

INTEGRATED CRIME CYBER INSURANCE

There is a new product on the market, aimed at the marine transport industry. P&I-clubs, along with media and many alike, uses a specific expression readily when talking about cyber security: cybercrime. The IG-clubs define this term as “the intentional infiltration of a technology system by a third party without consent”.

THE PROBLEM

Financial losses arising from an cyber-attack can fall under one of two categories of risk, ergo the question as to which insurance should be arranged when experiencing this type of loss is getting more complicated. The two type of risks can be defined as following:

Commercial crime

- An established class for the risks of theft and/or fraud, including activities that use the internet, as well as employee fraud or fidelity.

Cyber

- A market under development, striving to produce thought-out and well-made covers that can provide security for the new type of exposures arising, such as computer systems getting infected by malicious programs.

The methods used by these new types of criminals to exploit or disrupt businesses are different and evolving, therefore the demarcation between the two types of risks are getting increasingly blurred. As a result, one can predict disputes arising between underwriters when claims are to be handled. Should it be covered under the commercial crime or under the cyber insurance?

THE SOLUTION

A combination – an integrated crime cyber insurance.

By unifying these two disciplines under one policy, the problematic nature of these types of claims are reduced. This cover is designed to cover both commercial crime and cyber risks, without the need of a distinction between the two.

Furthermore, this policy wording is specifically designed for participants in maritime industries. The assurers are recognizing that they need to cover activities done on board ships, as well as shore-based operations.

For further information, please contact your broker at Fairwater Marine.

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SUMMARY OF COVER

Head of cover	Summarized cover	Type of cover
Owned asset and first Party costs Protection		
Theft	Dishonest appropriation of assets by employees or third parties, with or without threats of violence	Crime
Social Engineering	A plausible instruction from a seemingly legitimate Source to deliver funds, resulting in a loss of assets	Crime
Loss of/Damage to Electronic Data	Replacing or updating data that has been destroyed, lost or corrupted	Crime and Cyber
Costs of Privacy Notification and Crisis Management	Costs of notifying those effected by a data breach, associated legal fees, cost of operating a call centre, PR expenses incurred to minimize reputational harm	Crime and Cyber
Computer Forensic Investigation Costs	Costs incurred in determining the existence, cause and scope of a network compromise or data breach	Cyber
Corporate Identity Fraud	Costs incurred in correcting public records or in applying for the dismissal of court proceedings	Crime
Business Interruption, Regulatory Investigations and Extortion Demands Due		
Business Interruption	Enterprise-wide loss of profits and/or operational expenses following a network compromise or data breach during the period of restoration. Physical damage <i>not</i> a pre-requisite and not to be confused with vessel specific loss of hire	Cyber
Regulatory investigations	Costs of defence and regulatory fines (where insurable)	Cyber
Extortion demands	Amounts demanded against the Insured by a third party threatening to commit a denial of service or data breach, i.e. by ransomware	Cyber
Third Party Clauses		
Third party liability	To pay all losses and defence costs that the insured becomes legally liable to pay in respect of breach of privacy or confidentiality, committing or failing to prevent a network compromise or data breach and loss or theft of documents or data	Cyber
Mitigation Costs and Emergency costs		
Loss mitigation	Costs incurred by the Insured with their approved Cyber Service Provider	Crime and Cyber
Emergency costs	For those costs incurred in emergency and without having obtained prior consent of insurers	Crime and Cyber