



# CYBER COVERAGE

BUILT FOR YOUR CUSTOMERS

**In today's digital world, cyber threats are on the rise.**

Keeping up with them can be a challenge—not to mention navigating changing regulations regarding privacy breach reporting and record keeping.

Because businesses of all sizes and in every industry are at risk, you need a partner who can help you and your customers understand today's evolving cyber landscape.

**We can help.**

**Our experts understand cyber risk, and our comprehensive solution was designed to help protect your customers and keep them safe.**

### **WHY SHOULD YOUR CUSTOMERS CONSIDER CYBER INSURANCE?**

- ✓ One-fifth of Canadian businesses reported being impacted by cyber security incidents<sup>1</sup>
- ✓ Small and medium-sized businesses account for almost half of all Canadian cyber security incidents<sup>1</sup>
- ✓ Small businesses face disproportionately larger costs per employee relative to larger organizations.<sup>2</sup>
- ✓ 47% of small businesses are more concerned about cyber attacks and data breaches now than before the pandemic<sup>3</sup>
- ✓ 58% of small businesses who suffered a cyber attack said it cost less than \$100,000, while 41% said it was more than that amount<sup>3</sup>
- ✓ 24% of small businesses say they are insured against a cyber attack<sup>3</sup>
- ✓ Failure to comply with Canada's mandatory privacy breach reporting and record keeping laws could result in fines<sup>4</sup>

### **ADDED PEACE OF MIND**

Our Cyber Risk policies include access to our Cyber Assist<sup>®</sup> service at no additional charge.

Offered in partnership with CyberScout, a leading cyber service provider, Cyber Assist provides consultation on proactive measures customers can take to protect their data, as well as reactive assistance in the event of a privacy breach or cyber incident.

#### **Services include:**

- Cyber hygiene consultation services
- Risk management resources
- Incident response planning
- Crisis management support
- Notification assistance
- Media relations consulting
- Extortion/ransomware support

### **EVERYTHING YOUR CUSTOMERS NEED**

- Coverage for businesses of all sizes and industries
- Simplified process for businesses with revenues up to \$25 million and \$1 million policy limits
- Customized approach for larger customers or those requiring higher limits

### **THE CONVENIENCE YOU WANT**

We know you have options when it comes to placing business. Here's why we think Northbridge offers a clear advantage:

- Broad underwriting appetite
- Highly competitive product
- Fast quote turnaround
- Cyber is easily packaged with other P&C coverages
- A one-stop shop for all your customers' insurance needs

### **KEY PRODUCT HIGHLIGHTS**

- Business Interruption includes Reputational Harm and Contingent Business Interruption
- Voluntary shutdown automatically covered
- Full prior acts coverage available
- Regulatory fines up to policy aggregate limits
- Payment Card Industry (PCI) Assessments up to policy aggregate limits
- Business Interruption period of restoration of 120 days
- Business Interruption period for Reputational Harm is 120 days

<sup>1</sup> Statistics Canada (2020), <sup>2</sup> IBM Ponemon Institute, Cost of a Data Breach Report (2020), <sup>3</sup> Léger Small Business Cyber Security Survey for Insurance Bureau of Canada (2021), <sup>4</sup> Department of Justice Canada  
<sup>5</sup> Services provided by CyberScout, LLC. Services are not included in any cyber extension or endorsements. Services are not an insurance policy.



## COVERAGE OPTIONS

Our comprehensive coverage is available for businesses with up to \$25 million in revenue and coverage limits up to \$1 million. It provides first and third party coverage at an affordable cost with a short-form application.

### Availability:

- Any Small Business or Mid-Market customer in any of our target industries
- No application necessary on \$50,000 policy limit\*\*
- No application necessary on limits up to \$250,000 where the customer has been pre-approved based on a third-party cyber security score

Our Executive & Professional Solutions team specializes in creating customized coverage for businesses with over \$25 million in revenue or those requiring limits up to \$5 million.

| Coverage/Feature  | Explanation  |                                  |
|---|--|----------------------------------|
| FIRST PARTY COVERAGE  |  |                                  |
| Incident Response Expenses  | Costs to notify and manage a privacy incident, including public relations expenses to manage reputation harm.  | ✓                                |
| Data Recovery Expenses and Bricking   | Expenses to restore or recover data that has been damaged or corrupted by a breach; includes hardware replacement.   | ✓                                |
| Business Interruption, Contingent Business Interruption & Reputational Harm | Coverage for loss of business income as a result of an interruption in services from a cyber attack.   | ✓                                |
| Extortion Expenses  | Ransom paid to recover customer's data under threat by a malicious third party.  | ✓                                |
| Cyber Crime***  | Coverage for Funds Transfer Fraud, Telecommunications Fraud, Fraudulent Instruction and Invoice Manipulation Fraud (social engineering).                                     | Optional                         |
| THIRD PARTY COVERAGE  |  |                                  |
| Cyber & Privacy Liability   | Coverage for third party lawsuits alleging a breach of private customer information or the unintentional spreading of malware to another network.                            | ✓                                |
| Media Liability   | Third party lawsuits arising out of content created or published for the Insured that results in libel, slander, copyright infringement, violation of privacy or plagiarism. | ✓                                |
| Regulatory Expenses   | Regulatory fines and expenses resulting from a privacy breach.   | ✓                                |
| PCI Assessments   | Expenses and fines incurred in responding to a payment card (PCI) breach.  | ✓                                |
| Limits  | Maximum available aggregate limit of insurance.  | \$5 million                      |
| Cyber Assist  | Customer access to consultation on proactive measures to protect their business, as well as reactive assistance in the event of a privacy breach.                            | Included at no additional charge |

\*\* Requires anti-virus, backups and firewall in place.

\*\*\* Requires additional underwriting and premium charge.

---

## CYBER RISK CLAIMS EXAMPLES

### Business Interruption | \$204,000

A mid-sized manufacturer of metal component parts had its network breached. Malware infected its computer network, including automation systems. The company's IT contractor spent two days recovering electronic data from corrupted storage devices, but not all data was recoverable. While data backups were only a month old, the integrity had not been verified and so the data was useless. It took an additional 48 hours of reinstalling, repairing and reconfiguring the company's computer systems before the company was again operational.

Business income was lost over the four days the company could not operate. As a result of the interruption, the manufacturer experienced an insured first party loss of \$204,000 (\$4,000 for forensic investigation and assistance and \$200,000 for business income loss).

### Denial of Service Attack | \$34,000

Hackers attempted a DDoS (Distributed Denial of Service) attack on an online retailer in which a network of systems sent a high volume of fake traffic to take the website down. The retailer had expenses to rebuild its website and also lost sales over the five days it took to restore the site.

### Malware | \$50,000

Over the weekend, malware infected the computer network of a local veterinarian's office. On Monday, the office staff was locked out of the software that assists in the daily operations of their vet clinic and was unable to service customers or contact them to reschedule appointments.

IT forensics was called in and able to unencrypt the computer system. Expenses to restore the system cost \$50,000.

### Reputational Harm | \$125,000

A small professional services company had a privacy breach and their customers' private information was posted on the Dark Web. After notifying their customers of the breach, the company's reputation was damaged. Some of their customers lost trust and moved their business elsewhere.

#### About Us

Northbridge Insurance is a leading Canadian commercial insurer. Working closely with our broker partners and leveraging our in-depth industry expertise, we help businesses operate more safely so they can worry less about risks and focus on opportunities.

[Learn more at www.northbridgeinsurance.ca](http://www.northbridgeinsurance.ca)