

FAILSAFE GIGA® AND FAILSAFE TERA® - PROFESSIONAL & CYBER RISK INSURANCE

Protect your technology company against data privacy wrongful acts and network intrusions.



FIRST-PARTY COVERAGES

offered through
The Hartford's FailSafe
GIGA® and FailSafe TERA®
Professional & Cyber
Risk coverage forms.

SENSITIVE INFORMATION. MISSION-CRITICAL SYSTEMS.

Technology companies frequently possess the personally identifiable information or protected health information of their customers, employees and vendors.

This nonpublic personal information may uniquely identify a person. As privacy norms evolve, the information may take on different forms, including but not limited to:

- Social Security number
- Medical records
- Credit card number(s) and financial information
- Usernames and passwords
- Geolocation data
- Any information deemed private/confidential by global laws

Technology companies also rely on their, or a third party's, network to operate and generate revenues.

YOUR RESPONSIBILITIES

Data privacy laws throughout the world require companies to protect this sensitive information. If the information isn't secured by the company responsible for it, the company must also:

- Meet notification requirements
- Face possible fines, and
- Extend other protections to those whose information has been compromised

A network intrusion can also expose a company to reputational damage, cyber extortion, business interruption and more.

THE IMPACT TO YOU

While a company may have controls in place to safeguard against cyber security breaches, a hacking event can still occur. The resulting intrusion can leave a company with a host of expenses and costs, including:

- Costs to notify affected individuals
- Investigation expenses to determine the cause of the breach
- Crisis management fees to minimize potential harm to the company’s reputation
- Identity monitoring expenses
- Data privacy law and PCI fines/penalties
- Lost business and destroyed data

FIRST-PARTY VS. THIRD-PARTY COVERAGE

It’s critical to recognize that first-party expenses and loss aren’t the same as damages being claimed by a third party. These are direct “first-party” exposures for a company. While the event that resulted in the breach may also result in a third-party claim, the expenses and losses noted above would not be claims for damages by a third party.

That’s why these first-party expenses can’t be appropriately addressed through a traditional third-party liability product. Companies need first-party coverage to be adequately protected.



YOUR SOLUTION FROM THE HARTFORD

The Hartford’s FailSafe suite of Professional & Cyber Risk products provides comprehensive protection for core third-party liability exposures of technology companies, including:

- Professional Liability coverage
 - » Errors & Omissions (E&O) Liability: Negligence, Breach of Warranty or Representation
 - » Security Liability for Professional Services
- Data Privacy & Network Security Liability

Our FailSafe GIGA and FailSafe TERA products can further expand protection to include:

- Professional Liability coverage – expanded perils
 - » Personal Injury
 - » Intellectual Property (includes infringement of software code)
- Media Liability coverage
- First party coverage of expense and loss resulting from improper disclosure of nonpublic personal information, breach or violation of data privacy laws, or business down-time.

ABOUT FIRST-PARTY COVERAGES

The Hartford’s first-party protection covers the unauthorized access or unauthorized use of the insured’s computer system, including:

- Breach expenses
- Extortion
- Business interruption and data loss

What breach expenses may be covered?

A technology company may choose coverage for one or more of the following expenses:

1. Crisis management expenses to pay for first-party public relations or crisis services to protect a company’s reputation.
2. Cyber investigation expenses to pay for computer forensics to determine the source of a data privacy wrongful act or network intrusion, and comply with data protection requirements.

3. Data privacy regulatory expenses to respond to regulatory actions, and pay government fines in connection with a data privacy wrongful act.
4. Notification and identity protection expenses to pay for mandatory and voluntary notification, call center services, and ID protection services.
5. PCI expenses legally required under the terms of a payment card agreement as a result of a data privacy wrongful act or network intrusion.

Is extortion covered?

The Hartford also offers cyber extortion expense coverage. It pays the expenses incurred when a business receives an extortion threat, including a demand for extortion payments by a person or group that’s not insured under the policy.

Business interruption and data loss coverage.

A network intruder can transmit malicious code or cause a denial of service attack to a business’s system or even those of a third-party provider. If that occurs, what types of loss can a business experience?

Applicable first-party coverage is available for:

- Business interruption coverage to pay for income loss and extra expenses caused by a network outage from a network intrusion
- Dependent business interruption coverage to pay for income loss and extra expenses caused by a network outage or a third-party service provider from network intrusion, and
- Data restoration coverage to pay for costs incurred to recover or restore data to a state prior to a network intrusion

How can first-party coverage be purchased?

This coverage is conveniently available as an endorsement to FailSafe GIGA and FailSafe TERA Professional & Cyber Risk policies available through The Hartford’s Technology & Life Science Practice.

First-party privacy coverage will be included for all eligible technology accounts that elect these enhancements.



What are the limits for first-party coverage?

Eligible accounts that purchase The Hartford’s FailSafe GIGA or FailSafe TERA policy will automatically receive a \$5,000 sublimit for first-party breach expense coverage. Higher sublimits for this coverage are also available for purchase.

Coverage is a sublimit of insurance and not in addition to the aggregate limit of a FailSafe GIGA or FailSafe TERA policy.

A PORTAL TO RISK CONTROL

Policyholders will also have access to [The Hartford Cyber Center](#). It provides tools and information about raising the bar on security, including:

- Breach response calculator
- Templates
- Best practice guides
- Training videos
- The latest news on privacy and security

CYBER RISK ALLIANCES

Pre-breach solutions.

To help close security gaps, The Hartford offers recommendations and pre-negotiated discounts on pre-breach cyber security services.¹

Post-breach solutions.

The Hartford has developed a panel of third-party service providers with deep breach response experience. We call them The Hartford First RespondersSM. After a breach, they can help businesses:

- Coordinate a timely and efficient response
- Comply with regulatory requirements
- Protect the company’s brand
- Provide real identity risk solutions to their customers

The Hartford First RespondersSM can help businesses round out their incident response plan. As customers of The Hartford, businesses have the additional benefits of:

- 24/7 emergency response assistance
- Pre-negotiated rates
- Vendor availability²

WE KNOW YOUR INDUSTRY AND DELIVER ACCORDINGLY

At The Hartford, we've been insuring the technology and life science industry for more than 30 years. We understand the rapidly changing environment in which this business operates. We offer the products and services designed to help meet their coverage needs today and tomorrow.

LEARN MORE. Visit thehartford.com/technology for more information about our products and services for technology companies. Contact your local agent from The Hartford today.



Business Insurance
Employee Benefits
Auto
Home

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² The Hartford has arranged for data risk management services for our policyholders at a discount from some third-party service providers. Such service providers are independent contractors and not agents of The Hartford. The Hartford does not warrant the performance of third-party service providers even if paid for as part of the policy coverage, and disclaims all liability with respect to use of or reliance on such third-party service providers.

This document outlines in general terms the coverages that may be afforded under a policy from The Hartford. All policies must be examined carefully to determine suitability for your needs and to identify any exclusions, limitations or any other terms and conditions that may specifically affect coverage. In the event

of a conflict, the terms and conditions of the policy prevail. All coverages described in this document may be offered by one or more of the property and casualty insurance company subsidiaries of The Hartford Financial Services Group, Inc. Coverage may not be available in all states or to all businesses. Possession of these materials by a licensed insurance producer does not mean that such producer is an authorized agent of The Hartford. To ascertain such information, please contact your state Department of Insurance or The Hartford at 1-888-203-3823. All information and representations herein are as of October 2016.

In Texas, the insurance is underwritten by Hartford Accident and Indemnity Company, Hartford Fire Insurance Company, Hartford Casualty Insurance Company, Hartford Lloyd's Insurance Company, Hartford Insurance Company of the Midwest, Trumbull Insurance Company, Twin City Fire Insurance Company, Hartford Underwriters Insurance Company, Property and Casualty Insurance Company of Hartford and Sentinel Insurance Company, Ltd.

Certain coverages and features may vary and may not be available in all states. Applicants are individually underwritten and some may not qualify. This insurance is underwritten by Hartford Fire Insurance Company, Inc., and its property and casualty affiliates, Hartford, CT. In CA, this insurance is written by Hartford Fire Insurance Company (CA license #7268) and its property and casualty insurance affiliates.

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