

Summary of Key Changes - Cyber Event Protection Policy

Summary of Key Changes from EME CEP-003 to EME CEP-003.1

This document provides a brief summary of changes to the Emergence Cyber Event Protection policy. It follows the sectional layout of the policy. It is not an exhaustive summary, nor does it form part of the policy wording. Emergence policies are available on the Emergence website:

<https://www.emergenceinsurance.com.au>. Please read the policy wording in its entirety for full details of cover and to ensure it meets your requirements.

Important Information	
Policy Reference	Description
"Important Information"	<p><i>Differentiates Important Information from policy wording proper.</i></p> <p>This important information explains the cover provided by the policy wording and provides you with notices, but is not part of the policy wording. Please read both this important information and the policy wording.</p>
"OUR AGREEMENT"	<p><i>Delineates the components of the insurance contract.</i></p> <p>Your contract with us consists of the policy wording together with the schedule, and any endorsement(s) stated in your schedule.</p>
"HOW TO NOTIFY US IF A CYBER EVENT HAPPENS OR A CLAIM IS MADE AGAINST YOU:"	<p><i>Updated for additional cover under Criminal Financial Loss; item 5 has been replaced.</i></p> <ol style="list-style-type: none"> You must immediately ring the Emergence cyber event reporting line on 1300 799 562. After contacting 1300 799 562 you must also notify Emergence in writing at emergence@cl-au.com and provide details and circumstances of the event, including any demands or notices received by you or proceedings against you. You must report cyber theft, socially engineered theft, telephone phreaking or cryptojacking to, respectively, the police, your financial institution and your telephone service provider, within 24 hours. We will assess whether cover applies under your policy. You must do everything reasonably possible to preserve evidence to enable us to properly assess and investigate the claim. If the claim is not covered under your policy, we will advise you to engage your own service resources.

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Important Information (cont)	
Policy Reference	Description
"Complaints"	<p><i>Update due to change in regulator.</i></p> <p>Various references have been updated from FOS to AFCA.</p>
Policy Wording	
Policy Reference	Description
"Policy Wording" Section Heading	<p><i>Renamed to "Policy Wording" to delineate clearly the start of the policy wording proper, including supporting verbiage:</i></p> <p>"This policy wording and your schedule, with any endorsements stated therein, determine the cover we provide you under this policy. It is important that you read and understand the policy in its entirety."</p>
"Section A – Losses To Your Business"	<p><i>Wording previously located in the initial paragraph of the insuring agreement has been distributed to the Section A insuring clause.</i></p> <p>If a cyber event happens in your business which is first discovered by you and notified to us during the policy period, then we will pay you the impact on business costs.</p>
"Section C – Cyber Event Response Costs"	<p><i>Wording previously located in the initial paragraph of the insuring agreement has been distributed to the Section C insuring clause.</i></p> <p>If there is a cyber event in your business which is first discovered by you and notified to us during the policy period, then we will pay your cyber event response costs.</p>
"Optional Cover – Criminal Financial Loss Cover"	<p><i>This Optional Cover has been renamed from "Cyber Theft And Telephone Phreaking" to "Criminal Financial Loss" to better reflect the broadened scope of coverages it now.</i></p> <p>Optional Cover – Criminal Financial Loss Cover</p> <p>We will pay a direct financial loss to you or a direct financial loss you are legally liable to pay to others directly arising out of:</p> <ol style="list-style-type: none"> cyber theft, socially engineered theft, telephone phreaking or cryptojacking <p>that is first discovered by you and notified to us in the policy period.</p> <p>Section F - Exclusion 19 of the policy is varied to the extent of this Optional Cover – Criminal Financial Loss Cover.</p>

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Policy Wording (cont)	
Policy Reference	Description
<p>"Optional Cover – Criminal Financial Loss Cover" (Cont.)</p>	<p>For the purposes of this Optional Cover – Criminal Financial Loss Cover only, we will pay pursuit costs of up to a maximum of \$50,000 paid with our agreement and consent to a third party (other than a law enforcement officer or your current or former employee or IT contractor), as reward for assistance leading to the arrest and conviction of the perpetrator of a cyber theft, socially engineered theft, telephone phreaking or cryptojacking.</p> <p>For the purposes of this Optional Cover – Criminal Financial Loss Cover only, the words listed below have been given a specific meaning and these specific meanings apply:</p> <p>direct financial loss means</p> <ul style="list-style-type: none"> a. your funds, accounts receivable or securities, or the funds, accounts receivable or securities in your control belonging to others, that are lost due to cyber theft or socially engineered theft and remain unrecoverable, or b. unintended or unauthorised call charges or bandwidth charges in excess of normal and usual amounts that you must pay caused by telephone phreaking, or c. unintended or unauthorised bandwidth charges and electricity costs in excess of normal and usual amounts that you must pay caused by cryptojacking. <p>investigation costs means costs you incur with our prior consent to investigate and substantiate the circumstances and amount of a socially engineered theft covered under this policy. Investigation costs are included in the limit for Criminal Financial Loss.</p> <p>You must report the cyber theft, socially engineered theft, telephone phreaking or cryptojacking to respectively, the police, and telephone phreaking to your telephone service provider, within 24 hours of it first being discovered by you.</p> <p>The sublimit for any claim or series of related claims for socially engineered theft is stated in your schedule. The maximum limit we will pay for all direct financial loss under this Optional Cover - Criminal Financial Loss is stated in your schedule.</p>

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Section E – What Certain Words Mean	
Policy Reference	Description
"cryptojacking" definition	<i>New definition added.</i> cryptojacking means the unauthorised use of your IT infrastructure to mine digital currency that causes you direct financial loss .
"cyber theft" definition	<i>Definition has been updated.</i> cyber theft means an electronic transfer that results in direct financial loss . The cyber theft must happen because of a cyber event that happens to your IT infrastructure and without your knowledge. Cyber theft does not include socially engineered theft .
"Payment Card Industry liability" definition	<i>New definition added.</i> Payment Card Industry liability means the fines, penalties and monetary assessments that you are legally liable to pay as a direct result of your non-compliance with a Payment Card Industry Data Security Standard. Payment Card Industry liability does not mean any fine or penalty for any continuous non-compliance after the initial monetary fine or assessment.
"policy" definition	<i>Definition has been updated.</i> policy means this policy wording, the schedule and any endorsement(s) stated in your schedule .
"socially engineered theft" definition	<i>New definition added.</i> socially engineered theft means an electronic transfer to an unintended third party that results in direct financial loss . The transfer must be made by your employee in good faith, in reliance upon intentionally misleading material facts communicated through your IT infrastructure , having believed such facts to be genuine and true. Socially engineered theft does not include cyber theft .
"telephone phreaking" definition	<i>Definition has been updated.</i> telephone phreaking means a hacking of your telephone systems that causes you direct financial loss .

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Section F - Exclusions	
Policy Reference	Description
Exclusion 15.	<i>PCI liability exception introduced.</i> 15. that was assumed by you under any contract unless you have a liability independent of the contract. This exclusion does not apply to a Payment Card Industry liability .
Exclusion 19.	<i>Refinement of exclusion to accommodate expanded Criminal Financial Loss cover.</i> 19. caused by cyber theft, socially engineered theft, telephone phreaking or cryptojacking . This exclusion does not apply to cyber event response costs incurred solely and directly due to cyber theft, telephone phreaking or cryptojacking .
Section G – Claims Conditions	
Policy Reference	Description
Condition 3.	<i>Adjusted to accommodate expanded Criminal Financial Loss cover</i> 3. You must report the cyber theft, socially engineered theft, telephone phreaking or cryptojacking to, respectively, the police, your financial institution and your telephone service provider, within 24 hours.
Condition 5.	<i>New condition</i> 5. You must do everything reasonably possible to preserve evidence to enable us to properly assess and investigate the claim.
Section H – General Conditions	
Policy Reference	Description
Condition 8.	<i>Governing law is now the State of New South Wales</i> 8. This policy including its construction, application and validity, is governed by the laws of the Commonwealth of Australia and/or the State of New South Wales. Any dispute relating to the interpretation of this policy will be submitted to the exclusive jurisdiction of the Courts of the State of New South Wales.

Emergence Insurance Pty Ltd (ABN 46 133 037 153, AFSL 329634) ('Emergence') acts under a binding authority given to it by certain Underwriters at Lloyd's.

More information on Emergence can be found on our website: www.emergenceinsurance.com.au

You can contact us at:

Email: info@emergenceinsurance.com.au

Telephone: +61 2 8280 3000

Postal address: PO Box A2016, Sydney South NSW 1235