

ISMIE's Cyber Liability Protection

IN PARTNERSHIP WITH BEAZLEY SYNDICATE

ISMIE Continues to Improve its Cyber Liability Protection.

- Four additional coverages have been added to our already broad offerings: eCrime (Fraudulent Instruction, Funds Transfer Fraud, Telephone Fraud) and Criminal Reward Coverage.
- Retentions have been reduced or eliminated for most coverages.
- ISMIE will now provide notification services to affected individuals worldwide.

SUMMARY OF COVERAGE

Information Security and Privacy Liability provides protection to the policyholder for any claim which arises because of violation of a privacy law, such as:

1. Theft, loss or unauthorized disclosure of personally identifiable non-public information (such as social security numbers, debit or credit card numbers, personal identification numbers (PINs), driver's license number, etc.);
2. Failure of computer security to prevent a security breach;
3. Policyholder's failure to disclose either 1 or 2 in violation of a breach notice law;
4. Failure to comply with a privacy policy;
5. Failure to administer an identity theft program.

Privacy Breach Response Services are additional services that will be provided in the event of an unauthorized disclosure or security breach, such as:

1. A computer security expert to determine the existence and cause of any electronic data breach and/or a PCI Forensic Investigator required under the terms of a merchant services agreement to investigate the existence and extent of compromised credit card data;
2. Payment of attorney fees to determine the applicability of any breach notice, to provide legal advice in responding to a breach, and/or to advise on credit card system operating regulation requirements;
3. Public relations and crisis management services; and
4. Required notification to affected individuals because of any breach notice law, as well as a credit monitoring, identity monitoring, or other solution for affected individuals at no cost.

Regulatory Defense and Penalties provides coverage for any regulatory proceeding brought against the policyholder because of an unauthorized disclosure, security breach or failure to disclose such acts in violation of a breach notice law.

First Party Network Business Interruption provides coverage for any income loss and any extra expense which is a direct result of the failure of computer systems because of a security breach.

Website Media Content Liability provides coverage for any claim which arises because of any display of any electronic information on the policyholder's website.

PCI Fines, Expenses and Costs provides protection for any fines or costs which arise under the terms of a merchant services agreement (an agreement between a policyholder and a financial institution which governs the use of credit/debit cards).

Cyber Extortion provides reimbursement to the policyholder for losses that result from a threat to alter, destroy, damage, delete or release electronic data, including patient, business and personal information and software.

First Party Data Protection provides reimbursement for losses resulting from the damage to, or inability to access a data asset as a result of a computer security failure.

Practitioner Regulatory Liability provides coverage for any claim which arises from an alleged error or omission involving: billing errors, self-referrals, violations of the Health Insurance Portability and Accountability Act and/or the Emergency Medical Treatment and Labor Act.

eCrime provides coverage for financial loss resulting from fraudulent instruction, funds transfer fraud, or telephone fraud.

Criminal Reward provides reimbursement for an authorized amount offered and paid for information that leads to the arrest and conviction of any individual(s) committing or trying to commit any illegal act related to the coverages outlined above.

Primary Aggregate Limit and Sublimits:		
Primary Aggregate Limit of Liability	Coverage	Sublimits (included in Aggregate, not in addition)
Physician Group: \$500,000	Regulatory Defense and Penalties	\$50,000
	First Party Network Business Interruption	\$20,000
	Website Media Content Liability	\$50,000
	PCI Fines, Expenses and Costs	\$50,000
	Cyber Extortion	\$20,000
Individual Physician: \$100,000	First Party Data Protection	\$20,000
	Practitioner Regulatory Liability	\$50,000
	eCrime: Fraudulent Instruction	\$20,000
	eCrime: Funds Transfer Fraud	\$20,000
	eCrime: Telephone Fraud	\$20,000
	Criminal Reward	\$20,000

- Limits apply to: damages, claims expenses, penalties, business interruption loss, PCI fines, expenses and costs, cyber extortion loss, data protection loss, eCrime loss and criminal rewards payments.
- First Party Network Business Interruption** includes three sublimits inside the \$20,000 limit shown above:
 - 'income loss' of \$5,000 per hour;
 - 'forensic expenses' of \$5,000 per policy period
 - 'business interruption loss' of \$5,000 arising from computer systems hosted by others
- Professional Regulatory Liability** includes a 'disciplinary proceedings' sublimit of \$25,000 inside the \$50,000 sublimit shown above.
- Limits are in excess of the applicable retention (see next page).

Privacy Breach Response Aggregate Limit and Sublimits:	
Privacy Breach Response Aggregate Limit of Coverage	Privacy Breach Response Services Sublimit (included in Aggregate, not in addition)
Physician Group 200,000 Notified Individuals	\$50,000
Individual Physician 10,000 Notified Individuals	\$25,000

- Privacy Breach Response Aggregate Limit is separate from and in addition to the primary aggregate limit.
- Limits apply to: computer expert services, legal services, public relations and crisis management expenses, notification services, call center services and breach resolution and mitigation services.
- Limits are in excess of the applicable retention (see next page).

Retentions:		
Coverage	Physician Group	Individual Physician
Regulatory Defense and Penalties	\$2,500	\$0
First Party Network Business Interruption	\$2,500	\$0
Website Media Content Liability	\$2,500	\$0
PCI Fines, Expenses and Costs	\$2,500	\$0
Cyber Extortion	\$2,500	\$2,500
First Party Data Protection	\$2,500	\$0
Practitioner Regulatory Liability	\$2,500	\$0
eCrime	\$2,500	\$0
Criminal Reward	\$2,500	\$0
Privacy Breach Response Services	\$0	\$0
Notification Services	50 Notified Individuals	0 Notified Individuals

1. Retentions are satisfied by: damages, claims expenses, penalties, business interruption loss, PCI fines, expenses and costs, cyber extortion loss, data prevention loss, eCrime loss and criminal reward payments.

Three Critical Facts to Remember with ISMIE's Cyber Liability Protection:

1. Time is of the essence when reporting a claim. State and federal privacy, health information and consumer protection laws mandate strict time notification requirements. If you become aware of a breach you should contact the ISMIE Claims Division as soon as possible at (800) 782-4767 x 3510.
2. Each federal and state regulation is complex and ever-changing. Beazley has assembled legal experts to assist and defend you. You must utilize one of the select attorneys from the Beazley panel. They will become your advocate and advisor in partnership with ISMIE.
3. As with ISMIE's other supplemental policy coverages, ISMIE's cyber liability protection carries a retention (i.e. deductible) feature that is referenced in the above summary of coverage. This means that each policyholder is responsible for claims payments, penalties, expenses and business interruption loss until such time as the retention (i.e. deductible) has been met. Afterwards, ISMIE will be responsible for such costs subject to the applicable aggregate limits and sublimits referenced in the summary of coverage on the following pages.

The protection and services outlined above are stated generally and do not change, modify or amend the terms, conditions and coverages included in the cyber liability endorsement attached to your policy, or the policy itself. In all cases, the language of the cyber liability endorsement and the policy itself will determine the protection and the services provided to you.

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Higher Limits for Cyber Liability Protection

- Obtaining higher cyber liability limits is simple for individual physician policyholders and groups with up to 10 physician affiliates and is \$850* per physician.
- Larger groups or any policyholder desiring limits higher than \$1M aggregate must complete an application to receive an indication for higher cyber limits.
- In addition to higher cyber liability limits, you can increase your Professional Regulatory Liability limits for an additional premium charge.
- Higher eCrime coverage limits are also available for additional premium.

See chart below for higher aggregate coverage to \$1M overall, with expanded sublimits.

Higher Limits for Individual Physicians and Physician Groups with up to 10 Affiliates				
Coverages Included	Individual Physicians		Physician Groups	
	Basic	Expanded	Basic	Expanded
Information Security and Privacy Liability	\$100,000	\$1,000,000	\$500,000	\$1,000,000
Notification Services (number of notified individuals)	10,000	100,000	200,000	500,000
Privacy Breach Response Services	\$25,000	\$150,000	\$50,000	\$250,000
Regulatory Defense & Penalties	\$50,000	\$100,000	\$50,000	\$500,000
First Party Network Business Interruption	\$20,000	\$20,000	\$20,000	\$50,000
Website Media Content Liability	\$50,000	\$250,000	\$50,000	\$500,000
Payment Card Industry (PCI) Fines and Costs	\$50,000	\$50,000	\$50,000	\$100,000
Cyber Extortion	\$20,000	\$25,000	\$20,000	\$50,000
First Party Data Protection	\$20,000	\$20,000	\$20,000	\$50,000
Practitioner Regulatory Liability	\$50,000	\$50,000	\$50,000	\$100,000
eCrime: Fraudulent Instruction	\$20,000	\$20,000	\$20,000	\$20,000
eCrime: Funds Transfer Fraud	\$20,000	\$20,000	\$20,000	\$20,000
eCrime: Telephone Fraud	\$20,000	\$20,000	\$20,000	\$20,000
Criminal Reward	\$20,000	\$20,000	\$20,000	\$20,000

Insureds that obtain higher coverage limits will have retentions of \$5,000 for Physician Groups and \$2,500 for Individual Physicians.

To secure expanded protection, please complete the application for Higher Limits for Cyber Liability Protection and return it to underwriting@ismie.com, or via fax to 312-782-2023. To discuss higher cyber limits or any aspect of ISMIE's Cyber Liability Protection, please contact your Underwriting representative at 800-782-4767 ext. 3350. If you have an insurance producer, you may contact him or her. Application and more information available at www.ismie.com

*Subject to a completed application and underwriting review and approval.