NetSelect is more than just an insurance product, not only does it provide financial risk transfer, it also includes cyber risk management services and incident response support.

CYBER RISK AND EXPOSURES

• Hackers, rogue employees and third party outsourcers can be the cause of cyber events; actors that are out of your control.
• Cyber security and data protection issues are often in the media, with cyber events increasingly causing damage to company brands.
• Europe’s new General Data Protection Regulation (GDPR) has now been agreed and will come into force in 2018. It will include the requirement to notify regulators and victims of a breach. The regulation will also allow for fines of up to 4% of global turnover to be imposed in the event of a serious breach.
• Not having a crisis management response in place in advance of a cyber event can result in expensive and chaotic responses to privacy and security breaches.

WHAT CAN BE COVERED UNDER THE NETSELECT CYBER INSURANCE POLICY?

Breach Network Security and Privacy Liability
• Any ensuing liabilities in the event of a network security or privacy breach.

First Party Breach Expenses
• Detection, repair and restoration of data and networks following a breach of network security or privacy.
• Costs to comply with requirements to notify customers and offer credit monitoring services.
• Cost of hiring a crisis management team in the event of breach of network security or privacy.

Business Interruption / Increased Costs of Working
• Loss of income (net profit) and increased costs of working due to a breach of network security or operational error.

Regulatory Investigations and Fines
• Cost of handling and preparing the response to a data or privacy regulatory investigation, including PCI card brand fines and penalties.

Cyber Extortion
• Crisis management support to handle the ransom process and pay the ransom, if unavoidable.

Technology is evolving faster than ever, and all companies are now critically reliant on their IT networks. Networks are becoming more complex in structure as the demand of global customer reach intensifies. In addition, the amount and type of sensitive information companies retain make them a target for hackers. These exposures need to be managed to avoid costs, damage to reputation and regulatory implications.
RISK MANAGEMENT SERVICES
The exclusive Paragon NetSelect product provides clients with a menu of services that focus on different areas of cyber risks. Clients can choose the service they believe will benefit their current cyber risk management profile. This will be funded by a risk management budget provided by insurers.

WHY YOU SHOULD CONSIDER PURCHASING NETSELECT CYBER INSURANCE
• It is the duty of Directors to shareholders to have a measured response to crisis situations.
• Provides cyber risk management solutions.
• Provides access to a crisis management team avoiding distressed purchasing of these services.
• Being ready for a cyber event will help mitigate damage to your reputation.
• Having specialist expertise to help manage you through the situation will aid to provide a successful notification to regulators.
• Protection for cyber risks does not exist in other insurance policies.

EXAMPLE CYBER INCIDENTS AND CYBER INSURANCE RESPONSE

<table>
<thead>
<tr>
<th>INCIDENT</th>
<th>IMPACT</th>
<th>CYBER INSURANCE RESPONSE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stolen laptop</td>
<td>Confidential information released</td>
<td>First party breach expenses and potential damages for liabilities to client</td>
</tr>
<tr>
<td>Hacker encrypts data and holds it at ransom</td>
<td>Data locked, operations halted</td>
<td>First party breach expenses and cyber extortion response</td>
</tr>
<tr>
<td>Social engineering attaches malware</td>
<td>Online data deleted and IT system unbootable</td>
<td>First party breach expenses and business interruption costs</td>
</tr>
</tbody>
</table>

Contact Us
For more information please contact the Privacy, Cyber and Technology Team:

LYNDSEY BAUER
Partner
E lbauer@paragonbrokers.com
T +44 (0)20 7280 8228

WILLIAM WRIGHT
Partner
E wwright@paragonbrokers.com
T +44 (0)20 7280 8252

SEBASTIEN PLUMMER
Broker
E splummer@paragonbrokers.com
T +44 (0)20 7280 8287