



HSB Cyber Insurance

Computer, data and cyber-risks insurance
Policy document



HSB Engineering Insurance



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Your contract with us

Thank you for buying the cyber insurance policy from us, HSB Engineering Insurance Limited (HSBEIL). We are pleased that you have chosen our policy, and we will work hard to make sure that you are happy with the cover and service you receive.

The policy is a legal contract between:

- you, the person or organisation shown in the schedule as the 'insured'; and
- us.

The policy is made up of this document, the schedule setting out details of your cover, and any endorsements shown in the schedule. These make up the entire contract between you and us and must be read together. Please keep them all safely together.

We used the information you gave us on your proposal, and any further information we received, to decide whether to insure you. If any of that information was not accurate or was incomplete, this could affect your cover (see 'Your responsibility to give us correct information' under 'Important information').

If you pay the premium shown in the schedule, and keep to the terms and conditions of the policy, you will be covered under the sections of this document shown in the schedule for the **period of insurance**.

Signed for and on behalf of



Stephen Worrall
Managing Director



Tim James
Business Development Director

HSB Engineering Insurance Limited



Important Information

Headings and interpretation

Throughout this policy:

- words or phrases which appear in bold have the meanings shown in the 'Definitions' section;
- headings are only to help you find the information you need, they do not form part of the policy wording;
- words which appear in the singular include the plural and vice versa;
- words which appear in the present tense include the past tense and vice versa; and
- any words after the terms 'including', 'include', 'in particular', 'for example' or any similar expressions are examples and will not limit the meaning of the words.

Your policy

This document, together with the schedule and any endorsements shown in the schedule, contains the information you need to know about your insurance. This document contains important information such as the terms and conditions of your insurance and how to contact us. The schedule and endorsements show:

- which sections of this document apply;
- the **sum insured** (the maximum amount of cover you have) for each section;
- any extra cover you have; and
- the premium.

Please keep the schedule with this document. We will send you a new schedule whenever there is a change to your insurance. We will also send you a new schedule each year before the renewal date shown, so you can check that the cover still meets your needs.

Your policy provides cover against specified events. Read this policy carefully to make sure that it meets your needs and you understand what is and is not covered. If there is anything you need to change or do not understand, contact the person who arranged this insurance for you, or you can contact us. You can find the contact details for your local HSBEIL office on our website at www.munichre.com/hsbeil.

Your responsibility to give us correct information

You must do everything reasonably possible to make sure that all the information you give us is complete and accurate, and that you have not withheld any important facts.

As set out in general condition 4 – 'Change in risk' – you, or anyone acting for you, must tell us about any change in circumstance which happens before or during the **period of insurance** which may affect your cover (for example, something that increases the risk or something we asked you about when we accepted your proposal).

As set out in general condition 9 – 'Fraud and misrepresentation' – if we find that you, or anyone acting for you, have failed to give us relevant information, or have given us false information, we may change the terms of the policy or treat it as if it had never existed. If, as a result of fraud, we treat your policy as if it had never existed, we can keep any premium you have paid and may report the matter to the police.

Your rights to cancel your policy

Cooling-off period

You have 14 days to make sure that you are happy with the cover provided. You can cancel the policy by telling the person who arranged this insurance for you, or by telling us in writing, and returning the schedule. This 14-day period, known as the 'cooling-off period', starts on:

- the day you receive your policy; or
- the date the **period of insurance** starts;

whichever is later.

If you do cancel the policy within the cooling-off period, as long as you have not made a claim, we will refund all the premium you have paid. If you have made a claim, you will not get a refund.

After the cooling-off period

You can cancel your policy at any time during the **period of insurance** by telling the person who arranged this insurance for you, or by telling us in writing, and returning the schedule. If you have made a claim, you will not get a refund. If you have not made a claim, when we receive your notice and schedule, we will cancel the policy and send you a refund. That refund will be a percentage of the year's premium, based on the number of days left in the **period of insurance**, less a cancellation charge (10% of the year's premium). If the amount of premium you have actually paid does not cover the period you have been insured for, you must pay us the difference.

Our rights to cancel your policy

We may cancel your policy if you do not keep to:

- claim condition 2 – ‘Fraudulent claims’;
- general condition 3 – ‘Caring for your hardware’;
- general condition 11 – ‘Paying the premium’; or
- general condition 12 – ‘Right to survey’.

If we cancel your policy because you have not kept to claim condition 2 – ‘Fraudulent claims’ – cancellation will be immediate from the date of the fraudulent act relating to your claim. We may keep any premium you have paid and we may also report the matter to the police and any other relevant organisations.

If we cancel your policy because you have not kept to the general conditions shown above, we will send at least 14 days’ written notice to the address we have for you. If you have not made a claim, we will refund a percentage of the premium based on the number of days left in the **period of insurance**. If you have made a claim you will not get a refund and you must pay us any amount you still owe for the period you have been insured for.

If you have not kept to general condition 9 – ‘Fraud and misrepresentation’ – we may treat your policy as if it had never existed but we may keep any premium you have paid. We may also report the matter to the police and any other relevant organisations.

Our regulators

We are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The Financial Conduct Authority’s website includes a register of all regulated firms.

You can contact the Financial Conduct Authority at:

Financial Conduct Authority
25 The North Colonnade
Canary Wharf
London
E14 5HS

Telephone: 0800 111 6768
Website: www.fca.org.uk

What happens if we cannot meet our liabilities

If we cannot pay you what we owe, you may be entitled to compensation under the Financial Services Compensation Scheme (FSCS).

You can get more information about the scheme by contacting the FSCS at:

Financial Services Compensation Scheme
10th Floor
Beaufort House
15 St Botolph Street
London
EC3A 7QU

Telephone: 0800 678 1100
Website: www.fscs.org.uk

How we use your information

We may use the information you give us for a number of reasons (for example, to make decisions about cover and claims, and to detect and prevent fraud). We may share your information with, and get information about you from companies within the Munich Re Group, other insurers, credit-reference agencies, fraud-prevention agencies, regulatory authorities and agents who provide services on our behalf. We may share your information with third parties outside of the European Economic Area (EEA).

If the information you give us is personal information (such as names, addresses, telephone numbers, job titles or dates of birth), you give us permission to use that information as explained above. If you give us personal information relating to anyone other than you, you must have that person’s permission to give us their information and for us to use it as set out above.

The laws that apply to your policy

Before the **period of insurance** starts, you can tell us in writing which of the following laws you want to apply to the policy.

Option 1: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where the **hardware** is kept (the **insured location**).

Option 2: The laws that apply in the part of the United Kingdom, Channel Islands or Isle of Man where you live or where your **business** is located.

Option 3: The laws of England and Wales.

If you do not tell us a preference, option 3 will apply.

All disputes in connection with your policy will take place in the relevant courts of the option that applies to the policy.

Unless you and we agree otherwise in writing, all communications relating to the policy will be in English.

Contacting us

Making a claim

When you make a claim, it is very important that you meet all of the requirements of the policy, particularly claim condition 1– ‘Reporting a claim’. If you don’t, we may not pay part or all of your claim.

You must report your claim to either the person who arranged this insurance for you or to us at:

Claims Department
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: +44 (0) 330 100 3432 (Calls to this number are charged at the same standard landline rate as calls to 01 or 02 numbers.)

Email: new.loss@hsbeil.com

Making a complaint

We are committed to providing the highest standards of customer service and treating our customers fairly. If you have a complaint, contact the person who arranged this insurance for you or contact us at:

The Customer Relations Leader
HSB Engineering Insurance Limited
Chancery Place
50 Brown Street
Manchester
M2 2JT

Telephone: +44 (0) 330 100 3433 (Calls to this number are charged at the same standard landline rate as calls to 01 or 02 numbers.)

Email: complaints@hsbeil.com

When we receive your complaint we will:

- confirm this within five **business** days;
- pass it to our complaints team to be reviewed; and
- do our best to deal with your complaint within four weeks. If we cannot, we will write to you and let you know when we will be able to give you a final response.

If we cannot deal with your complaint within eight weeks, or you are not happy with our final response, you may be able to complain to the Financial Ombudsman Service (FOS).

The FOS is an independent organisation which may be able to review your complaint for you.

You can contact the FOS at:

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Telephone: 0800 023 4567 if calling from a landline
0300 123 9123 if calling from a mobile

Website: www.fos.org.uk

The FOS’s service is available to individual policyholders as well as charities, trustees and small businesses with an income or assets within set limits. You can get more information from us or the FOS.

If you make a complaint to the FOS, this will not affect your right to take legal action against us.

Making any other enquiry

If you have any questions about the policy or your cover, contact the person who arranged the insurance or contact us.

You can find the contact details for your local HSBEIL office on the website at www.munichre.com/hsbeil.

Definitions

Where the words below are printed bold in this document or the schedule, they have the meanings shown here.

Act of terrorism

An act or threat any person or group (whether acting alone or in connection with any organisation or government) commits for political, religious, ideological or similar purposes, including to influence any government or frighten the public.

Business

Your business activities relating to the 'Business description' shown in the schedule.

Business income

This means:

- the amount of net income (profit or loss before taxes) which you would have earned after the **time excess** if the **cyber event** or **prevention of access** had not happened;
- normal operating expenses that continue, including ordinary payroll.

Computer equipment

Computers and associated equipment, telecommunications equipment and software and programs used to process **data**, but not including:

- **portable equipment**;
- **electronic office equipment**;
- equipment controlling manufacturing processes, or forming part of machinery; or
- equipment held as stock or which you have manufactured and is intended for sale or repair in the course of your **business**.

Computer system

Hardware, data, computer networks, websites, intranet and extranet sites.

Computer virus

Any malware, program code or programming instruction designed to have a damaging effect on a **computer system**.

Cyber attack

Computer virus, hacking or **denial of service attack** which is not just targeted at you and your **computer system**.

Cyber event

This means:

- loss, corruption, accidental or malicious deletion of or change to, unauthorised access to, or theft of **data**;
- **damage** to websites, intranet or extranet sites;
- **damage** or disruption caused by **computer virus, hacking** or **denial of service attack**; or

- failure of or variation in the supply of electricity or telecommunications;

affecting your **computer system**, the **computer system** of a **service provider** or customer of yours.

Damage

Total or partial loss, damage, destruction, breakdown or corruption.

Damages

This means:

- financial compensation you have to pay, except for fines, penalties, liquidated damages (agreed damages or penalties you have to pay under a contract), punitive or exemplary damages (extra damages to punish you) or aggravated damages (more severe damages to reflect the seriousness of an offence); or
- third parties' costs and expenses you have to pay as a result of a claim being brought against you.

Data

Facts, concepts, information, ideas, text, recordings and images which are converted to a form which can be processed by **hardware**, but not including software and programs.

Data privacy obligations

Legal obligations relating to securing, managing and preventing unauthorised access or use of **data**, and arising under:

- relevant data-protection regulations anywhere in the world associated with the confidentiality of, access to, control of and use of **personal data** which are in force at the time of the **occurrence**;
- guidance from the Information Commissioner's Office or similar organisations worldwide;
- the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit-card and debit-card information; or
- privacy statements and confidentiality agreements.

Defence costs

Costs and expenses we agree to in writing for investigating, settling or defending a claim against you.

Denial of service attack

Malicious and unauthorised attack which overloads any **computer system**.

Directors and officers

Directors, officers, principals, partners or members while they are employed by you and under your control in connection with the **business**.

Definitions

Electronic office equipment

Photocopiers, fax machines, shredders, addressing machines, franking machines, televisions and associated equipment, DVD and CD recorders and players, video and audio conferencing and projection equipment and associated software and programs.

Employee

This means any:

- person employed, borrowed or hired by you, including apprentices;
- labour master or labour-only subcontractor (or a person supplied by any of them);
- self-employed person;
- person taking part in any government or otherwise authorised work experience, training, study, exchange or similar scheme;
- person doing voluntary work for you; or
- person supplied to you under a contract or agreement which states that they are in your employment;

when they are working for you in connection with your **business**, but not including your **directors and officers**.

Excess

The amount of your claim, as shown in the schedule, that we will not pay.

Hacking

Unauthorised or malicious access to any **computer system** by electronic means.

Hardware

Computer equipment, portable equipment and **electronic office equipment** and software shown in the schedule.

Indemnity period

The period during which you suffer a loss of **business income** or have to pay extra costs, starting on the date of the **cyber event, damage to hardware** or **prevention of access** and ending no later than the last day of the **indemnity period** shown in the schedule.

Insured location

Any location shown in the schedule as an **insured location**.

Limit of liability

The most we will pay for claims arising from one **occurrence**, regardless of the number of people or organisations insured by your policy. The **limit of liability** is shown in the schedule.

Occurrence

One event or a series of events arising out of or in connection with the same cause, source or event.

Period of insurance

The period of time, as shown in the schedule, during which you are covered by the policy, unless it is cancelled.

Personal data

Information which could identify a person or allow identity theft or other fraud to take place.

Portable equipment

Laptops, palmtops, notebooks and tablet computers, removable satellite-navigation systems, digital cameras and smartphones and associated software and programs.

Prevention of access

Preventing access to, or use of, your **computer system** following:

- **damage** to any property within a mile of an **insured location** or the premises of your **service provider**;
- a public or police authority using its powers to protect life or property, or to get access to damaged property; or
- third parties illegally occupying premises.

Service provider

A business that you hire under a written contract to perform services on your behalf in connection with your **business**.

Sum insured

The amount shown in the schedule.

Territorial limits

The **territorial limits** shown in the schedule.

Time excess

The time period, as shown in the schedule, we will not pay any loss of **business income** for.

Section 1 - Hardware

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply under section 1.

What we will pay for

If section 1 is shown as insured in the schedule, we will pay you for **damage** caused to **hardware** owned, hired, leased or rented by you, if that **damage** arose during the **period of insurance** and while the **hardware** was at an **insured location**.

How much we will pay

We may repair, replace or pay out money for **damage** to your **hardware**. We will pay to repair or replace (as new) with **hardware** of the same capacity or performance. If **hardware** of the same capacity or performance is no longer available, we will pay to repair or replace with the nearest higher equivalent.

Where necessary, replacement **hardware** will be provided by, and be capable of being supported by, any existing supplier, maintenance contract or software and system-support agreement.

If **hardware** is not being repaired or replaced, we have the right to pay no more than the value of the **hardware** immediately before the **damage**, after making an allowance for fair wear and tear.

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 1 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Extra hardware

The **sum insured** shown for section 1 is automatically increased by the amount shown in the schedule to include any **hardware** which you get during the **period of insurance** at an **insured location**, or **hardware** at any new premises owned, leased or occupied by you within the **territorial limits** which you have accidentally failed to tell us about.

2. Extra hire or lease costs

If we have agreed to pay for **damage** to **hardware**, we will pay for the following.

- Extra hire, lease or rental costs arising out of changes to or replacement of an existing hire, lease or rental agreement. Any payment we make under this extra cover will end:
 - when the hire, lease or rental agreement in force at the time of the **damage** ends; or
 - 12 months after the date of the **damage**;whichever comes first.
- Continuing hire, lease or rental costs which you are legally liable to pay.
- The cost of payments you have to continue paying, under any extended warranty, maintenance contract or repair-service agreement, for **hardware** which has been **damaged** and is no longer in use. Any payment we make under this extra cover will end:
 - when the warranty, maintenance contract or repair-service agreement ends; or
 - 12 months after the date of the **damage**;whichever comes first.
- The cost to you of any unused parts of any non-refundable extended warranties, maintenance contracts or repair-service agreements for **hardware** which has been **damaged** and is no longer in use.

3. Fire brigade charges

If we have agreed to pay for **damage**, we will pay for the charges you have to pay for the fire service, or any other organisation responsible for protecting the public, attending the **insured location**.

Section 1 - Hardware

4. Gas-flooding systems

We will pay for the cost of refilling or replacing the cylinders of any gas-flooding system set off accidentally at an **insured location**, and also the cost of cleaning up and repairing **damage** to any property.

5. Incompatibility

If we have agreed to pay for **damage to hardware**, we will pay the extra cost of modifying your **computer system** if replacement parts or software are incompatible with it.

6. Recovery of hardware

If we agree in writing, we will pay for the cost of investigating and recovering lost or stolen **hardware** which contains **data** that may result in you being prosecuted, **your** reputation being damaged, or you suffering a financial loss as the result of loss of or publication of that **data**.

7. Security-guard costs

If we have agreed to pay for **damage to hardware**, we will also pay for the cost of you employing temporary security guards at an **insured location** which you own, lease or occupy, as long as:

- we are satisfied that security guards are needed to protect **hardware**; and
- the security guards are members of the International Professional Security Association (IPSA).

If security guards are needed for more than seven days, we must agree to this in writing.

8. Temporary removal

We will pay for **damage to hardware** while it is temporarily removed to, or being transported to any other location anywhere in the world.

9. Trace and access

We will pay the cost of finding the point where any substances which have caused, or would cause, **damage to hardware** have escaped from. We will also pay the cost of repairing floors, walls and ceilings damaged in the course of the investigation.

10. Waste-disposal costs

If we have agreed to pay for **damage to hardware**, we will pay the cost of removing and disposing of **damaged hardware**. We will also pay the cost of you keeping to the Waste Electrical and Electronic Equipment Directive and any revisions to it.

What we will not pay for

We will not pay for the following.

1. Guarantee, warranty or maintenance contract

The cost of repairing, putting right or restoring any **damage** covered by any manufacturer's or supplier's guarantee or warranty, or any maintenance contract.

2. Unexplained losses

Disappearances or shortages discovered when carrying out checks or inventories.

Section 2 - Data corruption and extra cost

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 2.

What we will pay for

If section 2 is shown as insured in the schedule, we will pay:

- the cost of investigating and reconfiguring your **computer system** and the **computer system** of a **service provider** (including the cost of restoring and recreating **data**); and
- extra costs to prevent or reduce the disruption to the functions carried out by your **computer system** during the **indemnity period**;

arising as a result of a **cyber event, damage to hardware** or **prevention of access** you discover during the **period of insurance**.

The cover provided by this section does not include the value of **data** to you, even if the **data** cannot be restored or recreated.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 2 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Accountants' fees

We will pay the cost of you providing the information we need to work out the amount we should pay as a result of:

- extra staffing costs; and
- extra fees charged by your usual auditors or accountants.

2. Loss of interest

If a **cyber event, damage to hardware** or **prevention of access** interrupts the functions carried out by your **computer system**, we will pay you:

- interest that you would have earned on money that would have been received as recorded in your normal accounts; and
- interest due on money borrowed to maintain normal revenue, less any normal savings in cost.

What we will not pay for

We will not pay for the following.

1. Data-breach expenses

The cost of any forensic or legal investigation to find out the identities of affected parties or how and why your **data privacy obligations** have not been met, or to tell you how you should respond.

Section 3 - Cyber crime

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 3.

What we will pay for

If section 3 is shown as insured in the schedule, we will pay for the following which arise during the **period of insurance**.

– Your financial loss as the result of a fraudulent input, destruction or modification of **data** in your **computer system**, or the **computer system** of your **service provider**, which results in:

- money being taken from any account;
- goods, services, property or financial benefit being transferred; or
- any credit arrangement being made;

as long as you have not received any benefit in return, and you cannot recover the loss from a financial institution or other third party.

– We will also pay the cost of proving that transactions are fraudulent and that contracts or agreements were entered into fraudulently.

– Your liability to make any payment to your telephone **service provider** as the result of **hacking** into your **computer system**.

– The cost of employing specialist support to verify that a threat is genuine and to help you respond if anyone threatens to:

- cause **damage** to or disrupt your **computer system** by introducing a **computer virus**, or to initiate a **hacking** attack or **denial of service attack** against you;
- release, publish, corrupt, delete or alter **data** from your **computer system** if this would cause you commercial or financial harm or damage your reputation; or
- fraudulently or maliciously use your **computer system** to cause a loss to you or a third party;

as long as you can demonstrate that you have good reason to believe that the threat is not a hoax, and you have reported it to the police.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 3 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

What we will not pay for

We will not pay for the following.

1. Credit-card or debit-card fraud

Any financial loss resulting from actual or alleged fraudulent use of a credit card or debit card.

Section 4 - Cyber liability

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 4.

For the purposes of this section 4, references to 'you' also mean any of your **employees** or **directors and officers**.

What we will pay for

If section 4 is shown as insured in the schedule, we will pay **damages** and **defence costs** arising from a claim first made against you during the **period of insurance** and in the course of your **business** as a result of:

- you or your **service provider** failing to secure, or prevent unauthorised access to, publication of or use of **data** (including any interference with any right to privacy or publicity, breach of confidence or your **data privacy obligations**);
- you unintentionally transmitting, or failing to prevent or restrict the transmission of, a **computer virus, hacking attack** or **denial of service attack** from your **computer system** to a third party; or
- loss of reputation (including that of a product) or intellectual property rights being infringed (broken, limited or undermined) as a result of:
 - the content of any emails distributed by your **computer system**;
 - the content of your website;
 - online promotional marketing material; or
 - other **data** processed or distributed by your **computer system**.

How much we will pay

Limit of liability

The most we will pay for all claims we accept under the policy arising out of one **occurrence** is the **limit of liability** plus any 'Extra cover limits' shown for section 4 in the schedule, regardless of the number of claims or claimants. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 – 'Cyber attack limit'.

Defence costs

Any **defence costs** we pay will be within, not on top of, the **limit of liability**.

Paying out the limit of liability

For any and all claims arising out of any one **occurrence** we may pay the full **limit of liability** that applies to that **occurrence**.

When we have paid the full **limit of liability** for claims arising out of one **occurrence**, we will not pay any further amounts for claims arising from the same **occurrence** or for associated **defence costs** arising after we pay the full **limit of liability**.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Attending court

We will pay you compensation, at the rates shown in the schedule, if we ask you to attend court as a witness in connection with a claim made against you that is covered under this section.

2. Fines and penalties

Following a claim against you, we will pay fines, penalties, liquidated damages (agreed damages or penalties you have to pay under a contract) and **defence costs** which you become legally obliged to pay as the result of you not keeping to your **data privacy obligations**, except for fines and penalties which you cannot insure against by law.

3. Removing data

We will pay the cost of removing or withdrawing **data** from the internet or other source available to the public, as long as that would avoid or reduce a claim against you.

Special conditions applying to section 4

The following conditions apply to this section. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**.

Section 4 - Cyber liability

What we will not pay for

We will not pay for any **damages**, liability, expense or **defence costs** arising from the following.

1. Associated companies or other insured parties

Any claim brought against you by:

- another person named as ‘insured’ in the schedule;
- any of your parent or subsidiary companies; or
- any company which you are a director, officer, partner or employee of and have a financial interest in.

This exclusion does not apply to **personal data** relating to **employees** or **directors and officers** as long as any benefit they receive is no more than any third party would receive.

2. Deliberate defamation or disparagement

Defamatory or disparaging statements or publications made deliberately or recklessly if a reasonable person could anticipate that the statements could result in a claim against you.

3. Employer liability

You failing to keep to any obligation you have to your **employees** or **directors and officers**, unless this is specifically insured by your policy after your **data privacy obligations** have not been met.

4. Financial reporting

Any mistakes in financial statements or representations concerning your **business**.

5. Legislation and regulations

You actually or allegedly breaking any taxation, competition, restraint of trade, competition or anti-trust law or regulation.

6. Patent

Any patent being infringed (broken, limited or undermined) without the patent holder’s permission.

7. Product liability or professional indemnity

Goods, products or software you have sold, supplied, manufactured, constructed, installed, maintained, repaired, altered or treated, or any inadequate or incorrect advice or services you have provided.

Section 5 - Data-breach expense

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 5.

For the purposes of this section 5, references to 'you' also mean any of your **employees** or **directors and officers**.

What we will pay for

If section 5 is shown as insured in the schedule, and during the **period of insurance** you discover that you have failed to keep to your **data privacy obligations** in the course of your **business**, we will pay the following.

- The cost of hiring professional legal and forensic information-technology services to investigate and tell you how you should respond.
- The cost of informing affected parties, the regulator of data privacy issues, and other relevant third parties or organisations worldwide.
- The cost of providing the following support services to affected parties as the result of you failing to keep to your **data privacy obligations**:
 - Credit monitoring, protecting against identity theft and helping affected parties to correct their credit records and take back control of their personal identity; and
 - Providing a helpline to respond to enquiries after informing affected parties.

These services will only be provided for 12 months, and only if:

- the **data privacy obligations** you have failed to keep to relate to **personal data**; or
- you must provide the relevant service under your **data privacy obligations**.

- Public-relations and crisis-management expenses, if we have agreed in writing, for communicating with the media, your customers and the public to minimise damage to brands and business operations, and any damage to your reputation.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 5 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Security audit

If the failure to keep to **data privacy obligations** insured by your policy resulted from security weaknesses in your **computer system**, we will pay the cost of a professional consultant carrying out an audit of your **computer system** to assess the security weaknesses and advise you on how to make improvements.

Special conditions applying to section 5

The following conditions apply to this section. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**.

What we will not pay for

We will not pay for the following.

1. Data-recovery expenses

The cost of restoring and recreating **data**.

2. Deficiency or improvements

The cost of correcting any failings in procedures, systems or security.

Section 6 - Cyber event – loss of business income

As well as the claim conditions, general conditions and general exclusions, the following terms and conditions apply if the schedule shows that you have cover under section 6.

What we will pay for

If section 6 is shown as insured in the schedule, we will pay you for your loss of **business income** during the **indemnity period** resulting from a **cyber event**, or **prevention of access** you discover during the **period of insurance**.

How much we will pay

The most we will pay for each **occurrence** is the **sum insured** plus any 'Extra cover limits' shown for section 6 in the schedule, regardless of the number of people or organisations insured by your policy. If the **occurrence** is the result of a **cyber attack**, the amount we pay may be limited by the 'Cyber attack limit'. The 'Cyber attack limit' is shown in the schedule and is explained more fully in general condition 6 - 'Cyber attack limit'.

The amounts we will pay under this section will be based on your **business income** during the 12 months before the **cyber event** or **prevention of access**, as recorded in your accounts. We will make adjustments to reflect trends and circumstances which may affect the **business income**, or which would have affected the **business income** whether or not the **cyber event** or **prevention of access** had happened.

Extra cover

If we have agreed to provide any of the extra cover below, this will be shown in the extra cover 'limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Accountants' fees

We will pay the cost of you providing the information we need to work out the amount we should pay as a result of:

- extra staffing costs; and
- extra fees charged by your usual auditors or accountants.

What we will not pay for

We will not pay for the following.

1. Deliberate act of a utility supplier

Loss of **business income** or any other cost resulting from a deliberate act or decision of a gas or electricity supplier, grid operator or telecommunications operator, except where that act or decision was necessary to protect life or prevent damage to property.

2. Time excess

Loss of **business income** or any other cost arising during the **time excess**.

Extra cover applying to all sections

If we have agreed to provide any of the extra cover below, this will be shown in the 'Extra cover limits' in the schedule and we will not pay more than these limits for each **occurrence**.

1. Avoiding corruption

If we have agreed in writing:

- we will pay the cost of locating and removing a **computer virus** from your **computer system** which has not necessarily caused any **damage** or disruption; and
- where a **computer virus** or **hacking** attack has affected your **computer system** during the **period of insurance**, we will pay the cost of hiring professional consultants to make recommendations on how to prevent your **computer system** from being infected by **computer virus** or to prevent **hacking**.

2. Investigation cost

If we accept a claim for **damage** or other loss, and we agree in writing, we will pay the cost of investigating possible repair, replacement or restoration.

3. Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected **damage** or other loss covered by the policy, as long as:

- **damage** or other loss would be expected if the measures were not taken;
- we are satisfied that the **damage** or other loss has been prevented or minimised by these measures; and
- the cost is limited to the cost of **damage** or other loss which would have been caused.

The full terms and conditions of the policy apply as if **damage** or other loss covered by the policy had arisen.

4. Temporary and fast-tracked repair

If we accept a claim for **damage** or other loss, we will pay an additional amount (limited to a proportion shown in the schedule) for the cost of making temporary repairs and fast-tracking a permanent repair, replacement or restoration.

5. Waiver of subrogation rights

We agree to give up our rights to recover any amounts from:

- your parent company or a subsidiary company of yours;
- any company which is a subsidiary of your parent company;
- any user of your **hardware**, other than a **service provider**, authorised in writing by you before an insured loss; or
- any **employee** or your **directors and officers**, unless an insured loss happens as a result of a dishonest, fraudulent, criminal or malicious act or decision.

This will only apply if any of the above keep to the terms and conditions of your policy as if they were you.

Claim conditions

You must keep to the following conditions whenever you need to make a claim under the policy. If you do not meet these conditions, and this reduces our legal or financial rights under the policy, we may refuse to pay part or all of your claim.

1. Reporting a claim

As soon as you know about any incident or circumstance that may result in a claim you must:

- take all reasonable steps and precautions to prevent further **damage**, loss of **business income** or other loss covered by your policy;
- immediately tell the police about any loss or damage relating to crime and get a crime reference number;
- tell the person who arranged your policy (or us), providing full details, as soon after the incident or circumstances as possible;
- in the case of you knowing about an incident or circumstance that has resulted in, or may result in:
 - a claim being made against you;
 - you receiving a demand for **damages**;
 - you receiving a notice of regulatory action; or
 - you receiving a notice of any other process seeking **damages**;give the person who arranged your policy (or us) full details within 14 days;
- in the case of **damage**, loss of **business income** or other loss that is covered by your policy and is caused by riot, civil commotion, strikers, locked-out workers or people taking part in labour disturbances, give the person who arranged your policy (or us) full details within 14 days;
- immediately send us every letter, writ, summons or other document you receive in connection with the claim or circumstance, and record all information relating to a claim against you that is covered under section 4 – ‘Cyber liability’;
- keep any **damaged hardware**, other property covered by your policy and other evidence, and allow us to inspect it;
- co-operate with us fully and provide all the information we need to investigate your claim or circumstance;
- give us details of any other insurances you may have which may cover **damage**, loss of **business income**, **damages**, **defence costs** or other loss covered by this policy; and
- tell us if lost or stolen **hardware** is recovered or if you recover money from a third party (you may need to give the **hardware** or money to us).

You must not admit responsibility or liability, or agree to pay any money or provide any services on our behalf, without our written permission.

2. Fraudulent claims

If you (or anyone acting for you) make a claim that you know is in any way false or exaggerated, we will not pay the claim and we may cancel your policy from the time of the fraudulent act relating to your claim (see ‘Our rights to cancel your policy’ on page 5). We may also cancel any other policies you have with us.

3. Enforcing your rights

We may, at our expense, take all necessary steps to enforce your rights against any third party, other than in circumstances explained under ‘Waiver of subrogation rights’ on page 17. We can do this before or after we pay a claim. You must not do anything before or after we pay your claim to affect our rights and you must give us any help and information we ask for.

You must take reasonable steps to make sure that you protect your rights to recover amounts from third parties.

4. Controlling defence

We can, but do not have to, take control of investigating, settling or defending any claim made against you. We would take this action in your name. If necessary, we will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint your solicitor, but only on a fee basis similar to that of our own solicitor, and only for work done with our permission in writing. We will only defend claims if we think that there is a reasonable chance of being successful, and after taking the costs of the defence into account.

5. Other insurances

If there is any other insurance covering your claim, we will only pay our share, even if the other insurer refuses to pay the claim.

6. Salvage and recoveries

If you have made a claim and you later recover your **hardware**, or recover money from a third party, you must tell us immediately. If we have paid the claim, you may have to give the **hardware** or money to us.

If we have paid a claim and we then recover your **hardware**, or recover money from a third party, we will give you any proceeds above the amount we paid you in connection with the claim.

Any amount due from you or us must be paid as soon as reasonably possible.

General conditions

The following conditions apply to the whole policy. If you do not keep to any condition of the policy, and that condition is relevant to your claim, we may refuse to pay part or all of the claim.

1. 72 hours clause

For any claim resulting from earthquake, storm or flood, all **damage** or other loss arising within a 72-hour period will be considered to be a single **occurrence** and so there will be a single **sum insured** and a single **excess** or **time excess**. You can choose the moment the 72-hour period starts, as long as it ends within the **period of insurance**.

2. Abandonment

You are not entitled to abandon your **hardware** whether or not we have taken possession of it.

3. Caring for your hardware

You must:

- make sure that your **hardware** is maintained, inspected and tested as recommended by the manufacturer;
- keep a record of all maintenance and **data** back-up procedures and maintenance carried out, and let us check those records;
- take all reasonable steps and precautions to prevent or reduce **damage** or other loss covered by your policy; and
- not continue to use **hardware** after **damage**, unless we have given our written permission.

If you do not keep to this condition we may:

- refuse to pay part or all of your claim; and
- cancel your policy (see “Our rights to cancel your policy” on page 5).

4. Change in risk

Your cover will not be affected by any act, failure to act or change in circumstance which increases the risk of **damage**, loss of **business income** or a claim for **damages** or other loss covered by your policy and which you could not have known about or controlled.

As soon as you (or anyone acting for you) become aware of any act, failure or change in circumstance which may affect the policy (for example, something that increases the risk or something we asked you about when we accepted your proposal), you must tell us as soon as possible and keep to any extra terms and conditions we set. This applies to any change of circumstance which arises, whether before or during the **period of insurance**, including before we renew your policy.

5. Contracts (Rights of Third Parties) Act 1999

Any person or company who is not named in the schedule has no right under the Contracts (Rights of Third-Parties) Act 1999 (or any other law) to enforce any term of the policy.

6. Cyber attack limit

The ‘Cyber attack limit’ is the most we will pay in total for the **period of insurance**, regardless of the number of **occurrences**, claims or claimants, for all claims, costs or losses that are the result of **cyber attack**. The ‘Cyber attack limit’ is shown in the schedule and will be reduced by any amounts we have already paid for claims, costs or losses arising from **cyber attack** in the **period of insurance**.

The most we will pay under any section of your policy for each **occurrence**, or under section 4 - ‘Cyber liability’ for all claims we accept that arose from one **occurrence** and are the result of **cyber attack**, is:

- the total of the **sums insured** or **limits of liability** and any ‘Extra cover limits’ for the section (as long as the section or the extra cover is relevant to a claim); or
- the ‘Cyber attack limit’ (as reduced by any amount previously paid);

whichever is lower.

7. Data backup

You must back up original **data** at the frequency shown in the schedule for ‘Data backup’.

If a **service provider** processes or stores **data** for you, you must make sure that the terms of the contract between you and the **service provider** allow **data** to be backed up in line with this condition.

You must take precautions to make sure that all **data** is stored safely.

If you have failed to keep to this condition, we may still pay a claim if you can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond your control.

8. Defence software

Your **computer system** must be protected by a virus-protection software package which is:

- licensed to you;
- paid for and not freely available; and
- updated within the frequency shown against ‘Defence software’ in the schedule.

Your **computer system** must also be protected by a firewall on all external gateways to the internet, and that firewall must be maintained.

9. Fraud and misrepresentation

If we find that you (or anyone acting for you) have not told us about, or have misrepresented, any important fact, and that affected our decision to provide cover or the terms of your policy, we may treat your policy as though it never existed. Or we may change the terms and conditions of your policy and not pay part or all of any claim. If we treat your policy as if it never existed, we can recover any amounts we have already paid under the policy.

If we treat your policy as if it never existed because of fraud, we may keep any premium you have paid. We may also report the matter to the police and any other relevant organisations of the circumstances.

10. More than one insured

If more than one 'insured' is named in the schedule, the first named insured will receive all notices and agree any changes to the policy and will be treated as acting for all the named insureds. We will not remove any named insured without their permission.

For any claim, the total amount we will pay will not be more than the sum insured or **limit of liability**, regardless of the number of people or organisations insured by the policy.

11. Paying the premium

You must pay the premium on or before the start of the **period of insurance** or on dates agreed by us.

If you do not pay a premium on time, we may cancel the policy (see 'Our rights to cancel your policy' on page 5).

12. Right to survey

If we ask, you must give us access to your **insured location** at an agreed date and time to carry out a risk survey.

If you do not keep to this condition we may cancel the policy (see 'Our rights to cancel your policy' on page 5).

13. Tax

Any claim we pay will not include VAT, unless you cannot recover part or all of the VAT you have paid.

General exclusions

The following exclusions apply to the whole of your policy. We will not pay for any claim, cost or loss caused by or resulting from the following.

1. Circumstances before your policy started

- Circumstances which existed before any cover provided by your policy started, and which you knew about.
- Claims or circumstances which you have already reported, or which you should have reported, to a previous insurer before the **period of insurance**.

2. Confiscation

Your property being confiscated or **damaged** by, or under the order of, any government, public or police authority, other than:

- to protect life or prevent damage to property; or
- as the result of a regulatory investigation after you have failed, or allegedly failed, to keep to your **data privacy obligations**.

3. Excess

The amount specified as the 'Excess' in the schedule.

4. Extortion or ransom

Any extortion, blackmail or ransom payments or demands, other than in connection with cover provided by section 3 – 'Cyber crime'.

5. Fines and penalties

Any fines, penalties, punitive or exemplary damages (extra damages to punish you) other than those specifically covered in section 4 by extra cover 2 – 'Fines and penalties'.

6. Indirect loss

Penalties you have to pay under a contract for any delay or in connection with guarantees of performance or efficiency.

7. Intentional acts

Any intentional act, or failure to act, by you or your **directors and officers**, unless the act or failure to act is a measure to prevent or minimise injury, **damage** to your **hardware**, loss of **business income** or a claim for **damages**.

8. Nuclear risks

- Ionising radiation from, or contamination by, radioactivity from any nuclear fuel or nuclear waste, or from burning nuclear fuel.
- The radioactive, toxic, explosive or other dangerous properties of any nuclear installation, reactor or other nuclear equipment, or any nuclear part of them.
- Any weapon or device using atomic or nuclear fission, fusion or similar reaction, or radioactive force or material.
- The radioactive, toxic, explosive or other dangerous properties of any radioactive material.

9. Normal upkeep

The cost of normal **computer system** maintenance.

10. Sanctions laws and regulations

We will not provide cover, pay any claim or provide any benefit under this policy (including returning premium) if by doing so it would expose us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

11. Telecommunications systems

Atmospheric or environmental conditions causing temporary interference with any satellite signal.

12. Terrorism

- Any **act of terrorism**, regardless of any other cause or event contributing to the **damage**, loss of **business income** or other loss.
- Civil commotion in Northern Ireland.
- Any action taken to control, prevent, suppress or in any way deal with any **act of terrorism**.

Computer virus, hacking or denial of service attack will not be regarded as an **act of terrorism**.

13. Trading risk

Your commercial decision to stop trading, or the decision of a **service provider**, customer or supplier of **yours** to stop or reduce trade with you or restrict services.

14. War

War, invasion, hostilities (whether war is declared or not), civil war, rebellion, revolution or uprising.

This general exclusion 14 does not apply to any **damage**, loss of **business income** or other loss resulting from, or caused by, weapons of war which were not discovered before the start of the **period of insurance**, as long as there is no war in the country your **hardware** is in during the **period of insurance**.

15. Wear and tear

Losses due to:

- wear and tear, gradual deterioration or rust;
- scratching or chipping of painted or polished surfaces;
- erosion or corrosion; or
- gradual reduction in performance.

However, we will pay for loss resulting from the causes above which we would otherwise have paid under your policy.

16. Your insolvency or bankruptcy

Your insolvency or bankruptcy.



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Registered in England and Wales: 02396114,

New London House, 6 London Street,
London EC3R 7LP.

Registered as a branch in Ireland: 906020.

Authorised by the Prudential Regulation Authority
and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority.

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Policy wording reference: STA-CYB-00000001
HSBEI-1253-0915

NOT IF, BUT HOW