

# PMR 228

## Cyber Extension

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 judgment or finding of 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

For the purposes of this endorsement the definitions are extended to include:

#### Business profit

means the net profit, which would have been earned or accrued by the **Insured** had no **Loss** occurred. This shall be based on an analysis of the revenues generated and costs incurred during each month of the twelve months prior to the **Loss** occurring (as recorded in the **Insured's** accounts) and will also take into account the reasonable projection of future profitability or otherwise had no **Loss** occurred and will include material changes in market conditions which would have impacted the future profits generated.

#### Cloud service

means the provision of remote computing and storage capacity as a service to an end-user who accesses the service via a web browser or a light-weight desktop or mobile application.

#### Extortion loss

means any:

- a) monies paid by the **Insured** to end an **Extortion threat**; or,
  - b) Professional fees for independent advisors to conduct an investigation to determine the cause of an **Extortion threat**,
- in either case with the **Insurer's** prior written consent.

#### Extortion threat

means any threat or connected series of threats, for the purpose of demanding monies, communicated to the **Insured** relating to an actual or potential unauthorised access to, unauthorised use of, or denial of service attack against the **Insured's Computer system** or **Documents**.

#### Hacker

means anyone who specifically and maliciously targets the **Insured** and gains unauthorised access to the **Insured's Computer system** solely by circumventing electronically the security system in place to protect against such unauthorised access to the **Insured's Computer system**. **Hacker** does not include any principal, director or partner of the **Insured**.

#### Increased costs of working

means the reasonable additional expenditure incurred in order to minimise the **Insured's** reduction in **Business profit**.

#### Loss/Losses

means the 1<sup>st</sup> party financial suffering of the **Insured**.

#### Notification costs

The definition of **Notification costs** is amended to: means the reasonable and necessary costs incurred by the **Insured** to draft, send and administer notification communications to those whose data, following forensic investigation is shown to have been stolen or misplaced.

## Period of restoration

means a period of 90 days after notification of a **Claim, Circumstance** or **Loss** excluding the first 8 hours following notification.

## Personal Information

means any driving license or other government-issued identification number; unpublished telephone number; savings account, current account, credit card or debit card number each when in combination with the security code, access code, password or pin for such account or card number; any personal data as defined under the Data Protection Act 1998;

any private personal information as defined under the law of a country other than the United Kingdom, which law is intended to provide for the protection of such private personal information; not including any lawfully available data accessible by the general public.

## Limit of Indemnity

Irrespective of the number of **Claims, Circumstances** or **Losses** notified validly in accordance with the terms of this endorsement and the policy to which it attaches and regardless of the number of insuring clauses to which they relate, the maximum amount payable by the **Insurer** under this endorsement shall not exceed GBP 250,000 in the aggregate during the **Period of insurance** or as otherwise specified in the **Schedule**.

The limit of indemnity provided under this endorsement is not additional to and shall not increase the **Indemnity limit** as stated in the **Schedule**.

## Insuring Clauses

The following additional insuring clauses apply:

### A) Forensic and security specialist services

Following a **Claim, Circumstance** or **Loss** during the **Period of insurance** due to the **Insured's** failure to properly handle, manage, store, destroy or otherwise control **Personal information** or third party corporate information the **Insurer** will pay reasonable costs the **Insured** incurs with the **Insurers** prior written consent for:

- a) a forensic consultant to attempt to establish the cause of the failure, the identity of any **Hacker** involved and whether anything has been taken;
- b) a security specialist to assess the **Insured's** electronic security and the costs of reasonable security improvement.

### B) Computer System rectification costs

The **Insurer** agrees that if during the **Period of insurance** the **Insured** suffers a **Loss** as a result of the **Insured's Computer system** having been damaged, destroyed, altered, corrupted, copied, stolen or misused by a **Hacker** then **Insurers** will pay the reasonable costs to repair, restore or replace the affected parts of the **Insured's Computer system** to the same equivalent standard, condition, functionality, level of service as immediately before the **Computer system** was damaged, destroyed, altered, corrupted, copied, stolen or misused by a **Hacker**.

### C) Cyber business interruption cover

Notwithstanding Exclusion 22 of the policy the **Insurer** agrees that if during the **Period of insurance** the **Insured** suffers a reduction in **Business profit** as a result of the actions of a **Hacker** causing a total or partial interruption, degradation in service, or collapse of the **Insured's Computer systems** the **Insurer** will indemnify the **Insured** for said reduction in **Business profit** and **Increased costs of working** incurred by the **Insured** during the **Period of restoration**.

### Exclusion applicable to Insuring Clause C:

The **Insurer** shall not be liable to indemnify the **Insured** against any **Loss** arising during the first 8 hours, following notification to the **Insurer**, of any total or partial interruption, degradation in service, or collapse of the **Insured's Computer systems**.

Any payment made under insuring clause C of this endorsement will, where applicable, be reduced by the extent to which the **Insured**:

- a) could have and/or does use damaged or undamaged **Computer systems**; or
- b) makes use of available stock, merchandise or other data; or
- c) uses substitute facilities, equipment or personnel.

## D) Data Extortion

The **Insurer** agrees to indemnify the **Insured** for an **Extortion loss** following a credible **Extortion threat** against the **Insured** by a **Hacker** during the **Period of insurance**.

The **Insurer** will only pay such costs and expenses provided that the **Insured** can demonstrate to the **Insurer's** reasonable satisfaction that:

- a) any monies paid by the **Insured** to end an **Extortion threat**, have been surrendered under duress; and
- b) the **Insured** made all reasonable efforts to determine that the **Extortion threat** was genuine and not a hoax and to terminate it through the use of technical or computer forensic means; and
- c) the **Insured** has notified the police of any ransom demand as soon as is practicable and obtained an official crime reference number.

### Exclusions applicable to Insuring Clause D:

The **Insurer** shall not be liable to indemnify the **Insured** against any **Loss** arising from or relating to:

- 1) Threats that do not relate to confidential information (whether the **Insured's** or a third party's) held by the **Insured**;
- 2) Threats that do not have the potential to cause a direct financial loss to the clients of the **Insured**;
- 3) Loss of access to social media or **Cloud services** due to hacking, except where the **Extortion threat** relates to data stored within a **Cloud service**;
- 4) **Extortion threats** by **Employees**.

## Exclusions

In addition to the exclusions contained elsewhere in this Policy, the **Insurer** shall not be liable to indemnify the **Insured** against any claim:

### Betterment

for repairing, replacing or restoring the **Insured's Computer System** to a level beyond that which existed prior to any **Claim** or **Loss**.

### Government

which results, directly or indirectly, from access to the **Insured's Computer system** by any government, governmental agency or sub-agency, or any agents thereof while acting on behalf of such entity.

## Conditions

In addition to the conditions under the policy the **Insured**, as a condition precedent to their right to indemnity under this endorsement, shall have procedures and systems in place for:

- 1) following and complying with The Data Protection Act or similar legislation;
- 2) agreeing and signing written contracts with service providers.

## Claims Notification

In respect of the coverage under this endorsement, the **Insured** shall give notice to **Insurers** as soon as possible after the **Insured** first learns of any **Claim, Circumstance** or **Loss** which might reasonably be expected to give rise to a claim under this endorsement, provided always that such notice is given to **Insurers** during the **Period of insurance**.

Requests made by the **Insured** for indemnity under Insuring clause C of this endorsement shall be accompanied by a computation of the **Loss**. This shall set out in detail how the **Loss** has been calculated and what assumptions have been made. The **Insured** shall produce any documentary evidence, including any applicable reports, books of accounts, bills, invoices and other vouchers and copies of such which the **Insurer** may require, and the **Insured** shall afford them every assistance in their investigations.

All other terms and conditions of this policy remain unaltered.