

## ***A Quick Look at Cyber & Network Liability***

Cyber and Network liability policies generally cover liability and property losses that result from electronic activities, primarily data breaches. The scope of coverage varies by carrier, but for the most part all of the policies cover notification costs, credit monitoring, costs to defend claims from state regulators, fines and penalties, and coverage for the cost of restoring and recreating breached data. Many Cyber policies now also include coverage for cyber extortion which has become a common occurrence.

### ***Claim Example:***

A teacher clicks on a malicious link in an email and malware is downloaded onto the school server, encrypting all information. The school is no longer able to access any student or staff information. Hackers demand a ransom and threaten to release the personal information of students and staff.

### ***Response:***

The carrier responds and provides an information technology consultant to assess system backup capabilities and complete a forensic investigation to locate and remediate the malware. The carrier pays for all costs associated with replacing the corrupted data and/or associated with addressing extortion threats to release any information. In the event that student or employee personal information is released, the carrier will pay for defense and settlement costs.



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