

ADVANTAGE NYSIR:

Data Breach and Cyber Liability Coverage



NYSIR is pleased to now provide a two-part data security insurance known as Data Compromise and CyberOne at no additional premium charge for all NYSIR member districts and BOCES.

Overview: School entities' exposure to cyber-risk is a growing and rapidly evolving concern. In 2016, NYSIR moved to address this trend by incorporating cyber-risk insurance by endorsement into its general liability policy. NYSIR is pleased to now provide two-part data security insurance known as **Data Compromise** and **CyberOne**, at no additional premium charge, for all NYSIR member districts and BOCES. The insurance will cover "first-party" direct costs of dealing with breaches of privacy or failures of security as well as "third-party" claims by affected individuals or government entities acting on their behalf.

Data Compromise coverage is designed to help public school entities cover expenses and financial, legal, and service obligations associated with an unauthorized disclosure of personal information. Also included are defense and liability costs related



to that personal data breach. **Response Expense Coverage** pays for post-breach notification requirements and other covered first-party expenses up to a \$250,000 aggregate, including:

- **Notification to affected individuals:** Provides for notification of "affected individuals." This coverage includes reimbursement of associated expenses.
- **Services to affected individuals:** Coverage for the following services to "affected individuals:" a packet of informational materials; access to a toll-free help line; one year of credit monitoring; and identity restoration case management. These services are provided free to the affected individuals for 12 months from the date of the notice.
- **Forensic information technology:** Expense for experts to determine the nature and extent of the breach.
- **Legal review:** Expense to consult with legal counsel to ensure that subscribers have the access and means to obtain professional



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legal advice and to understand notification responsibilities.

- **Public relations services:** Coverage for a professional PR firm to review and respond to the potential impact of the data compromise on the insured's business relationships.

- ▶ **Defense and Liability Coverage** up to an aggregate limit of \$250,000 provides for defense costs (covered within limits) and associated liability costs that arise from an action brought by "affected individuals" or government entities on behalf of third parties. Data Compromise insurance covers both settlements with "affected individuals" as well as judgments rendered.

CyberOne insurance helps school districts pay for the costs associated with restoring computer systems and recovering data as well as protecting against "third-party" liabilities a district might have as a result of a failure of system security.

- ▶ **Computer Attack** coverage provides up to a \$250,000 aggregate limit as a result of a computer attack by an unauthorized person who gains access to your computer system and causes damage to your computers or data. Covered expenses include:
 - **Data restoration costs:** Coverage for the cost of a professional firm hired by the insured to replace lost or corrupted data from electronic sources.
 - **Data recreation costs:** Coverage for the cost of a professional firm hired by the insured to research, recreate,

and replace lost or corrupted data from non-electronic sources.

- **System restoration costs:** Coverage for the cost of a professional firm hired by the insured to restore its computer system to its pre-attack level of functionality by replacing or reinstalling software, removing malicious code, and correcting the configuration of the insured's computer system.
- **Loss of business:** Coverage for business income lost by the insured and extra expenses incurred by the insured during the period of time when system and data recovery activities are taking place.
- **Public relations services:** Coverage for assistance from a professional PR firm in communicating with outside parties on the computer attack and the insured's response.

- ▶ **Network security liability** coverage provides for defense costs (within the coverage limit) and associated settlement and judgment costs arising from an action brought by third parties that allege certain injuries caused by a failure in the insured's systems security. The \$250,000 annual aggregate limit for network security liability is advantageously separate from the limit that applies to computer attack coverage.

Note: Descriptions of coverage in this document have been simplified and are subject to the coverage offered and accepted and the complete insurance policy terms and conditions. Words in italics have specific, defined meanings within the policy language. In the event of a discrepancy between this document and the actual policy of insurance issued including subsequent policy endorsements, the complete insurance policy shall be the governing document. Learn more at www.nysir.org or from your NYSIR representative.

