

QBE Cyber Insurance

Cyber and Data Security Insurance Policy

Notice of Change



Significant Policy Changes

Your **policy** has been revised as a response to a need to update, improve and/or clarify cover. The undernoted summarises the substantive changes relating to this revision as it impacts the standard **policy** form and reflects the updated **policy** wording.

Significant revisions have been made to your **policy** to reflect underwriting intention, simplify the language used, and to clarify the cover which is available to you under this **policy**. We have not set out all provisions which have undergone minor clarificatory textual amends and we have not reproduced the text of the changes referred to in this Notice of Change. Please review the **policy** wording carefully to confirm it remains appropriate to **your** needs.

Current – new version changes to your policy – PCYS010422

The following is a summary of the key changes to your revised **policy** but this summary will not reflect any variations or modifications to the **policy** which are specific to you; these will be confirmed by the **schedule** attaching to your **policy**.

[How your policy works](#)

The clause 'Applicable law' has been deleted and replaced with a new General condition 'Governing law and arbitration' to reflect underwriting intention and aid clarity.

The clause 'Your rights including 'cooling off' period' has been deleted to aid clarity as the relevant provisions are set out at the General condition 'Cancellation'.

[Insuring sections and extensions](#)

The following sections, sub-sections, and extensions have been redrafted to reflect underwriting intention and aid clarity:

Cyber, data security and multimedia insuring clause

has been redrafted as two separate insuring clauses: 'Cyber and data security insuring clause' and 'Multimedia insuring clause', with the concept of 'insured event' replaced with new defined terms 'cyber risk', 'breach of network security', 'breach of privacy' and 'media claim' to reflect underwriting intention and aid clarity. Corresponding changes have been made throughout the policy, including to the extensions and general exclusions

Cyber, data security and multimedia – costs and expenses

has been amended to remove reference to cover for court attendance compensation to avoid duplication, as this cover is provided in the definition of 'defence costs'.

Acquisitions and creations

has new additions at (a)(iv), (v) and (vi) which impose the following additional conditions, requiring that:

- iv) any acquired company has less than 100,000 personally identifiable information;
- v) any acquired company has multi-factor authentication on all remote connections and administrative accounts;

- vi) all software of any acquired company is still supported by the producer of the software and/or security updates are still being provided;

Financial transfer indemnification

indemnity is now provided in respect of theft, rather than loss.

Data breach notification costs

specific cover for legal expenses incurred to assess whether you are in breach of data protection law has been added.

the related definition 'Data breach notification costs' has been redrafted, with the addition of specific cover for reasonable and necessary expenses incurred for voluntary notification if recommended by a law firm appointed under the section 'Data breach notification costs'.

Forensics costs

cover for related legal advice has been removed.

Credit monitoring costs

cover is now limited to the reasonable costs incurred for a maximum period of twelve (12) months.

Cyber business interruption

the time excess period now begins on the date the total or partial interruption, material degradation in service, or failure of information and communication assets began.

Social engineering fraud

indemnity is now provided in respect of theft, rather than loss.

The following sections, sub-sections, and extensions have been redrafted to aid clarity, with no material change to the cover provided:

Loss of or damage to documents

Withdrawal of content

Telephone phreaking – voice/telephony

Information and communication asset rectification costs

Regulatory defence and penalty costs

Payment card industry fines

Public relations costs

Cyber extortion

The extension 'Dishonesty of employees' has been removed from the policy to reflect underwriting intention.

General exclusions

The 'General exceptions' have been changed to 'General exclusions' and the following 'General exclusions' have been added to the policy to reflect underwriting intention:

Save to the extent that it is stated expressly that an exclusion will not apply, we shall have no liability to make payments under this policy directly or indirectly attributable to any:

False advertising

false or deceptive trade practices arising from **media content**.

Franchisee

franchise or franchisee of the **insured** unless noted in the schedule. In addition, a **claim** originating from a franchise or franchisee of the **insured** shall not be covered under this policy.

Ordinary payroll costs

ordinary salary costs incurred within your normal working hours. However, this exclusion shall not apply to the 'Cyber business interruption' section.

Pensions

insured acting as a trustee, fiduciary or administrator of the insured's own pension, profit sharing or employee benefits programme, including any actual or alleged breach or violation of the Employee Retirement Income Security Act of 1974 (ERISA) (USA) the Pensions Acts of 1994 and 1995 (UK) or any successor, amending or subordinate legislation of either, or any similar or equivalent law or regulation in any other jurisdiction.

Professional services

claim or loss arising out of or in connection with any act, error or omission, or any breach of contract in rendering or failure to render professional services.

Theft

claim or loss sustained by you or a third party by the transfer of money or securities (or equivalent thereof) other than where coverage is provided under the 'Financial transfer indemnification' sub-section or the 'Social engineering fraud' section.

A new exclusion 'Sanction limitation' has been included, to replace the 'General condition' 'Sanction limitation and exclusion', to aid clarity:

Sanction limitation

claim or benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose us or any member of our group of companies to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

The exclusions 'Deliberate acts', 'Deliberate or reckless acts of defamation' and 'Dishonesty' have been replaced with a new exclusion 'Conduct' to reflect underwriting intention and aid clarity:

Conduct

dishonest, fraudulent, deliberate or reckless act or omission of you. This exclusion shall not apply in respect of wilful misconduct of an employee.

The following exclusion has been added by endorsement to reflect underwriting intention:

Cyber security (breach of minimum standards exclusion)

It is understood and agreed that notwithstanding any other provision of this **policy** we shall have no liability to make payments under this **policy** directly or indirectly attributable to **your** failure to adhere to the following minimum level of cyber security requirements:

- i. All user accounts are password protected and passwords are updated no less frequently than every 60 days;
- ii. Remote access to all systems and cloud services maintained, operated or used by **you** or **your employees** in the course of their employment by **you** requires multi-factor authentication and remote access to the network through secure gateways (e.g. a VPN);
- iii. Access to administrative accounts requires multi-factor authentication;
- iv. Data is appropriately secured, including as a minimum the encryption of all mobile and portable storage devices, e.g. enabling inbuilt encryption on laptops, mobile phones, USB drives (requiring a code for decryption);
- v. Native (inbuilt) email (e.g. Microsoft Office 365) and internet (e.g. web browser) security features are being used;
- vi. Anti-virus software and anti-spyware is installed and updated in accordance with supplier recommendations, and security updates in respect of all software used by **you** are installed in accordance with supplier recommendations.
- vii. Firewalls are in place for all external gateways and updated in accordance with supplier recommendations.
- viii. Basic security checks on key third parties are performed, e.g. asking main suppliers how they protect **your** (and **your** customers') data;
- ix. Security logging is in place across critical IT systems, e.g. to capture login activity to your finance system; and
- x. All **employees** are made aware of their and **your** data privacy and information security responsibilities, and common risks and mitigations, through training which must be conducted no less frequently than annually.

The following exclusions have been redrafted to reflect underwriting intention and aid clarity:

Breach of legislation or regulation / anti-trust (previously 'Legislation or regulation')
additional exclusionary limbs have been added at e), f), and g).

Claim by an insured (previously 'Associated company')
a threshold of 15% of issued share capital has been introduced in respect of financial interests.

Existing claims or circumstances (previously 'Existing claims and circumstances')

Inaccurate pricing
this no longer carves out amendments made by a **hacker**.

Liability arising out of employment
the exclusionary language has been simplified to exclude any violation relating to an individual's actual or prospective employment by **you**.

Patents / trade secrets (previously 'Patents')
the exclusion has been broadened to incorporate the unauthorised use of trade secrets.

Return of fees or commissions (previously 'Returned fees')
this now expressly excludes returned commissions.

The following exclusions have been redrafted to aid clarity, with no material substantive change to the cover provided:

Fines and penalties (previously 'Fines and contractual penalties')

Gaming, gambling or lotteries

North American Jurisdiction (previously 'North America')

'Utility service provider'

'Unsupported systems' (previously 'Unsupported operating systems')

The exclusion 'Retroactive date' has been removed, as this is captured under the exclusion 'Existing claims or circumstances'.

[How to claim](#)

The clause 'Claims notification' has been redrafted as two separate clauses 'Cyber risk – immediate steps to be taken' and 'Notification of a potential claim under this policy' to provide greater clarity around **your** notification obligations and the circumstances in which we will indemnify **you** for costs **you** incur instructing the **cyber and data security representative**.

You must notify the **cyber and data security representative** immediately upon discovery of an actual or alleged **cyber risk**.

You must notify **us** of a potential claim under this **policy** as soon as practicable within the **period of insurance**, but we have removed the specific timeframes previously set out in the **policy**.

We have simplified the language of the clause 'Your duties', but your obligations remain materially the same.

We have simplified the language of the clause 'Our rights' to remove unnecessary provisions.

The following clauses have been added under 'How to claim' to reflect underwriting intention and aid clarity:

Claiming under more than one section
has been moved to here from 'General terms and conditions'.

Interrelated claims
has been introduced to replace the previous General condition 'Multiple and related claims (aggregation)'.

Fraudulent claims
has been moved to here from 'General terms and conditions'.

The following clauses have been removed to reflect underwriting intention and aid clarity:

Claim procedure

Payment or reimbursement of excess

[General terms and conditions](#)

The following conditions have been removed to reflect underwriting intention and aid clarity:

Basis of contract

Claiming under more than one section
has been moved to 'How to claim'.

Compliance with policy terms

Consent

Contribution

Fraudulent claims
has been moved to 'How to claim'.

Multiple and related claims (aggregation)
has been replaced with new clause 'Interrelated claims' under 'How to claim'.

Premium adjustment following cover amendments

Sanction limitation and exclusion
has been replaced with a new exclusion in 'General exclusions'.

The following new conditions have been added to reflect underwriting intention and aid clarity:

Governing law and arbitration
replaces the clause 'Applicable law' under 'How your policy works'. Disputes under this **policy** will now be subject to the jurisdiction of an arbitral tribunal pursuant to ARIAS (UK) rules rather than the courts.

Subscribing insurer

The following conditions have been amended to reflect underwriting intention and aid clarity. Unless otherwise indicated below, no material substantive changes have been made:

Cancellation
this **policy** may now be cancelled by us giving ten (10) days' written notice if you do not pay any premium instalment when due.

Confidentiality
now imposes confidentiality obligations on **us**.

Contracts (Rights of Third Parties) Act 1999

Dispute Resolution – mediation (previously 'Dispute resolution')
has been amended to reflect the new 'Governing law and arbitration' condition.

Inspection and audit

Insurance Act 2015

Limits of indemnity and retention (previously 'Limits of indemnity') we have clarified that the amount specified as such in the **schedule** shall be our maximum aggregate **limit of indemnity** under this **policy** and that, if applicable, an extended reporting period does not reinstate or otherwise affect the **limit of indemnity**.

Other insurance

Risk minimisation

clarifies that any failure by **you** to take such steps shall reduce or extinguish **our** liability to indemnify **you** under the **policy** to the extent that such failure has increased the claim under the **policy**.

Subrogation

[General definitions and interpretation](#)

A number of the existing definitions have been amended or removed, and new definitions included, to reflect the changes outlined above.

As with all aspects of the standard policy cover it is generally possible to negotiate extensions of cover with the underwriter.

QBE European Operations



QBE European Operations is a trading name of QBE Europe SA/NV, VAT BE 0690.537.456, RPM/RPR Brussels, IBAN No. BE53949007944353 and SWIFT/BIC No. HSBCEBEB, ('QBE Europe'), and of (1) QBE UK Limited, no. 01761561 ('QBE UK'), (2) QBE Underwriting Limited, no. 01035198 ('QUL'), (3) QBE Management Services (UK) Limited, no. 03153567 ('QMSUK') and (4) QBE Underwriting Services (UK) Limited, no. 02262145 ('QSUK'), all four companies having their registered offices at 30 Fenchurch Street, London, EC3M 3BD, and being incorporated in England and Wales. QBE Europe is authorised by the National Bank of Belgium under licence number 3093. QBE UK and QUL are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. QUL is a Lloyd's managing agent. QMSUK and QSUK are both Appointed Representatives of QBE Europe and QUL.