

AXIS® PRO PrivaSure™

Comprehensive Protection Against Data Privacy Risks



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Data security is a paramount concern to risk managers and businesses around the world. Whether a business maintains confidential employee data, customer information such as credit card data, or confidential client information, maintaining the security and privacy of this information is critical. A breach of data security could be ruinous, in terms of costs to comply with state notification requirements, potential liability claims, and damage to a company's reputation.

AXIS® PRO has created AXIS PRO PrivaSure™, a policy specifically designed to address these evolving exposures. The PrivaSure policy is designed to protect an enterprise from claims and other exposures resulting from a breach of data security. Coverage is also available for data crisis management expense, and computer system extortion threats. Sample classes insured include Contractors, Healthcare Facilities, Manufacturers, Wholesalers, Consultants, State and Municipal Governments, etc.

The PrivaSure policy also provides value-added risk management, crisis management and public relations services. In the event of a data breach, legal assistance is just a phone call away. Policyholders also will have access to a special password-protected website containing valuable information such as data security checklists, sample notification letters, state data breach notification information, best-practices security breach prevention information, and more.

Coverage is written by a member company of the AXIS group of insurance companies, rated "A+" (Strong) by Standard & Poor's and "A" (Excellent) XV by A.M. Best.

Coverage Highlights

- Covers unauthorized access to, use of, or tampering with all forms of private or public data
- Covers liability arising from denial of service attacks or the inability to access websites or computer systems
- Includes coverage for crisis management and public relations expenses
- Covers regulatory action defense expenses
- Covers computer system extortion expenses and losses
- Provides innocent insured coverage

- Covers intentional wrongful conduct of "rogue" employees
- Offers coverage for punitive damages (where allowed by law)
- Contains a soft hammer clause
- Includes a favorable consent to settle clause giving insured more control over settlement
- Includes coverage for negligent discrimination and harassment related to privacy claims
- Contains automatic subsidiary coverage including newly created or acquired entities
- Written with universal territory coverage

Maximum Limits, Minimum Premium and Minimum Retentions

- Up to \$10,000,000 policy limit capacity, primary or excess
- Up to a \$10,000,000 sub-limit available for crisis management and public relation coverage
- \$5,000 minimum premium for a limit of \$1,000,000
- \$10,000 minimum retention for each of Enterprise Security Liability, Enterprise Data Crisis Management Expense, and Regulatory Action Coverage

Optional Coverages

- Personal injury, infringement of copyright and infringement of trademark for the dissemination of content through websites.
- Business Interruption and Data Restoration available on most classes.
- Regulatory Action Fines and Penalties on qualified accounts.



Availability

Available in all 50 states and DC on a surplus lines basis, except NJ (admitted).

Claims Examples

The claims examples below illustrate the types of exposures companies can face.¹

- A discount retailer said its costs from the largest computer data breach in corporate history, in which thieves stole more than 45 million customer credit and debit card numbers, have ballooned to \$256 million. Those costs include
 - Cost of detection and determination of response
 - Internal investigation
 - Legal and external advice
 - Public relations and investor relations
- One credit card issuer estimated it had suffered \$65 to \$83 million in financial losses stemming from fraud caused by the theft.
- Two class-action lawsuits have been filed on behalf of customers of a Maine-based supermarket chain, which acknowledged a data breach that exposed card numbers involved in 4.2 million credit and debit transactions, leading to over 2,000 cases of reported fraud.
- Thieves who accessed a major shoe retailer's database obtained 1.4 million credit card numbers and the names on those accounts. Besides the credit card numbers, the thieves obtained driver's license numbers and checking account numbers from 96,000 transactions involving checks.
- An ex-employee of a check services company admitted to stealing the personal data of over 1.25 million customers and selling part of it to a third-party marketing company. The incident spawned a class action lawsuit that was recently settled. Under terms of the settlement agreement, the company would offer credit and bank account monitoring, identity theft reimbursement capped at \$4 million, reimbursement of some credit monitoring fees, and enhanced security.
- A University Hospital recently announced the theft of backup tapes containing records for 2.2 million patients. Notification letters have been sent and credit monitoring/restoration services are being provided.
- Up to 130,000 former and current patients of a hospital in Leonardtown were notified that a laptop with personal information was stolen from the hospital. The hospital provided services to help patients keep track of their personal information at a cost of \$425,000.
- A New York State Appellate Court has recently upheld a \$365,000 jury award against a health care center that mistakenly disclosed information regarding a patient's medical information. The Court held that the plaintiff could be awarded punitive damages for an unintentional breach of confidential medical information even if there was no malice or malicious behavior by the defendant.
- A disgruntled employee posted information on her blog noting that a hospital system included private patient information on systems diagrams posted on the Web.

¹ Some of the above are claims AXIS PRO has handled. In others, AXIS PRO was not directly involved. Coverage for these claims is not to be inferred from this list but must always be determined in reference to a particular insurance policy, which is the controlling document, as well as the facts and circumstances of each claim and applicable law.

This Product Overview is for descriptive purposes only and does not provide a complete summary of coverage. Consult the applicable insurance policy for specific terms, conditions, limits, limitations and exclusions to coverage. Coverage may not be available in all states and jurisdictions. Coverage is underwritten by AXIS PRO, a business unit of the Professional Lines Division of AXIS Insurance. 2/09 © 2009 AXIS Specialty U.S. Services, Inc. All Rights Reserved.