

## Security incidents estimated to cost companies

between \$17 and \$28 million per incident.\*

## LEXINGTON HAS THE SOLUTION

### LexCyberSecure<sup>SM</sup>

The Endorsement provides coverage for network security risks that may not be covered by traditional property policies such as data corruption and computer network downtime. Available with most Lexington property policies, this endorsement can protect insureds from financial losses arising from computer viruses, denial of service attacks and hacking intrusions.

Here are some frequently asked questions about LexCyberSecure.

#### Q: What coverage is provided by LexCyberSecure?

A: The endorsement includes three coverage parts:

##### Information Asset Protection

- Provides coverage for property losses involving data, computer systems resources and information assets, such as credit card numbers and customer information, resulting from a failure of network security caused by a computer attack so that such information assets can be restored or recreated.

##### Network Business Interruption

- Provides coverage for business interruption losses arising from the interruption or suspension of your client's computer network due to a failure of your client's network security caused by a computer attack. This coverage includes business income and extra expense, as well as funds for forensic and investigative services and contingent dependent business interruption.

##### Cyber Extortion

- Provides coverage for extortion threats related to intentional computer attacks. Includes coverage for both the investigation and settlement of an extortion threat against the insured.

#### Q: Is this a real exposure? Do companies really need this coverage?

A: Yes, the financial threat is too great to ignore. In the recent 2003 CSI/FBI Computer Security Survey, ninety percent of the 530 companies surveyed admitted to at least one computer breach. Total loss caused by information technology security breaches for the organizations surveyed was \$455.8 million. Additionally, the second most expensive computer crime, denial of service, with a cost of \$65.6 million was up 250 percent from last year's losses of \$18.4 million.

\* Jeffrey Curtis, Ashish Garg, Ph.D and Hilary Halper, "The Financial Impact of IT Security Breaches: What Do Investors Think?," Information Systems Security, March/April 2003.

**Q: What types of companies need this additional coverage?**

**A:** Any company that relies on its networked computer systems to run its everyday business operations. Key industries include retailers, financial institutions, healthcare organizations, communications companies and utilities.

**Q: How much does this endorsement cost?**

**A:** The LexCyberSecure coverage is included in the premium for the property policy if your client selects this endorsement.

**Q: How does your client apply for this coverage?**

**A:** To determine whether your client has adequate risk management controls in place, we require the applicant to complete an application and a self assessment questionnaire. This assessment provides an overview of the policies, procedures and technological controls in place to demonstrate a corporate commitment to network security.\*\*

**Q: What level of limits are available?**

**A:** For qualified applicants, the limits of liability for each coverage can be up to \$25,000,000 subject to an aggregate limit of liability for all coverages up to \$25,000,000. Other sublimits may apply to certain coverages.

**Q: Who do we contact to discuss LexCyberSecure?**

**A:** Please contact your regional property representative or broker to learn more about the endorsement.

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**About Us**

You can find out more about cyber losses by visiting *AIG eBusiness Risk Solutions' Top Ten Tech Issues*, a weekly email newsletter that reviews the most recent news about hacking and network security breaches. For a free subscription, please email us at [toptentech@aig.com](mailto:toptentech@aig.com) or visit [www.aignetadvantage.com](http://www.aignetadvantage.com).

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\*\* For limits above \$5,000,000, Lexington will require an onsite network security audit provided at no additional cost to the applicant.

*Coverage described in this material may not be available in all states. The product descriptions are not a complete description of all terms, exclusions and conditions in the policy. Policy terms may be changed by the insurer from time to time, and the preceding descriptions are not intended to be relied upon by potential insureds. Brokers interested in any of the captioned products should request a specimen copy of the policy form itself for the precise scope and limitations of coverage. Issuance of coverage is subject to underwriting.*