



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 incidents¹
- ✓ Small and medium-sized businesses account for almost half of all Canadian cyber security incidents¹
- ✓ Small businesses face disproportionately larger costs per employee relative to larger organizations.²
- ✓ 47% of small businesses are more concerned about cyber attacks and data breaches now than before the pandemic³
- ✓ 58% of small businesses who suffered a cyber attack said it cost less than \$100,000, while 41% said it was more than that amount³
- ✓ 24% of small businesses say they are insured against a cyber attack³
- ✓ Failure to comply with Canada's mandatory privacy breach reporting and record keeping laws could result in fines⁴

WHY NORTHBRIDGE?

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

- Highly competitive product
- Broad underwriting appetite
- Fast quote turnaround
- Cyber is easily packaged with other P&C coverages or offered on a standalone basis
- A one-stop shop for all your customers' insurance needs
- Simplified process for businesses with revenues up to \$25 million and \$1 million policy limits
- 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

EVERYTHING YOUR CUSTOMERS NEED

- Robust protection against Cyber risks
- Coverage for businesses of all sizes and industries
- Customized approach for larger customers or those requiring higher limits

KEY PRODUCT HIGHLIGHTS

- Comprehensive first and third party coverage
- Business Interruption includes Reputational Harm and Contingent Business Interruption (with 12 month restoration period)
- 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
- Coverage for data recovery & recreation

ADDED PEACE OF MIND

Our Cyber Risk policies include access to our Cyber Assist* service at no additional charge, and with no deductible. Cyber Assist provides customers with access to proactive consultation to help protect their business and reactive assistance in the event of a breach.

¹ Statistics Canada (2020), ² IBM Ponemon Institute, Cost of a Data Breach Report (2020), ³ Léger Small Business Cyber Security Survey for Insurance Bureau of Canada (2021), ⁴ Department of Justice Canada

* Cyber Assist is provided by an independent third-party service provider. Services are not included in any cyber extension or endorsements.

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

COVERAGE OPTIONS

Our comprehensive Cyber coverage is offered to small, mid-sized or large customers in any of our target industries.

Coverage/Feature	Explanation	
FIRST PARTY COVERAGE		
Incident Response Expenses	Costs for cyber incident forensics and malware removal, and managing privacy incidents, including public relations expenses to mitigate reputational damage.	✓
Data Recovery Expenses and Bricking	Expenses to restore or recover data that has been damaged or corrupted by a breach; includes hardware replacement where data recreation is not feasible.	✓
Business Interruption, Contingent Business Interruption & Reputational Harm	Coverage for loss of business income as a result of an interruption in services from a cyber outage.	✓
Extortion Expenses	Ransom paid to recover customer's data under threat by a malicious third party.	✓
Cyber Crime***	Coverage for Funds Transfer Fraud (including funds in escrow and personal funds fraud), Telecommunications Fraud, Fraudulent Instruction (including funds in escrow) 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.	\$10 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 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