

# Cyber Enterprise Risk Management

A sustainable approach to insuring a broad array of cyber events, including Widespread Events



Westchester has handled cyber incidents and underwritten cyber exposures for policyholders for more than 20 years.

Over this time, the world has become increasingly reliant on an increasingly interconnected web of technology and data. Today, businesses face numerous cyber risks; many of which are shared systemic cyber risks that apply across a broad array of businesses. These systemic exposures can lead to widespread events and result in catastrophic losses. Addressing these enterprisewide risks requires an enterprisewide solution: Chubb's Cyber Enterprise Risk Management (Cyber ERM).

With Cyber ERM and Westchester's approach to Widespread Event coverage, businesses can tailor insurance to their unique exposures and needs, providing for greater coverage certainty and also providing long-term stability in the cyber insurance marketplace.

## A three-pronged approach to Cyber ERM

- Loss Mitigation Services – access to the tools and resources needed to address and gauge key areas of cybersecurity risks before an event occurs.
- Incident Response Services – a diverse team of experts in the legal, computer forensics, notification, call center, public relations, fraud consultation, credit monitoring, and identity restoration service areas to help limit exposure to a loss when an event occurs.
- Risk transfer – broad and sustainable insurance coverage backed by the financial strength of Chubb.

## Competitive Advantages

- Leading provider of cyber risk solutions since first product was launched in 1998.
- Innovative, highly customizable risk solutions to address clients' unique needs, regardless of size, industry or type of risk.
- No minimum premiums. Premiums scale for all sizes of risks based on the scope of coverage and limits
- Cybercrime coverage by endorsement or provided under separate policies from Westchester's Fidelity and Crime products
- Cyber Incident Response Expenses, with expansive consumer-based solutions that are more robust than minimum regulatory requirements
- Online quoting and real-time policy issuance for eligible small risks. Referred risks will receive fast turnarounds from your Westchester underwriter.
- Innovative coverage designed to address evolving regulatory, legal, and cybersecurity standards and built to consider future changes
- Easy-to-read form is aligned with the flow of a typical cyber incident in order to aid decision-making throughout Coverage Territory applicable worldwide to address continued evolution of hosting and data storage
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## New Endorsements Introduced in 2021

- Widespread Event Endorsement addresses events with widespread impact, affecting parties with no relationship to the Insured. Similar to how flood and earthquake risks are addressed in property policies – coverage, limits, retentions, and coinsurance can be tailored for all Widespread Events, or by specific peril:
  - Widespread Severe Vulnerability Exploits
  - Widespread Severe Zero-Day Exploits
  - Widespread Software Supply Chain Exploits
  - All other Widespread Events
- Ransomware Encounter Endorsement addresses the increasing risk of ransomware by allowing for a tailored set of coverage, limit, retention, and coinsurance to apply uniformly across all cyber coverages.
- Neglected Software Exploit Endorsement recognizes and rewards good software patching hygiene by providing full coverage for 45 days, and then for software that remains unpatched beyond 45 days, gradually re-weights risk sharing between the Insured and Insurer as time passes.

## Coverage Synopsis

The following insurance coverages are available with Cyber ERM:

### Third-Party Liability Coverage

- **Cyber, Privacy and Network Security Liability:**  
Failure to protect private or confidential information of others, and failure to prevent a cyber incident from impacting others' systems
- **Payment Card Loss:**  
Contractual liabilities owed to payment card industry firms as a result of a cyber incident
- **Regulatory Proceedings:**  
Defense for regulatory actions and coverage for fines and penalties, where insurable by law
- **Media Liability:**  
Copyright and trademark infringement within scope of defined media content

### First-Party Coverage

- **Cyber Incident Response Fund:**  
Legal fees, forensics, notification costs, credit monitoring, public relations, etc.
- **Business Interruption:**  
Loss of profits and expenses from interruptions of insured's systems and extra expense; and with Contingent Business Interruption, adds losses from interruptions of others' systems
- **Digital Data Recovery:**  
Costs to restore or replace lost or damaged data or software
- **Telephone Toll Fraud:**  
Costs incurred as phone bill charges due to fraudulent calling
- **Network Extortion:**  
Payments to prevent digital destruction/ impairment

### Cyber Crime (by endorsement)

- **Computer Fraud:**  
Third party accessing insured's computers to take money
- **Funds Transfer Fraud:**  
Third party tricking a bank into transferring funds from insured's account
- **Social Engineering Fraud:**  
Third party tricking an employee into transferring money

### CONTACT US

To learn more about Cyber ERM, contact your local underwriter, our product leader Mike Kramer or visit [westchester.com/cyber](https://www.westchester.com/cyber)

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