



Data breach vs cyber attack

What are the coverage differences?

Risk Solutions

The Boiler Inspection and Insurance Company of Canada

390 Bay Street
Suite 2000
Toronto, ON, M5H 2Y2
Tel: (416) 363-5491
munichre.com/HSBBI

Connect with us



Heavy reliance on today's computer and data technology has heightened every business's exposure to data breach and cyber attack risks. Both have become increasingly frequent, costly and complex.

In the insurance industry, 'Data Breach' and 'Cyber Attack' coverages are often used interchangeably. Yet, they remain distinct in terms of their definitions, triggers, losses and affected parties.

HSB BI&I recognizes the important role both coverages play in a business's overall risk management strategy, and therefore offers two complimentary products: Data Compromise, and CyberOne®.

The following pages provide an easy reference guide comparing both coverages.



HSB BI&I



Data Compromise

Event insured against

Data Breach

Intent

Helps businesses notify and assist affected individuals following a breach of personally identifying information.

Coverages

Responds to the breach, theft or unauthorized disclosure of personal information.

The policy assists the insured in complying with data breach notification laws and requirements.

Offers services to affected individuals such as credit flagging and case management.

Pays for defense and liability costs for actions brought by affected individuals as a result of a breach of personal information.

Beneficiary of coverage

The business itself

First Party coverage

Personally Identifying Information relating to individual people (includes employees, customers and vendors).

First Party trigger

Loss, theft or inadvertent release of personal information.

How can an event happen ?

- Electronic theft
- Physical theft of electronic data
- Physical theft of hard copy files
- Procedural errors



CyberOne®

Cyber / Computer Attack

Protects businesses against damage to electronic data and computer systems from a computer attack.

Responds to events that damage or degrade data and systems.

Coverage pays for defense and liability costs for an insured's security system failure, including the breach of third party business information.

The business itself

Business operational software, operating systems and electronic data.

Damage or destruction of business operational data and software by way of a computer attack.

- Hacking
- Virus or other malicious code
- Denial of service attack



Data Compromise

Summary of First Party coverage response

- Forensic I.T. and legal consultation expenses
- Expenses related to notifying affected individuals and regulatory authorities
- Credit flagging and case management services to affected individuals
- Public relations expenses

Third Party trigger

Insured's receipt of a third party suit or claim arising out of the first party triggering event.

Summary of Third Party coverage response

Costs of defense, costs of settlement or judgement.

Examples of events leading to losses

- Malware
- Inadvertent employee or contractor mistakes
- Hacking
- Injection of SQL
- Malicious insider
- Lost, stolen or hijacked device



CyberOne®

Costs of recovering from the computer attack, including:

- Recovery of data
- Repair of systems
- Loss of business
- Public relations expenses

Insured's receipt of a third party suit or claim alleging that a failure of the insured's computer security allowed one of the following to occur:

- Breach of that third party's business information
- Transmission of malware to that third party
- Denial of service attack targeting that third party

Costs of defense, costs of settlement or judgement.

- Malicious insider
- Denial of service attack
- Malicious code
- Worms, viruses, Trojans,
- Social engineering, phishing, pharming, spear phishing
- Website takeover via mass-injection attack
- Ransomware, spyware
- Espionage: theft of trade secrets
- Social hacktivism
- Cyber terrorism

For all coverages, terms, conditions and exclusions, refer to actual insurance policy.

NOT IF, BUT HOW

© 2017 The Boiler Inspection and Insurance Company of Canada. All rights reserved.