



**Data Breach Program  
Explanation of Insuring Agreements**

**Limit of Liability**

The Limit of Liability is the aggregate amount that will be paid by the carrier for defense and damages. This aggregate will include the following sublimits that are part of this limit; Information Security & Privacy Liability, Regulatory Defense and Penalties, Website Media Content Liability, Business Interruption, Cyber Extortion, PCI Fines and Costs.

**Notification Limit**

This limit is the amount of records that the carrier will provide for notification, call center services and credit monitoring. This limit is separate from and in addition to the policy limit of liability aggregate. The Legal & Forensics, Crisis Management and the Foreign Notification costs are aggregate limits separate from the Notification Limit. The record count has a threshold. This threshold only pertains to the call center services. If the breach affects over 100 records, this service is activated. All other sublimits have retentions to match policy retention.

**Information Security & Privacy Liability**

This is insuring agreement A. This will pay on behalf of the insured damages and claims expenses for;

1. Failure to protect private information
2. Transmission of a virus from your system to another
3. Failure to notify individuals of a breach
4. Failure to comply with a Privacy Policy

**Regulatory Defense & Penalties**

This will pay on behalf of the insured claims expenses and penalties assessed by regulatory agencies.

**PCI Fines & Penalties**

This will indemnify the insured for Payment Card Industry fines and costs.

**Website Media Content**

This will pay on behalf of the insured damages and claims expenses for allegations of copyright infringement and defamation arising from their website.

**Cyber Extortion**

This will indemnify the insured for loss paid as a result of an extortion threat to protect private information.

**Legal & Forensics**

This will provide the insured with a computer security expert to determine the extent and cause of a breach. It will then provide for an attorney to determine which notification laws the insured will need to comply.

**Public Relations**

This will pay for a Public Relations Consultant to help the insured introduce the breach to the public.

**Fraud Resolution**

This will provide services to the affected individuals in restoring their identity.



## **Explanation of Some Endorsements (frequently asked about)**

### **Consequential Reputational Loss**

This will indemnify the insured for income loss during a 30 day period after the affected individuals receive their first notification of a breach.

### **Electronic Crime**

This will indemnify the insured for loss of money in a bank account caused by a third party sending fraudulent instructions to transfer from their account to another location.

### **Fraudulent Instructions**

This will indemnify the insured for loss of money they transfer or pay because a third party pretended to be one of their clients or employees and sent them a fraudulent instruction.

### **Telecommunications Fraud Loss**

This will indemnify the insured for loss that results from a third party gaining access to their telephone system in an unauthorized manner.

### **Criminal Reward Fund**

This will indemnify the insured for an amount that is paid for information that leads to the arrest and conviction of an individual that committed an illegal act related to any coverage.

### **BBR Boost**

New endorsement which allows insureds to tap into the full extent of the policy's aggregate limit of liability for breach response services costs while continuing to take advantage of BBR's innovative structure.

### **How BBR Boost works**

BBR includes two separate towers of coverage which are outside the policy's aggregate limit of liability:

- Tower 1: Legal services, forensics, crisis management and public relations
- Tower 2: notification, call center, and credit and identity monitoring services

With BBR Boost, if the limits of either tower 1 or 2 are exhausted in responding to a breach, policyholders may elect to cover additional breach response costs via the policy limit available in the third tower of coverage, third party liability. Available third party liability is a single limit of liability and will be eroded by both covered third party payments and "boost" payments. The limit available for "boost" payments will be limited by any prior erosion of the third party limits.

With BBR Boost, policyholders will continue to have outside of limits coverage for responding to a breach but, in addition, they will also be able to use the policy's entire aggregate limit of liability to cover the costs of responding to a breach.

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