** permission in writing. **We** will only defend claims if **We** think that there is a reasonable chance of being successful, and after taking the costs of the defence into account.

### Data Backup

**You** must back up original **Data** at least every 7 days.

If a **Service Provider** processes or stores **Data** for **You**, **You** must make sure that the terms of the contract between **You** and the **Service Provider** allow **Data** to be backed up in line with this Condition.

**You** must take precautions to make sure that all **Data** is stored safely.

If **You** have failed to keep to this Condition, **We** may still pay a claim if **You** can show that formal procedures are in place to keep to this Condition and that the failure was an accidental oversight or as a result of circumstances beyond **Your** control.

## Data Protection Authority

For Cover Parts '(a) Cyber Liability' and '(b) Data-Breach' - **You** must have paid the relevant data protection fee to or registered with, the supervisory authority established for the purpose of monitoring the application of data protection regulations that applies to **Your Business** unless **You** are exempted from doing so by the relevant legislation.

## Defence Software

Where available **Your Computer System** must be protected by a virus-protection software package which is:

- (a) licensed to **You**
- (b) paid for and not freely available; and
- (c) updated at least every 7 days.

**Your Computer System** must also be protected by a firewall on all external gateways to the internet, and that firewall must be maintained.

## More than One Insured

If more than one 'Insured' is named in the **Schedule**, the first named insured will receive all notices and agree any changes to this Section and will be treated as acting for all the named insureds. **We** will not remove any named insured without their permission.

For any claim, the total amount **We** will pay will not be more than the **Sum Insured**, regardless of the number of people or organisations covered by this Section.

## Other Insurances

If there is any other insurance covering **Your** claim, **We** will only pay **Our** share, even if the other insurer refuses to pay the claim.

## Protecting Data

**You** must make sure that the appropriate procedures are in place for disposing of and destroying **Hardware** and hard copy files in order to protect **Data**.

## Reasonable Care

**You** must:

- (a) make sure that **Your Hardware** is maintained, inspected and tested as recommended by the manufacturer
- (b) keep a record of all maintenance and **Data** back-up procedures and maintenance carried out, and let **Us** check those records
- (c) take all reasonable steps and precautions to prevent or reduce **Damage** or other loss covered by this Section; and
- (d) not continue to use **Hardware** after **Damage**, unless **We** have given **Our** written permission.

If **You** do not keep to this Condition **We** may:

- (i) refuse to pay part or all of **Your** claim; and
- (ii) cancel this Section of the policy.

## Reporting a Claim

It is a **Condition Precedent** of this Section that as soon as **You** know about any incident or circumstance that may give rise to a claim that **You** must tell the person who arranged the policy (or **Us**), providing full details, as soon after the incident or circumstance as possible.

# Cyber continued

## Claims Co-operation

It is a **Condition Precedent** of this Section that as soon as soon as **You** know about any incident or circumstance that may give rise to a claim **You** must also:

- (a) take all reasonable steps and precautions to prevent further **Damage**, loss of **Business Income** or other loss covered by **Your** policy
- (b) immediately tell the police about any loss or **Damage** relating to crime and get a crime reference number
- (c) keep any **Damaged Hardware**, other property covered by **Your** policy and other evidence and allow **Us** to inspect it; and
- (d) give **Us** details of any other insurances **You** may have which may cover **Damage**, loss of **Business Income**, **Damages**, **Defence Costs** or other loss insured by this Section.

In the case of **You** knowing about an incident or circumstance that has resulted in, or may result in:

- (i) a claim being made against **You**;
- (ii) **You** receiving a demand for **Damages**;
- (iii) **You** receiving a notice of regulatory action; or
- (iv) **You** receiving a notice of any other process seeking **Damages**.

**You** must:

- immediately send **Us** every letter, writ, summons or other document **You** receive in connection with the claim or circumstance, and record all information relating to a claim against **You** that is covered under Part (a) 'Cyber Liability'
- co-operate with **Us** fully and provide in a timely manner all the information and assistance **We** may require to investigate **Your** claim or circumstance
- tell **Us** if **You** recover money from a third party (**You** may need to give the money to **Us**); and
- not admit responsibility or liability, or agree to pay any money or provide any services on **Our** behalf, without **Our** written permission.

## Right to Survey

If **We** ask, **You** must give **Us** access to **Your Premises** at an agreed date and time to carry out a risk survey.

**We** retain the right to cancel this Section of the policy in accordance with General Condition 5. Cancellation if **You** fail to comply with this Condition.

## Salvage and Recoveries

If **You** have made a claim and **You** later recover money from a third party, **You** must tell **Us** immediately. If **We** have paid the claim, **You** may have to give the money to **Us**.

If **We** have paid a claim and **We** then recover money from a third party, **We** will give **You** any proceeds above the amount **We** paid **You** in connection with the claim.

Any amount due from **You** or **Us** must be paid as soon as reasonably possible.

## Tax

Any claim **We** pay will not include VAT, unless you cannot recover part or all of the VAT **You** have paid.

## Exclusions

The following Exclusions apply to this Section in addition to the General Exclusions at the front of this policy.

**We** will not pay for any claim, cost or loss caused by or resulting from the following:

### 1. Associated Companies or other Insured Parties

Any claim brought against **You** by:

- (a) another person named as the 'Insured' in the **Schedule**
- (b) any of **Your** parent or subsidiary companies or
- (c) any company which **You** are a director, officer, partner or **Employee** of and have a financial interest in.

This Exclusion does not apply to **Personal Data** relating to **Employees** or **Directors and Officers** as long as any benefit they receive is no more than any third party would receive.

### 2. Circumstances before Your cover started

- (a) Circumstances which existed before any cover provided by this Section started, and which **You** knew about
- (b) Claims or circumstances which **You** have already reported, or which **You** should have reported, to a previous insurer before the **Period of Insurance**.

### 3. Confiscation

**Your** property being confiscated or **Damaged** by, or under the order of, any government, public or police authority, other than:

- (a) to protect life or prevent **Damage** to property or
- (b) as the result of a regulatory investigation after **You** have failed, or allegedly failed, to keep to **Your Data Privacy Obligations**.

### 4. Credit Card or Debit Card Fraud

For 'Cover' 'Part (d) Cyber Crime' – any financial loss resulting from actual or alleged fraudulent use of credit card or debit card.

### 5. Deficiency or Improvements

The cost of correcting any failings in procedures, systems or security.

### 6. Deliberate Defamation or Disparagement

Defamatory or disparaging statements or publications made deliberately or recklessly if it could be anticipated by a reasonable person that the statements could result in a claim against **You**.

### 7. Employer Liability

**You** failing to keep to any obligation **You** have to **Your Employees** or **Directors and Officers**, unless this is specifically covered by this Section after **Your Data Privacy Obligations** have not been met.

### 8. Excess

The amount specified as the **Excess** in the **Schedule**.

### 9. External Network Failure

For 'Part (c) – Computer System Damage, Data, Extra Cost and Business Income. Any cost or loss caused by or resulting from the failure or interruption of any electrical

power supply network or telecommunication network not owned and operated by **You**. This exclusion shall not apply to any cost or loss caused by or resulting from physical damage, if otherwise insured by this Section, to the electrical power supply network, telecommunication network or other property. Telecommunication networks include the internet, internet service providers, Domain Name System service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure.

**10. Extortion or Ransom**

Any extortion, blackmail or ransom payments or demands, other than in connection with cover provided by 'Cover' Part (d) 'Cyber Crime'.

**11. Financial Reporting**

Any mistakes in financial statements or representations concerning **Your Business**.

**12. Fines and Penalties**

Any fines, penalties, punitive or exemplary damages (extra damages to punish **You**) other than those specifically covered by Extension – Fines and Penalties.

**13. Indirect Loss**

Penalties **You** have to pay under a contract for any delay or in connection with guarantees of performance or efficiency.

**14. Intentional Acts**

Any intentional act, or failure to act, by **You** or **Your Directors and Officers**, unless the act or failure to act is a measure to prevent or minimise injury, **Damage to Your Hardware**, loss of **Business Income** or a claim for **Damages**.

**15. Legislation and Regulations**

**You** actually or allegedly breaking any taxation, restraint of trade, competition or anti-trust law or regulation.

**16. Normal Upkeep**

The cost of normal **Computer System** maintenance.

**17. Nuclear Risks**

- (a) Ionising radiation from, or contamination by, radioactivity from any nuclear fuel or nuclear waste, or from burning nuclear fuel
- (b) The radioactive, toxic, explosive or other dangerous properties of any nuclear installation, reactor or other nuclear equipment, or any nuclear part of them
- (c) Any weapon or device using atomic or nuclear fission, fusion or similar reaction, or radioactive force or material
- (d) The radioactive, toxic, explosive or other dangerous properties of any radioactive material.

**18. Patent**

Infringement of any patent without the patent holders permission.

**19. Product Liability or Professional Indemnity**

Goods, products or software **You** have sold, supplied, manufactured, constructed, installed, maintained,

repaired, altered or treated, or any inadequate or incorrect advice or services **You** have provided.

**20. Sanctions Limitation**

**We** will not make any payment under the policy if doing so would expose **Us** to any sanction, prohibition or restriction under any United Nations resolutions, or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

**21. Telecommunications Systems**

Atmospheric or environmental conditions causing temporary interference with any satellite signal.

**22. Terrorism**

- (a) Any **Act of Terrorism**, regardless of any other cause or event contributing to the **Damage**, loss of **Business Income** or other loss
- (b) Civil commotion in Northern Ireland
- (c) Any action taken to control, prevent, suppress or in any way deal with any **Act of Terrorism**.

In respect of Cover Parts '(a) Cyber Liability', '(b) Data-Breach Expense' and '(d) Cyber Crime', **Computer Virus, Hacking or Denial of Service Attack** will not be regarded as an **Act of Terrorism**.

**23. Time Excess**

Loss of **Business Income** or extra cost arising during the **Time Excess**.

**24. Trading Risk**

**Your** commercial decision to stop trading, or the decision of a **Service Provider**, customer or supplier of **Yours** to stop or reduce trade with **You** or restrict services.

**25. War**

War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or uprising.

This Section Exclusion does not apply to any **Damage**, loss of **Business Income** or other loss resulting from, or caused by, weapons of war which were not discovered before the start of the **Period of Insurance**, as long as there is no war in the country **Your Hardware** is in during the **Period of Insurance**.

**26. Wear and Tear**

Losses due to:

- (a) wear and tear, gradual deterioration or rust
- (b) scratching or chipping of painted or polished surfaces
- (c) erosion or corrosion or
- (d) gradual reduction in performance.

However, **We** will pay for loss resulting from the causes above which **We** would otherwise have paid under this Section.

**27. Your Insolvency or Bankruptcy**

**Your** insolvency or bankruptcy.

**28. Fraudulent Credit Applications**

For 'Cover' 'Part (d) Cyber Crime' – any financial loss resulting from a fraudulent application for credit or the provision of false details in applying for credit or opening an account with **You**.