



# CYBER LIABILITY PROFILE

## INSURANCE AGENCIES

### Why would my agency need cyber/privacy insurance?

Unfortunately, agencies are becoming all too aware that their standard insurance coverages (Malpractice, GL, Property, Crime) don't provide proper coverage for their cyber and privacy exposures. Most agency principals don't know that they (along with their practice) have a significant exposure to cyber risks and how that same exposure can pose a significant financial threat to their agency. Having a cyber/privacy insurance policy through Philadelphia enables you (for marketing purposes) access to PHL's online loss control website at no cost. It will enable you to provide up-to-date information to all of your clients and lets you say: "We purchase the insurance for this important and growing exposure."

### Any agency that...

- Obtains social security numbers, personal health information, drivers license numbers, bank account numbers of Insureds
- Has access to confidential client records (financial statements, competitive information)
- Uses an agency management system
- Is in the process of going paperless or stores paper files
- Provides online access for payment
- Has a website
- Relies on their computer network on a daily basis  
...carries a significant exposure to cyber risk.

### Financial Threats to Your Agency:

- Costs to comply with federal and/or state required notification. Data breaches in 2010 cost their companies an average of \$214/record.\*Ponemon Institute Study
- Various regulatory proceedings (including fines and penalties) as a result of a privacy breach
- Clients/affected individuals suing your organizations for damages as a result of a privacy breach
- Liability for the transmission of malicious code to an outside party
- Denial of service attack on your network, causing your computer system to go down and business interruption expenses
- Intellectual property/privacy lawsuits. These include libel/slander arising out of content that is on your internet or intranet sites
- Destruction to your 'brand' as a result of a privacy breach (lost customers)

### Given our expertise in underwriting low-premium business...

We recently developed a cyber product that:

- Is modular. You are able to pick and choose appropriate coverage lines
- Is on PHL's admitted A++ paper in most states
- Provides industry leading coverage for both 1st party and 3rd party exposures
- We can help you understand. At any point, a cyber underwriter can help explain the coverage to you

### Information Needed for a Non-Binding Indication for current or prospective PHL Agents:

- PHL Cyber Application (online adobe fill-able) OR PHL Indication Application.

### Claim Scenarios for Insurance Agencies

- An account executive's laptop was stolen from her car. Information on the laptop contained unencrypted names, health records, addresses and diagnoses for all employees of a personal lines account
- Third-party vendor that hosted an agency's website experienced a security incident. Insureds who had online bill-pay set up may have had their names, dates of birth and credit card information accessed. State notification and credit monitoring were required
- Agency management system is shut down for 4 days as a result of a Trojan horse attack. Agency is unable to process business and/or accept payment over this time period. This results in a need to hire experts to remediate the situation and also lost revenues(business interruption)
- In an effort to go paperless, cleaning crew discards employee files in an unsecured dumpster. Personal information of all employees is compromised and those affected join a class action suit against the agency
- Agency holds a charity golf tournament at a local country club. They post an embarrassing photo of a former employee on their public website. As a result, employee sues for libel/slander

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