Financial Lines
Product Profile

CyberEdge®







Addressing Companies' Top Priority

A recent AIG survey found C-suite executives, risk managers, and IT decision makers ranked risks for their companies as follows:

Cyber Risk:	86%
Loss of Income:	82%
Property Damage:	80%
Workers' Compensation:	78%
Utility Interruption:	76%
Securities and Investment Risk:	76%
Auto/Fleet Risk:	65%

CyberEdge® is a comprehensive risk management solution for cyber insurance offered by AIG. In a rapidly changing landscape, CyberEdge® provides innovative protection to help businesses safeguard against sensitive data breaches (personal and corporate data), computer hacking, dumpster diving, computer viruses, employee sabotage or error, pilferage of information, security failures, business interruption and identity theft.

Most high-profile stories in the media today address the type of data loss that impacts people on various levels; credit card numbers, medical records, birth dates, ID/passport numbers and other private personal information.

We should also be mindful of the impact from the loss of corporate data and information such as intellectual property and proprietary information. The falling of which into the hands of a competitor or even an extortionist can severely disadvantage business.

We help you stay ahead of the curve and provide responsive guidance based on years of experience. The protection that CyberEdge® provides is a valuable additional layer to the most powerful first line of defence against cyber threats on a company's own IT system.

More people are at risk

Virtually all companies handle personal and corporate data on a daily basis, whether it be identity card numbers and corresponding profiles of employees, credit card information, sensitive demographic information about customers' information on budgets, customer lists, share prospectus or marketing plans. The same companies face very real liabilities if such data falls into the wrong hands or enters the public domain.

More claims examples equals increased demand

Clients are realising the risk to data and are beginning to request policies with enhanced coverage. AIG has launched the most innovative insurance product in addressing these issues: CyberEdge®.

Financial Lines
Product Profile

Providing a Comprehensive Solution

With CyberEdge®, we help you respond to an incident better, quicker, and more systematically.

A response typically requires:

- Computer forensics to determine the cause of an event.
- Compliance with the diverse notification requirements of 46 states and many other jurisdictions.
- Crisis management to mitigate reputational damage.
- Hiring legal counsel to advise your company with regard to its response to an incident.
- Adherence to regulatory requirements of all relevant jurisdictions.

Responsive Guidance

- Our CyberEdge® teams located around the world are responsive and react quickly to give guidance when needed, from assessing your needs to processing your claims.
- With CyberEdge®, you have instant access to the advice of the best and the most experienced claims specialists and other strategists when necessary. The strong relationships we have with vendors, including forensic, legal, and communications, ensure rapid support.

Experience

- We have been protecting companies against cyber risk since the late 1990s when the cyber insurance industry was in its infancy.
- Our experienced underwriting team always offers suitable services and keeps pace with the times.
- More than 20 million individuals from around the globe have trusted us to help respond to some of the biggest data breaches.

Ahead of the Curve

- Constantly monitoring the cyber landscape, we stay at the forefront of the industry as cyber risks continue to evolve.
- Our innovation becomes your protection.
- Companies have the flexibility to tailor coverage options to ensure they are able to promptly respond and prevent future or more costly damages.

Other Policy Gaps

Most traditional insurance policies do not provide adequate coverage or protection in the event of these evolving exposures:

- Professional Indemnity/ Professional Liability (PI) – Broadly worded PI policies are tied to “professional services” and may have a requirement that there be an act of negligence.
- Commercial General Liability - Advertising Injury/Personal Injury has potential exclusions/limitations around financial loss and online web advertising.
- Crime – Requires intentional acts trigger and only covers money, securities, and tangible property.
- Kidnap and Ransom – No coverage without a “cyber-extortion” amendment.
- Property – Data is not considered tangible property. CyberEdge® is a specially designed solution which addresses the liability of companies arising from data protection laws, the management of personal data and the consequences of losing corporate information.

Financial Lines
Product Profile

The Cost of Data Breaches

Research has shown that data breach costs tend to be linear; the more records comprised the greater the costs. Expenses associated with a large data breach include:

- Detection, escalation, notification and response – A sophisticated attack by a hacker may take months to uncover, after which the full extent of the damage may not be known for several additional months.
- Lost business – Business can be lost both as a result of customer attrition as well as difficulty in attracting new customers.
- Fines and penalties
- Damages – Individuals and businesses that claim to have been damaged as a result of a data breach often seek compensation.
- Lost productivity – While difficult to quantify, lost productivity can be a very real cost of a data breach.
- Additional audit and security requirements – Companies experiencing a data breach may deem it necessary to implement enhanced monitoring and auditing protocols.
- Miscellaneous additional costs – Additional costs arising from a data breach can include legal fees, consultant fees and various settlement costs.[2]

Advisen Special Report Sponsored by AIG, "An Anatomy of a Data Breach: Disaster -Avoiding a Cyber Catastrophe." 2011

Coverage includes:

- Personal Data Liability – Breach of personal information/Data Protection.
- Corporate Data Liability –Breach of corporate information.
- Outsourcing – Breach of Data Protection by an Outsourcer where the Data User or Policyholder is legally liable.
- Data Security – Damage resulting from any breach of duty that ends in:
    - Contamination by Malicious Code of Third Party Data
    - Improper or wrongful denial of access by an authorized Third Party to Data
    - The theft of an access code from premises, computer system, or employees
    - The destruction, modification, corruption, damage or deletion of Data stored on any Computer System due to a Breach of Data Security
    - Unauthorized access, use or transmission of a malicious code against Third Party due to a breach of Data Security
    - The physical theft of hardware
    - Data disclosure due to a Breach of Data Security
- Defence Costs – Both Civil and Criminal, including defence costs in respect of any regulatory investigation or criminal prosecution brought by a public authority.

Available Coverages:

We make it easy to do business with us by offering competitive rates, tailored solutions, and straightforward claims processing. In order to fit your unique needs, CyberEdge's ® suite of coverage includes:

Benefits:

- Data Administrative Investigation – Provides costs and expenses for legal advice and representation in connection with a formal investigation by a Data Protection Authority or other regulator.
- Data Administrative Fines – Insurable fines and penalties obligated to pay to a government authority, regulator or data protection authority for a breach of data protection laws or regulations.
- Notification & Monitoring Costs – Provides costs and expenses for the legally required disclosure to Data Subjects.
- Repair of the Company's and Individual's Reputation - Reimbursement of costs incurred in relation to Reputational.

Industries that will benefit from CyberEdge® include all Commercial entities, including but not limited to the following sectors:

- Medical/Healthcare
- Retail/Wholesale
- Manufacturing/Industrial
- Construction/Real Estate
- Telecommunications/Media/Technology/Internet Services
- Transportation/Airlines/Travel Sector/Logistics
- Education (Schools, Colleges and Universities
- Entertainment
- Professionals (Solicitors, Law Firms, Accountants, Insurance Brokers)
- Telemarketing/Call Centre/ Internet Services/Data Processing (Outsourcer)
- Government and Municipalities
- Any company with offices/ operations in EU, Japan, Australia, New Zealand, Korea, Hong Kong, Taiwan, Malaysia and USA where data protection legislation is onerous
- Any other Commercial entity that holds personal information and data

Damage due to a claim covered by this policy:

- Electronic Data – Determining whether Electronic Data can or cannot be restored, recreated, or recalled.
- Pro Active Forensic Services – Identifying whether a breach of data security has occurred and its course; includes advice on how to mitigate/prevent.
- Wide definition of Insured – Including director or partner, in-house counsel, data protection officer, Chief Compliance Officer, employee, estates or legal representatives of any insured.
- Wide definition of Data, Data Protection, Breach of Duty

Optional Extensions

- Media Content – The collection, creation, release, printing, broadcasting or distribution of media content, advertising and written, printed, video, electronic, digital or digitized content that results in an infringement. Plagiarism, piracy or misappropriation or theft of ideas; libel or slander committed without malice or an intrusion, invasion.
- Cyber Extortion – Any extortion incurred as a result of a Security Threat.
- Network Interruption Insurance – Net Income (Net Profit or Loss before income taxes) that would have been earned and continuing normal operating expenses incurred, including payroll, as a result of a security failure.

Data Crisis Response Services

- Dedicated hotlines to specialist legal and public relations advisors in the event of an actual or suspected data loss.
- Timely advice to help Insureds mitigate or even prevent loss.
- Leading professional experts providing global coverage and localized advice.
- Direct access to the helpline, no permission required from Insurer.
- Services available to individuals and the company.

Financial Lines
Product Profile

Target market
From small to multinational companies with a minimum revenue/ turnover/fee income of at least US$100,000 per annum

Jurisdiction/territorial limit
Worldwide (excluding USA/Canada)

Documents required for underwriting (to be reviewed and accepted by Underwriters

CyberEdge® Proposal Form

Coverage period
Claims first made against the Insured during the Policy Period

Limits of liability
Up to US$25,000,000 – subject to individual risk assessment

To learn more about CyberEdge®:

Email: CyberEdge@aig.com

Visit: www.AIG.com/us/CyberEdge

Contact:Your insurance broker

The above information is for general reference only. For full terms and conditions and exclusions, please refer to the policy document itself which shall prevail in case of inconsistency.

Bring on tomorrow

American International Group, Inc. is a leading global insurance organization. Founded in 1919, today we provide a wide range of property casualty insurance, life insurance, retirement products, mortgage insurance and other financial services to customers in more than 100 countries and jurisdictions. Our diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

AIG Insurance Hong Kong Limited is a wholly owned subsidiary of the American International Group Inc.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at http://www.aig.com or http://www.aig.com.hk. Additional information can also be found at http://www.aig.com/strategyupdate | YouTube: http://www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: http://www.linkedin.com/company/aig.

All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain property-casualty coverages may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds, and insureds are therefore not protected by such funds.

© AIG – all rights reserved