
DESANCTIS INSURANCE AGENCY, INC.

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100 Unicorn Park Drive
Woburn, Massachusetts 01801

To Our Valued Clients:

September 2015

Cyber Liability – A Growing Concern

American businesses are under attack. It is estimated that U.S. networks face hundreds of millions of hack attempts and attacks every day.

Firms of all sizes are potential targets for cybercrime. Most of you have heard of the hacking attacks on larger name brands such as Sony, Home Depot & Target. However, many people don't realize that smaller firms are actually attacked with surprisingly high frequency. Having less sophisticated protection for their systems, they are more vulnerable to attack. The hackers look for the weakest links and access points, such as through vendor networks. In the multimillion dollar cyber attack on Target Brands the hackers gained access through the system of one of its vendors, an HVAC contractor.

Virtually every firm has exposure to computer attacks, viruses and the loss of sensitive customer and employee data. Not only are the number of attacks increasing, but so are the costs associated with the data breaches and other cyber crimes. As cybercrime grows, so does the need for insurance, but **coverage for such risks is not provided by your standard property or general liability policies**. A Network Security and Privacy Liability policy is needed.

Though there is no "standard" policy form, a Network Security and Privacy Liability policy typically has several layers of protection such as:

- **Privacy Liability** –protects against unauthorized release of Personal Information and corporate confidential information
- **Network Security Liability** –protects for allegations of
 - Inability of an authorized third party to gain access to your system.
 - Failure to prevent unauthorized access or communication that results in corruption
 - Your failure to prevent sending malicious code from your system to a third party
- **Media Content Liability** –covers against allegations of defamation, libel, slander, emotional distress, invasion of privacy, copyright & intellectual property infringement (patent excluded) in your media content in electronic (website, social media, etc.) or non-electronic forms.
- **Privacy Regulatory Claims Coverage** –legal defense and the resulting fines from claims alleging a privacy breach or a violation of a Federal, State, local or foreign privacy regulation.
- **Security Breach Response Coverage** –reimburses for costs incurred such as:
 - Hiring a public relations consultant to mitigate damage to your brand
 - IT forensics, customer notification and 1st Party legal expenses to determine obligations under Privacy Regulations
 - Credit monitoring expenses for affected customers
- **E-Business Interruption** –lost earnings and expenses due to security breach that disrupts computer system or ability of an authorized 3rd party to connect and restoration costs to restore or recreate digital assets to their pre-loss state.
- **Cyber Extortion** –expenses and payments to a harmful 3rd party to avert threatened potential damage such as introduction of malicious code, system interruption, data corruption or destruction or dissemination of personal or confidential corporate information.

Again, there is no standard policy. Some of the coverages summarized above may not be available or may be optional depending on the policy form. The terms, conditions, limitations and exclusions of the actual policy would apply.

Please let us give you a premium indication for this much needed coverage and discuss the appropriate policy that will provide the best value for your specific requirements. To get a premium indication, just complete and return the attached form which only asks 5 or 6 simple questions.

Sincerely,
DeSanctis Insurance Agency, Inc.

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Network Security and Privacy Liability Questionnaire

Company Identification

Company name _____
Address _____
City _____
State _____
Zip Code _____
Contact e-mail address _____

Business

Industry _____
Gross Revenue _____

Risk

Does the Insured back up their data at least once a week and stores in an off site location or their outsourcer does so? (i.e. is there a secure place, not on the insured's property, that their Information is backed up to? Such as a third party storage site?)
Yes___ No___

Does the Insured have antivirus and firewalls in place and that these are regularly updated (at least quarterly)?
Yes___ No___

Coverage Details (Retroactive Date)

Has the insured previously purchased a Cyber Policy?
Yes___ No___

No Claims Declaration

Is the Insured aware of or have any grounds for suspecting any circumstances which might give rise to a claim?
Yes___ No___

Within the last 5 years, has the Insured suffered any systems intrusions, tampering, virus or malicious code attack, loss of data, loss of portable media, hacking incident, extortion attempts, data theft or similar, resulting in a claim that would be covered by this insurance?
Yes___ No___

Signature: _____

Printed Name & Title: _____

Date: _____

Please Return by Fax or Email to 781.933.5645 or info@desanctisins.com

(If emailing, please put "Cyber Quote" in the Subject Line)