

HIGHLIGHTS

# Allianz cyber evolutionar the evolution of cyber coverage

## Broad client-based solutions

- Concise and straightforward to read, simple to amend
- No modules or coverage parts to navigate
- Defined terms have the same meaning throughout the policy

Standard & Poor's

AA

A.M. Best

A+

## Robust first and third party coverages

### Everything you would expect:

- Incident Response Costs
- Cyber Extortion
- Data Restoration
- Business Interruption
- Privacy / Security
- Regulatory
- PCI-DSS
- Technology Professional Liability

### Plus:

- System Failure trigger for Business Interruption
- Voluntary Shutdown trigger available by endorsement
- Contingent Business Interruption (including System Failure, by endorsement)
- Cyber Crime: Social Engineering, Invoice Manipulation, Funds Transfer Fraud (available for endorsement)
- Media Liability (available by endorsement)
- Enhancements for Financial Institutions and FinTech companies (by endorsement)
- Betterment under Restoration Costs (software) and Business Interruption (physical)
- Bricking Incidents included within Betterment (sub-limited for certain exposures)

- Broad definition of Computer System includes IT and OT components
- Omnibus definition of Data Protection Legislation includes BIPA/CCPA/GDPR, etc.
- No need to schedule Non-IT Providers working under contract
- Coverage available for Vicarious Parties
- Wrongful Collection coverage available by endorsement

### Ease of claims handling

Policy wording is designed to reduce disputes around losses:

- Experts include panel vendors or Insured’s choice by mutual agreement
- Duty to Defend – Defense counsel by appointment or by mutual agreement
- Generous 70/30 “Hammer Clause” built into base form
- Digital currency payments covered for ransomware attacks
- PCI Forensics Costs covered
- Proof of Loss Costs covered
- Special Loss Calculations to measure value of Business Interruption and Reputational Harm

Coverage Term	Relevant Wording Under Cyber Evolutionar	Relevant Wording Under Accept Protect
Layout of Form	Monoline - all Insuring Agreements, Definitions, and Exclusions are in one place. Easy to read, easy to amend.	Modular format
Definition of Insured	Insured means any of the following: (A) any Company; (B) any Insured Person; or (C) any Vicarious Party, but solely with regard to Third Party Coverages INSURING AGREEMENTS.	Insured means the Insured Organization and any Insured Person.
Coverage for Recent Enactments of Data Protection Legislation	... including but not limited to the California Consumer Privacy Act, the Biometric Information Privacy Act, the General Data Protection Regulation, the UK Data Protection Act of 2018, any regulations enacted in furtherance of or pursuant to implementation of such.	Not available in base form.
Coverage for Betterment Costs	Betterment Costs means reasonable and necessary costs or expenses incurred by the Insured to replace, upgrade, or improve any components of the Company Computer System as defined in Part (A) of the DEFINITION of such, to a level beyond that which existed prior to a Cyber Attack, including any Bricking Incident, upon such Company Computer System.	Loss shall not include costs or expenses incurred to update or otherwise improve privacy or network security controls, policies or procedures to a level beyond that which existed prior to the loss or event ...
Coverage for Restoration of Hardware (“Bricking Incident”)	Bricking Incident means any Cyber Attack that electronically renders physical hardware or equipment that comprises the information technology or the operational technology of a Computer System completely functionless for its intended purposes [after reasonable restoration efforts have been made].	Digital Assets do not include computer hardware of any kind.
Coverage for Contingent Business Interruption	The Insurer shall pay the Company any Business Interruption Loss incurred by any Company during the Indemnity Period as a direct result of any Contingent Business Interruption Event.	Not available in base form.

Coverage Term	Relevant Wording Under Cyber Evolutionar	Relevant Wording Under Accept Protect
Coverage for Reputational Loss	The Insurer shall pay the Company any Reputational Loss incurred by any Company during the Indemnity Period as a direct result of any Reputational Event.	Not available in base form.
Bodily Injury Exclusion	The Insurer shall not pay Loss arising out of, based upon, or attributable to any actual or alleged physical injury, sickness, disease or death of any natural person. This EXCLUSION shall not apply to any Claim for mental anguish or emotional distress.	No carveback for mental anguish or emotional distress
War (Removal of reference to "warlike operations")	... arising out of, based upon, or attributable to war, any invasion, act of foreign enemy, hostile operations ...	... based upon, arising out of or attributable to any actual or alleged war, invasion, act of foreign enemy, strike or similar action, invasion, act of foreign enemy, strike or similar action, invasion, act of foreign enemy, hostilities or warlike operations (whether declared or not) ...
Compliance with Law Enforcement	... in the event an Insured receives an order from a Regulator to keep confidential certain information about a First Party Event, the Insurer shall not invoke the Notice Provision due to late notice [provided that information is withheld only to the extent, and for as long as, required].	Silent
Consent to Settlement ("Hammer Clause")	... the Insurer's liability for such Claim shall not exceed: (A) the amount of Defense Costs incurred prior to the date of such recommendation; plus (B) seventy percent (70%) of all future Defense Costs incurred after the date such settlement or compromise was recommended to the Insured plus seventy percent (70%) of any Damages above the amount for which the Claim could have been resolved.	... the Insurer's liability shall not exceed the amount of Defense Costs incurred prior to the date of the recommendation plus the amount of the recommended settlement or compromise plus fifty percent (50%) of all future Loss;
Coverage for new Subsidiaries	If during the Policy Period any Company creates or acquires a new Subsidiary it shall automatically be covered under this Policy, provided that such Subsidiary does not have revenue exceeding fifteen percent (15%) of the consolidated net revenue of the Named Insured at the time of inception of the policy.	If during the Policy Period any Insured Organization creates, gains control of, or acquires a new entity, it will automatically be covered under this Policy as a Subsidiary provided that the entity created, gained control of, or acquired does not have revenues exceeding ten percent (10%) of the consolidated net revenue of the Named Insured at the time of inception of the Policy (the "Threshold").
Severability Wording	For the purposes of this EXCLUSION, no conduct, act or omission of one Insured shall be imputed to any other Insured. Notwithstanding the above, the knowledge possessed by and any conduct, act, or omission of any Responsible Person shall be imputed to all Companies.	... With respect to the Insured Organization, the statements made by, information or knowledge possessed by, and any conduct, act or omission of any past, present or future Knowledgeable Person shall be imputed to that Insured Organization, and the knowledge of such Knowledgeable Persons of the Named Insured shall be imputed to all Insured Organizations.
Coverage for Wrongful Collection	* Coverage for Wrongful Collection is available by endorsement.	Available in base form
Coverage for Trademark or Copyright Infringement	** Coverage for trademark and copyright infringement is available by endorsement.	Available as part of Media Liability Insuring Agreement

## About Allianz

Allianz Commercial is the Allianz center of expertise and global carrier for insuring mid-sized businesses, large enterprises and specialist risks. Powered by the people, financial strength, and network of the world's leading insurance brand, we help our customers prepare for what's ahead.

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