

# PMR 149

## Cyber Endorsement

For Use with PMR Misc Civil AOC 0111

This endorsement applies to Section 1 only of this Policy and shall not apply in relation to any action brought in the United States of America, its territories and/or possessions or Canada; brought elsewhere to enforce a judgement or finding a court or other tribunal in the United States of America, its territories and/or possessions or Canada; in which it is contended that the governing law is that of the United States of America or Canada:

### Definitions Applicable To Section 1

The Definition of **Indemnity limit** is amended to read as follows:

#### Indemnity limit

Shall mean, the **Insurer's** total liability to pay damages, claimant's costs, fees and expenses, and shall not exceed:

- a) in the case of any claim or **Loss** made under Insuring Clauses 7), 8), or 9) the sum stated in the schedule against Section 1 or GBP 1,000,000 (whichever is less) inclusive of **Defence costs and expenses** in respect of any one claim or series of claims arising out of one originating cause and in total for all claims or **Losses** first made or discovered by the Insured during the **Period of Insurance**;
- b) in all other cases (except where specific sums are stated in the Insuring Clauses) the sum(s) stated in the Schedule against Section 1 in respect of any one claim or series of claims arising out of one originating cause regardless of the number of persons claiming an indemnity from the Insurer under the terms of this Policy.

If more than one person is entitled to an indemnity under the terms of this Policy, then the **Insurer's** total liability to all such persons shall not exceed the **Indemnity limit**. For the avoidance of doubt, **Indemnity limit a)** is not additional to and shall not increase the sum(s) stated in the Schedule under Section 1.

In addition, the following words or terms that appear in **bold** will be interpreted as follows:

#### Adverse Publicity Occurrence

means any communication or publication to the general public which has a negative impact on the public reputation of the Insured whether written, printed or oral and whether the communication or publication is by means of television, radio, print, computer or other form.

#### Electronic Data

Shall mean machine-readable information that exists in a **Computer System**, including but not limited to the **Insured's** business information and customer information, other than programmes.

#### Hacker

Shall mean an unauthorised person or a person who acts in an unauthorised manner, who gains access to or use of any **Computer System**. For the purpose of this Policy a **Hacker** does not include a director, partner, principal or member of the **Insured**.

#### Loss(es)

Shall mean a direct financial loss sustained by the **Insured**.

#### Website

Shall mean any website(s), intranet or extranet where the **Insured** has full control over the content and which the **Insured** runs as part of their own business activities.

## Insuring Clauses

Subject otherwise to the terms and conditions of this Policy and endorsement, the following additional Insuring Clauses apply:

### 7) Virus and Hacker

Up to the **Indemnity limit** for all claims first made against the **Insured** during the **Period of insurance** for which the **Insured** is legally liable to pay damages (including claimant's costs and expenses) arising from:-

- a) Unintentional transmission of any **Virus** by the **Insured** to an independent third party;
- b) Malicious attack made by a **Hacker** whereby unauthorised access is gained which modifies the **Insured's Computer System**. However, the **Insurer** shall have no liability for claims arising as a result of the intentional transmission of any **Virus** by an **Employee**.

### 8) Restoration of Insured's Computer Systems

Up to the **Indemnity limit** for **Losses** first discovered by the **Insured** during the **Period of Insurance** for reasonable and necessary costs and expenses incurred with the **Insurer's** prior consent to restore the **Insured's own Computer System** as a result of damage or modification by a **Hacker** or **Virus**.

### 9) Reputation Management

Up to the **Indemnity limit** in response to an **Adverse Publicity Occurrence** discovered by the **Insured** during the **Period of Insurance**, for reasonable and necessary advertising, public relations, forensic or security consultants' costs and expenses incurred with the **Insurer's** prior consent and within three months of the **Adverse Publicity Occurrence** to:-

- a) Contact any third parties who tried to access the **Insured's** own website during the period when the website was unavailable as a result of damage or modification by a **Hacker** or **Virus**;
- b) Assist the **Insured** in re-establishing their own business reputation as a result of damage by a **Hacker** or **Virus**.

## Exclusions Applicable To Section 1

**Insurers**, in addition to the exclusions contained within Section 1 of this Policy, shall not be liable to indemnify the **Insured** against any Claim or **Loss** (that might otherwise be covered by this endorsement);

### a) Gambling

Arising directly or indirectly from the use of any games or any gaming, gambling, lottery or auctioneering facilities or services;

### b) Credit Card

Arising directly or indirectly from any unauthorised or fraudulent use of any credit, debit, charge or store card;

### c) Internet Service Provider

Arising directly or indirectly from the failure or interruption of the service provided by an internet service provider or any telecommunications or other utility provider;

### d) Data Restoration

Resulting in the restoration of any **Electronic Data** to a level or standard beyond that which existed prior to the loss occurring;

### e) Deterioration of Computer System

The wear and tear, drop in performance, progressive deterioration or ageing of the **Insured's Computer System** or **Computer System** used by the **Insured**, in line with manufacturers' guidelines;

### f) Programming Errors

Arising from an error which occurs during the development or encoding of a computer programme, application or operating system and which would, when in operation, result in a malfunction of the **Computer System**, processing system, interruption of operations, or incorrect result.

### g) Conspiracy

Arising where any principal, partner, member or director of the **Insured** conspired to commit or condoned any dishonest, fraudulent or malicious act or omission.

The following exclusions are amended to read as follows:

#### 4. Dishonesty

Arising directly or indirectly from any dishonest, fraudulent, malicious or illegal act or omission of the **Insured** or any **Employee**, except as covered by Insuring Clause 1b) or Insuring Clause 7, 8 or 9.

#### 34. Deliberate Acts

Arising directly or indirectly from any deliberate or reckless breach, act, omission or infringement committed, condoned or ignored by the **Insured**, except as covered under: Insuring Clause 1b); or Insuring Clauses 7, 8 or 9 where such Claim or Loss emanates from a malicious **Employee** acting as a **Hacker**.

## Notification and Claims Conditions Applicable To Section 1

In relation to the cover granted by this endorsement only, Notification and Claims Condition 1.1 is amended to read as follows:

As a condition precedent to their right to be indemnified under this Policy the **Insured** shall inform the **Insurer** immediately (provided always that such notification is received by the **Insurer** before the expiry of the **Period of insurance**) of the receipt, awareness or discovery of:-

- i) any **Loss** suffered by the **Insured** which could be indemnified under this Policy; or
- ii) any threat made by a **Hacker** to cause a **Loss** which could be indemnified under this Policy.

Such notice having been given as required in i) and ii) above, any subsequent Claim or **Loss** made shall be deemed to have been made during the **Period of insurance**;

## Additional Conditions

In addition to the general conditions contained elsewhere in this Policy, the following apply in relation to the cover granted by this endorsement:

As conditions precedent to their right to be indemnified under this endorsement to Section 1 the **Insured** must:

### 1. Computer System Backup and Protection

- a) take all reasonable steps to use, maintain and upgrade any program which protects against computer viruses or any unauthorised use of or access to the Insured's **Computer System**;
- b) make back-up copies of any data, file or program at reasonably frequent intervals;
- c) cancel any user name, password or other security protection after the **Insured** knew or had reasonable grounds to suspect that it had been made available to any unauthorised person; or
- d) comply with the manufacturer's recommendations when maintaining and caring for the **Insured's Computer System**.

### 2. Due Diligence

must take all reasonable precautions in doing all things to avoid or reduce any claim under this insurance.

### 3. Disclosure of Policy Details

must not reveal the amount of indemnity available under this insurance, unless the **Insured** had to give these details in negotiating a contract with the **Insured's** client or have the **Insurer's** prior written consent.

All other terms and conditions of this Policy remain unaltered.