



CYBER LIABILITY AND DATA SECURITY + MISCONCEPTIONS & REALITY

"MY BUSINESS DOES NOT NEED CYBER LIABILITY AND DATA SECURITY+!"

It is difficult to imagine the business that does not touch personal information or has no presence on the internet or social media. Individual business principals themselves are especially vulnerable to the risks of identity theft.

DATA BREACH EXPOSURE

MISCONCEPTION: "My business does not hold personal information so I do not need coverage."

REALITY: Your business is still exposed!

- ▶ While you may use a third party to store or process personal information and be the "data holder", your business is still the "data owner" and in most states the "data owner" is legally required to notify individuals of a breach.
- ▶ If you process personal information like credit card numbers but you do not store them, your business may still be the victim of increasingly sophisticated hacking methods that may "skim" this information while in transit.
- ▶ If you have employees, you are likely holding their personal information.
- ▶ Personal information does not have to be in the form of electronic data to be exposed; storage and disposal of such information on paper is a significant risk.

USLI'S CYBER LIABILITY AND DATA SECURITY+ PARTS A & B PROVIDES COVERAGE FOR:

- ▶ Expenses related to notification following a data breach plus ID Experts will manage the breach response
- ▶ Lawsuits stemming from a data breach
- ▶ Breaches of employee information and paper information

WEBSITE EXPOSURE

MISCONCEPTION: "My general liability policy will cover me for my Web site activity under the personal and advertising injury coverage."

REALITY: General Liability policies typically have exclusionary language that bars coverage in key situations, such as:

- ▶ "Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights
- ▶ "Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control. This would exclude social networking and blogging.

USLI'S CYBER LIABILITY AND DATA SECURITY+ PART C. ADDRESSES THESE COVERAGE GAPS BY INCLUDING COVERAGE FOR: Libel, slander, infringement of copyright, domain name, trademark, trade name, trade dress, logo, title, metatag, slogan, service mark or service name when arising from Web site activity, including social networking and blogging.

IDENTITY THEFT EXPOSURE

MISCONCEPTION: "I can correct theft of my own identity myself."

REALITY: While you can opt to address theft of your identity yourself, the Federal Trade Commission estimates that it takes an average of 400 hours to correct a single identity theft. Do you have the time to spend on this instead of running your business? If you do have the time, are you able to address it quickly enough that your ability to access credit for your business is not negatively impacted?

HOW USLI'S CYBER LIABILITY AND DATA SECURITY + PART D. RESPONDS: ID Experts works for you to correct theft of your identity. Credit monitoring and additional expenses are covered by the policy.

MISCONCEPTION: "I can obtain coverage and services to cover the theft of my identity through homeowners insurance or other methods."

REALITY: These solutions address only a theft of your identity. You are still exposed if another principal of your business has their identity stolen and hence cannot help run the business or loses access to loans as outlined above.

HOW USLI'S CYBER LIABILITY AND DATA SECURITY + PART D. RESPONDS: The identity theft of any owner, partner, managing member, executive officer or board member of the organization is covered. ID Experts will work on their behalf. Credit monitoring and additional expenses are also covered by the policy.

This document does not amend, extend or alter the coverage afforded by the Policy. For a complete understanding of any insurance you purchase, you must first read your Policy, Declaration Page and any Endorsements and discuss them with your Broker. A specimen policy is available from an Agent of the Company. Your actual Policy Conditions may be amended by Endorsement or affected by State Laws.



Why You Need Cyber Liability and Data Security+ Insurance

WHY YOU NEED IT:

- ▶ Forty-seven states along with the federal government have enacted legislation protecting personal information. Businesses that experience a breach of this personal information are subject to expenses to comply with these laws, not to mention lawsuits and regulatory action.
- ▶ The average cost per record to a business from a data breach is \$194.
- ▶ Businesses that accept credit cards or payment cards are subject to fines and penalties for violations of Payment Card Industries Data Security Standards (PCI DSS).
- ▶ Claims arising from activity on your website are likely not covered under your General Liability if it concerns intellectual property or activity in a chat room or bulletin board, including social media.
- ▶ The Federal Trade Commission estimates that the average time spent resolving a single identity theft is 400 hours. A business owner or partner or board member cannot properly manage their business while resolving an identity theft.
- ▶ If the personal credit of a business owner is ruined from an identity theft, that owner may lose the ability to access loans essential to the operation of that business.

WHAT COVERAGE ARE WE OFFERING?

COVERAGE FEATURES	OUR GROUP	COMPETITORS' POLICY
Data Breach and Security Breach Liability coverage that covers lawsuits arising from these exposures as well as Defense of Regulatory proceedings and PCI Fines and Penalties	✓	?
Data Breach Expense coverage that includes breach management services by ID Experts and pays on behalf of the Insured for notification, forensics, public relations, credit monitoring for victims, website links and customer relationship management systems for individuals affected by a breach	✓	?
Website Liability coverage for claims of libel, slander, right of privacy, and intellectual property arising from website activity, including social media activity	✓	?
Identity Theft coverage for business owners, partners and board members including resolution services by ID Experts	✓	?
\$925 minimum premium for four separate limits for the above four coverages	✓	?
Access to the Business Resource Center which provides free and discounted business solutions to USLI policyholders.	✓	?

IF YOU HAVE ELECTED NOT TO PURCHASE CYBER LIABILITY AND DATA SECURITY+ COVERAGE, PLEASE READ AND SIGN BELOW.

1. We acknowledge that our agent has fully explained the potential data breach, website and identity theft risks associated with the operation of our company/organization.
2. We understand that we have the option of purchasing Cyber Liability and Data Security+ insurance that can protect our company/organization against the potential for significant monetary loss, including, but not limited to, cost of defense against such claims. We further acknowledge that our agent has recommended that we purchase the coverage and has provided us with one or more quotes for same.
3. We understand that by electing not to purchase such insurance, we are foregoing valuable protection which means our company/ organization will be responsible for defense, settlement or other expense related to data breach, website liability or identity theft.

Name _____

Title _____ Date _____

Signature _____