

Cyber Risk Insurance for Agents

Frequently Asked Questions



About Great American Insurance

Great American Insurance Group's roots go back to 1872 with the founding of its flagship company, Great American Insurance Company. Based in Cincinnati, Ohio, the operations of Great American Insurance Group are engaged primarily in property and casualty insurance, focusing on specialty commercial products for businesses, and in the sale of traditional fixed, fixed-indexed and variable annuities. Great American Insurance Company has received an "A" (Excellent) or higher rating from the A.M. Best Company for more than 100 years. In fact, the Company's rating is currently "A+" (Superior) affirmed May 12, 2016. The members of Great American Insurance Group are subsidiaries of American Financial Group (AFG), also based in Cincinnati. AFG's common stock is listed and traded on the New York Stock Exchange under the symbol, "AFG."

strong
specialized
responsive
leader

Cyber Risk Insurance

According to PWC's 19th Annual Global CEO Survey (2016), cyber security is a worry for 61% of CEOs. With the increasing frequency of highly publicized cyber security data breaches, business leaders today have come to realize the degree of threat that cyber risk exposures can have to their respective businesses.

In addition to ensuring that the proper information security tools and measures are implemented, risk management becomes a greater consideration as well since the exposures facing businesses today can come from a myriad of sources. Here are some points for your clients to consider when evaluating the cyber risks and exposures.

- **Costs of a Data Breach:** The average cost of a data breach is upwards of **\$158 per record** in the United States (2016 Ponemon Institute Study).
- **Regulatory Environment:** Existing federal and state privacy-related laws in more than 46 states require the proper notification of the impacted parties should an organization experience a data breach of protected information. There are costs associated with the potential risk of paying fines/penalties as well as incurring legal expenses responding to a regulatory proceeding.
- **Big Data:** We live in an age where every business uses technology to store vast amounts of electronic data. The more personal information we keep, the greater the potential loss if that information is compromised.
- **Mobile Security:** The widespread use of mobile devices that are capable of storing large amounts of data becomes an even greater concern as portability leads to an increased risk for a data breach due to lost/stolen devices as well as the increasing use of personal mobile devices to conduct business.



A.M. Best rating affirmed May 12, 2016



- **Acts of Employees:** Even organizations with the proper data security tools in place cannot prevent the unintentional employee mistakes or an employee's intentional acts to steal personal information, extort their employer or maliciously corrupt data. In fact, 22% of the 42,000 security incidents studied were attributed to errors (2017 Verizon Business Risk Data Breach Investigations Report).
- **Website / Social Media:** More businesses today are using their own websites and social media sites to conduct transactions, communicate and connect with customers. Technology today enables any business to reach a critical mass of people. Any interruption of that capability or any issues surrounding the content that was viewed may lead to a claim.
- **Size of Organizations:** Organizations of all sizes are potential data breach victims. The 2017 Verizon Business Risk Data Breach Investigations Report shares that nearly 75% of breaches studied involve organizations under 100 employees.



Provide clients peace of mind with breach responsive services

Great American's cyber risk insurance policyholders will be given access to the **CyberScout** portal that provides a wealth of information, tools and resources.

CyberScout provides the following breach services:

- Incident response plan
- Regulatory consulting
- Personalized breach consulting
- Damage assessment
- Consumer notification assistance
- Media relations consulting

Brief Coverage Detail

Insuring Agreement 1 *Website Publishing Liability* – Applies to liability arising out of claims for “wrongful acts” associated with the content posted to a policyholder’s web site. A wrongful act is defined to include actual or alleged errors, misstatements or misleading statements that result in an infringement of another’s copyright, trademark, trade dress, service mark, defamation, or violation of a person’s right to privacy.

Media Liability – Expands the coverage under Website Publishing to also include any actual or alleged error, misstatement or misleading statement arising out of the gathering, recording, collecting, writing, editing, publishing, exhibiting, broadcasting or releasing of content.

Insuring Agreement 2 *Network Security Liability* – Applies to liability arising out of claims for wrongful acts associated with actual or alleged neglect, breach of duty or omission in maintaining the security of the policyholder’s computer system. “Wrongful act” means any actual or alleged neglect, breach of duty or omission by a “policyholder” that results in the unauthorized access to the “policyholder’s” “computer system” by a non-“policyholder” and such access results in: 1) the unauthorized publication by a non-“policyholder” of a “policyholder’s” clients’ “personal information” which was held within the “policyholder’s” “computer system”; or 2) a “policyholder’s” “computer system” transmitting, by e-mail or other means, a “virus” to a third party.

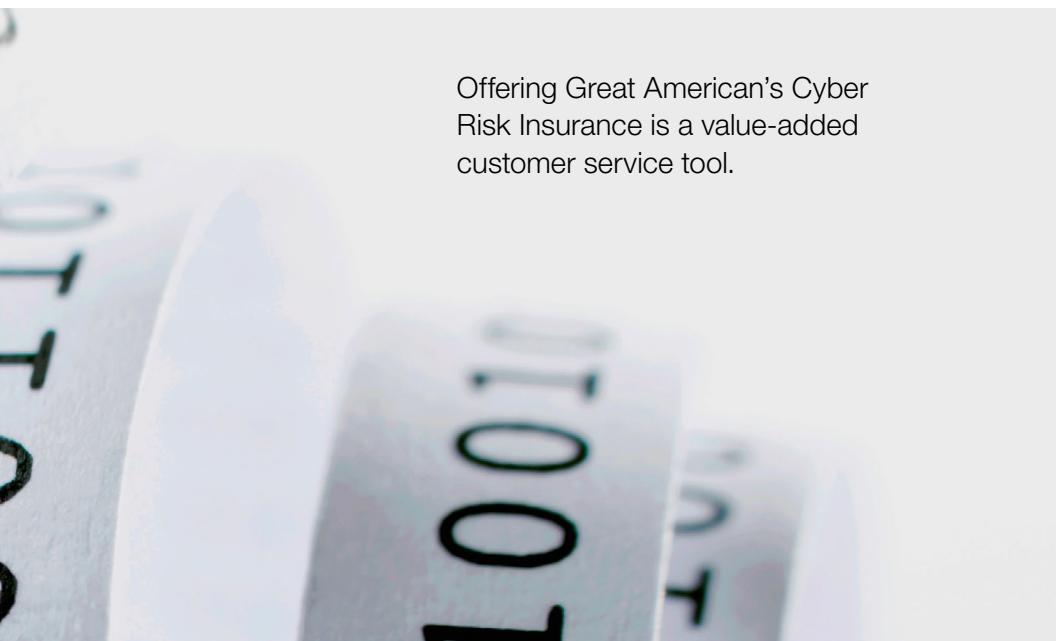
Insuring Agreement 3 *Programming Errors & Omissions Liability* – Provides coverage for loss that the policyholder becomes legally obligated to pay as a result of its wrongful acts. Wrongful act, includes any actual or alleged programming error or omission that results in the disclosure of a policyholder’s client’s personal information held within the policyholder’s computer system.



Insuring Agreement 4 *Replacement or Restoration of Electronic Data* – Provides coverage for the costs to replace or restore electronic data or computer programs that are damaged or destroyed as a direct result of an E-Commerce incident, which is defined as a virus, malicious instruction or denial of service attack introduced or enacted upon the policyholder’s computer system that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the system or otherwise disrupt its normal operation.

Insuring Agreement 5 *Extortion Threats* – Provides coverage for the reimbursement of extortion expenses and ransom payments incurred as a direct result of a cyber extortion threat. Includes threats to publish a client’s personal information which exists in hard copy in addition to that held in the computer system. Coverage also includes other types of extortion threats including threats to destroy, corrupt or prevent normal access to the computer system and threats to inflict ransomware.

Insuring Agreement 6 *Business Income and Extra Expense* – Provides coverage for the actual loss of business income and/or extra expense incurred by the policyholder as a direct result of an E-Commerce incident or cyber extortion threat. An “E-Commerce incident” is defined as a virus, malicious instruction or denial of service attack introduced or enacted upon the policyholder’s computer system that is designed to damage, destroy, delete, corrupt or prevent the use of or access to any part of the system or otherwise disrupt its normal operation.



Offering Great American’s Cyber Risk Insurance is a value-added customer service tool.



Alternative Markets

Corporate Headquarters
301 E Fourth Street
Cincinnati, OH 45202
GAIG.com

Property & Casualty Operations - Specialty Divisions

Accident & Health
AgriBusiness®

Alternative Markets

American Empire Group
Aviation
Bond
Crop
ECA-Nonsubscription
Environmental
Equine Mortality
Excess Liability
Executive Liability
FCIA - Trade Credit & Political Risk
Fidelity / Crime
Financial Institution Services
Great American Custom
Mergers & Acquisitions Liability
Mid-Continent Group
National Interstate
Ocean Marine
Professional Liability
Property & Inland Marine
Public Sector
Republic Indemnity
Specialty E&S
Specialty Equipment Services
Specialty Human Services
Strategic Comp
Summit
Trucking
Unemployment Risk Solutions

Annuity Operations - Subsidiaries

Annuity Investors Life
Insurance Company®
Great American Life
Insurance Company®

Property & Casualty Operations - Subsidiaries

Canadian Branch
El Aguila
Great American International
Great American P&C Mexico
Division
Neon
Singapore Branch

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Coverage description is summarized. Not available in all states. Refer to the actual policy for a full description of applicable terms, conditions, limits and exclusions. Policies are underwritten by one of the following admitted insurers: Great American Alliance Insurance Company, Great American Assurance Company, Great American Insurance Company, Great American Insurance Company of New York, Great American Security Insurance Company and Great American Spirit Insurance Company. ISO® is a registered service mark of Insurance Services Office, Inc. The following registered service marks are owned by Great American Insurance Company: the Great American Insurance Group eagle logo and the word marks Great American® and Great American Insurance Group®. © 2017 Great American Insurance Company. All rights reserved. Great American Insurance Group 301 E Fourth Street, Cincinnati, OH 45202. 0219D-ALT (6/17)