

EMERGENCE

Summary of Key Changes - Cyber Event Protection Policy

Changes from EME CEP-002 to EME CEP-003

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 exhaustive summary, nor does it form part of the policy wording. Emergence policies are available on the Emergence website 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	Summary of Change	Detailed Description
"Our Agreement"	The policy incorporates the proposal and supporting information.	Your contract with us consists of the policy wording together with the schedule , any endorsement(s) stated in your schedule , other documents we send to you and any supporting information you provide to us .
"How to notify us if a cyber event happens or a claim is made against you:"	For convenience, claims contacts and first steps are now prominently displayed.	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 of the cyber event and any claim received by you for loss arising out of the cyber event . You must report cyber theft or telephone phreaking to the police, and telephone phreaking to your telephone service provider, within 24 hours. We will assess whether it is a cyber event or claim under the policy . If it is a cyber event or claim under this policy we will implement a technical management response for cyber event response costs , a claims management response for impact on business costs and loss , and a criminal forensic response for cyber theft . If it is not a cyber event or claim under this policy we will advise you to engage your own service resources.

Covers

Policy Reference	Summary of Change	Detailed Description
"Section B – Loss To Others"	Enhanced multimedia injury coverage.	We will pay a loss that you are legally liable for arising out of a claim that is first made against you and reported to us during the policy period because of multimedia injury or because of a cyber event in your business.
"Optional Cover – Joint Venture And Consortium Cover"	New Optional Coverage now available.	<p>The cover provided under Section B – loss to others section of this policy is extended to your participation in a joint venture or consortium you have declared to us.</p> <p>This Optional Cover – Joint Venture And Consortium Cover applies only if you have declared to us the estimated total revenue to be received from the joint venture or consortium for the coming 12 month period and the joint venture or consortium is named in your schedule.</p> <p>This Optional Cover covers you only. No other participant in such joint venture or consortium, and no other third party, has any rights under this policy, nor shall we be liable to pay a contribution to any insurer of any other participant in such joint venture or consortium.</p> <p>Section F – Exclusion 21 of the policy is varied to the extent of this Optional Cover – Joint Venture And Consortium Cover.</p>

Section E – What Certain Words Mean

Policy Reference	Summary of Change	Detailed Description
"cyber event" definition	Digital currencies recognized.	cyber extortion which is a crime involving an attack or threat of attack against your IT infrastructure , coupled with a demand for money or other valuable consideration (including digital currency) to avert or stop the attack.
"cyber event response costs" definition	Costs of crisis management and threat response now included.	external management costs incurred in responding to a cyber event including crisis management and mitigation measures engaged in by you and agreed to by us when necessary to counter a credible impending threat to stage a cyber event against your IT infrastructure .
"cyber event response costs" definition	Clarification that costs of statement preparation to the OAIC or other authorities are covered.	notification costs incurred in notifying any person whose data or information has been wrongfully accessed or lost including the cost of preparing a statement to the Office of the Australian Information Commissioner or other authorities.
"cyber event response costs" definition	More prominent positioning of these covered costs.	public relations costs incurred in responding to a cyber event including external public relations, media, social media and communications management.
"cyber event response costs" definition	Response costs broadened to include pursuit costs.	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 event covered under this policy.

Section E – What Certain Words Mean (cont.)

Policy Reference	Summary of Change	Detailed Description
"impact on business costs" definition; waiting period	Waiting period shortened from 24 hours to 12 hours.	We will not pay impact on business costs incurred during the waiting period of the first 12 hours after you discover a cyber event unless a different length of time has been specified on your schedule .
"IT infrastructure" definition	Clarification that the insured's IT infrastructure is covered irrespective of where hosted.	IT infrastructure means all of the hardware, firmware, software, networks, facilities, and the like, owned by or leased to, rented to or licensed to you , irrespective of where these are hosted, insofar as they are required to develop, test, deliver, monitor, control or support IT services used in your business . The term IT infrastructure includes all of the information technology but not the associated people, processes and documentation.
"multimedia injury" definition	Multimedia injury has been newly defined.	<p>multimedia injury means loss to others because of unintentional:</p> <ol style="list-style-type: none"> libel, slander, defamation; infringement of trademark, service mark, slogan, copyright, domain name or metatags; improper deep linking, framing, or web harvesting; non-conformance with any legal requirement relating to web access such as the Disability Discrimination Act of 1992; or inadvertent disclosure of personal information; <p>solely occasioned through your website content, social media presence (including comments made by third parties for which you may be held legally responsible) or other online mediums. Multimedia injury does not include any actual or alleged infringement of any patent.</p>
"policy" definition	The policy incorporates the proposal and supporting information.	policy means this document, the schedule and any endorsement(s) stated in your schedule . The proposal form and other supporting information you provide to us are also incorporated into this policy .
"policyholder" definition	New definition added.	policyholder means the entity first named in your schedule under Policyholder / Business and is authorised to enter into and deal with this policy on behalf of all other entities covered under the policy .
"subsidiary" definition	New definition added.	<p>subsidiary means an entity other than the policyholder or joint venture or consortium, in which, at the inception of this policy, you have majority ownership, control the composition of the board of directors, or control greater than 50% of the voting rights. Subsidiary also includes entities you form or acquire during the policy period that meet the following criteria, but only for cyber events that happen after the date of such formation or acquisition:</p> <ol style="list-style-type: none"> the business activity is the same or substantially similar to your business activity; the entity's revenue does not exceed 25% of the revenue declared under this policy; the entity is not domiciled or incorporated or listed in the United States of America, or has or holds or processes data for clients or direct customers located there; the entity has not had any cyber events, losses or claims prior to you acquiring it; the entity's IT infrastructure and risk management are equal to or better than yours, or you will use best endeavours either to bring its IT infrastructure and risk management to an equivalent standard or to ensure it's IT infrastructure will be absorbed promptly into your IT infrastructure.

Section E – What Certain Words Mean (cont.)

Policy Reference	Summary of Change	Detailed Description
"you/your" definition	Definition expanded to include estate, heirs, legal representatives or assigns of natural persons.	you/your means the policyholder referred to in your schedule . It includes your subsidiaries together with any current, future or former employee, including directors and officers, or partners if you are a partnership. In the event of your death, incompetence or bankruptcy, if you are a natural person it also includes your estate, heirs, legal representatives or assigns for your legal liabilities. For purposes of Optional Cover – Joint Venture And Consortium, it also includes any joint venture or consortium declared to us and designated in your schedule .

Section F - Exclusions

Policy Reference	Summary of Change	Detailed Description
Exclusion 5.	Exclusion now references external suppliers.	5. arising from or as a consequence of your bankruptcy, liquidation or insolvency or the bankruptcy, liquidation or insolvency of any of your IT contractors or external suppliers.
Exclusion 8.	Additional references to clarify that "as a service" provision is not limited to software as a service.	8. in connection with any products, hardware, software, software as a service, platform as a service, infrastructure as a service, or related services or IT infrastructure you sell, lease, license or otherwise provide to others for a fee.
Exclusion 11.	Refinement of exclusion to accommodate enhanced multimedia injury cover.	11. directly or indirectly involving the infringement of any copyright, service mark, trade mark or other intellectual property, however this exclusion shall not apply to multimedia injury expressly covered under Section B.
Exclusion 13.	The write back for terrorism is now incorporated into the policy.	13. caused by or arising out of any act of terrorism , however, this exclusion does not apply to: <ul style="list-style-type: none"> a. the following cyber events: crimeware, cyber espionage, cyber extortion, denial of service, distributed denial of service hacking, payment card skimming, point of sale intrusion, web app attacks; b. Optional Cover – Cyber Theft And Telephone Phreaking Cover.
Exclusion 21.	New exclusion; will be amended if JV Optional Cover is agreed.	21. arising from, attributable to, or as a consequence of any joint venture or consortium in which you have an interest.
Exclusion 22.	New exclusion.	22. in connection with any claim made by one insured against any other insured under this policy , or against you by your parent company or by anyone with effective control over you .
Exclusion 23.	New exclusion; will be amended if US jurisdiction is agreed.	23. arising from, attributable to, based upon or in connection with any claim, loss , judgement or award made in the United States of America or which applied the laws of the United States of America.

Section H – General Conditions

Policy Reference	Summary of Change	Detailed Description
Condition 2.c.	General Condition 2.c. has been added to clarify automatic inclusion of newly formed or acquired entities.	2. Subject to your rights under the <i>Insurance Contracts Act 1984</i> (Cth), you must notify us in writing as soon as practicable of any material alteration to the risk during the policy period including: <ol style="list-style-type: none"> if you go into voluntary bankruptcy, receivership, administration or liquidation; or you become aware of a pending appointment of a receiver or the commencement of bankruptcy or winding up proceedings to your business; or if you form or acquire an entity that does not meet the criteria for automatic inclusion under this policy as set forth in the definition of subsidiary.
Condition 3.	New condition.	3. You must maintain I.T. security practices and procedures to a standard equal to or better than as existed at the time this policy commenced. A failure to adhere to such practices and procedures by an employee or your IT contractor shall not constitute a breach of this condition.
Condition 9.	Amended condition to accommodate broader jurisdiction.	9. We will indemnify you for claims under Section B – Loss To Others, where the claim is brought under the jurisdiction of any country where you are located, excluding the United States of America, its territories or possessions, or any judgement or award pursuant to United States law by the courts of any other country.
Condition 11.	The wording of this condition has been updated for clarity.	11. If at the time any claim arises under this policy there is any other insurance in force covering the same loss, in part or in full, you must promptly notify us of full details of such other insurance, including the identity of the insurer(s) and the policy number(s), and such further information as we may reasonably require. Subject to the Insurance Contracts Act 1984 (Cth), we reserve the right to seek a contribution from the other insurer(s).

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 emergenceinsurance.com.au

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