

# Cyber Claim Scenarios

There is a common misconception that Cyber insurance is only important if a business collects credit card or social security information. This is a dangerous belief, often leaving businesses vulnerable. There are many ways that Cyber insurance can help protect your business, no matter your size or nature of operations.



Here are some everyday scenarios to consider when evaluating if Cyber is right for your business:

A business's credit card machine breaks, and they are not able to collect payments or make any sales. Their business is interrupted for a week until the machine is able to be replaced.

- A typical cyber policy\* may provide coverage for this business interruption ✓

A small business collects their client's names, email addresses, and date of birth to send clients a birthday discount. They also collect their employee's addresses and social security numbers for compensation purposes. Their computer system is hacked, and they have statutory obligations to notify each client and employee whose data has been leaked, and may be required to provide credit monitoring or another form of compensation.

- A typical cyber policy\* provides resources for contacting affected individuals and may cover associated costs and penalties arising from the breach ✓

An intern clicks on a link in an email, thinking it is from their boss. It is actually malware, and their computer is rendered useless (bricking).

- A typical cyber policy\* may reimburse replacement costs in excess of the policy deductible ✓

A hacker breaks into a company's computer system and threatens to delete all of their information, unless the company pays a ransom of \$1M. The company needs to hire a negotiator, and still may end up needing to pay a ransom

- A typical cyber policy\* comes with resources skilled in the negotiation and resolution of the hacker's demands ✓

**Note:** These scenarios are generally not covered by the typical Business Owner's Policy (BOP) even with a cyber or data breach add on.

\*Claim payments are subject to the actual terms of the policy purchased and the facts existing at the time of the loss.