



R250,000 CYBER RISK COVER – EXTENSION TO PIMA POLICY

Managing Agents hold owner, tenant and other client data. Very often this data is sensitive, especially minutes of meetings, debt collection information, alleged criminal activity of owners / tenants, banking details, personal data and so on.

Practices / Businesses that hold customer data or other sensitive information within their networks have a legal obligation to protect and safeguard this information. Businesses who suffer a privacy or security breach which results in the compromise of this data often end up with significant and costly obligations imposed under data protection legislations, regulatory issues, and fines and penalties imposed by regulatory bodies. The implementation of the Protection of Personal Information (POPI) Act increases the onus of care required by custodians of personal information, as well as broadening companies' exposure to litigation and penalties, resulting from data breaches.

Cyber Risks Extension

The Underwriters will indemnify the Insured in respect of Claims first made during the Period of Insurance for Cyber Events occurring on or after the Retroactive Date stated in the Schedule. This extension is subject otherwise to the Operative Clause and the terms, Conditions and Exclusions of this policy insofar as they are not overridden in this extension.

The Underwriters will indemnify:

- (a) Security and Privacy Liability
the Insured's Legal Liability arising out of Security Breach or Privacy Breach;
- (b) Privacy Regulatory Defence and Penalties
the Insured's Legal Liability arising from, a civil regulatory action, a civil penalty, or fines to the extent insurable by law, imposed by a governmental regulatory body against the Insured arising from a Security Breach, Privacy Breach or Breach of Privacy Regulations;
- (c) Crisis Management Costs, Customer Notification Expenses
the Insured for Crisis Management Costs, Customer Notification Expenses and Customer Support Expenses when such costs and expenses are incurred, following a Security Breach, Privacy Breach or breach of Privacy Regulations;

provided always that the total liability of the Underwriters under this extension shall not exceed the amount stated in the Schedule in respect of all claims made during this period.

Definitions

For the purposes of this extension:

1. Computer Network(s) means interconnected electronic, wireless, web, or similar systems (including all hardware and software) used to process data or information in an analogue, digital, electronic or wireless format including, but not limited to, computer programs, electronic data, operating systems, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off line storage facilities (to the extent that they hold electronic data), and electronic backup equipment.
2. Crisis Management Costs means any fees reasonably and necessarily incurred by the Insured and approved by the Underwriters for the engagement of a public relations consultant, advertising expenses and legal expenses if the Insured reasonably consider that such appointment is needed in order to avert or mitigate any material damage to any of their brands.
3. Customer Notification Expenses means reasonable costs incurred by the Insured following a Security Breach, Privacy Breach, or Breach of Privacy Regulations on the Insured's Computer Network that results in the compromise of personal information maintained on the Insured's Computer Network.

4. Customer Support Expenses means those reasonable and necessary expenses the Insured incurs for the provision of credit file monitoring services and identity theft education and assistance.

5. Cyber Costs and Expenses means costs authorised by the Underwriters, for:

a. The Insured's own costs to restore, re-collect, or replace data, owned by the Insured including expenses for materials, working time, and overhead cost allocation at the affected location(s) associated with restoring or replacing data owned by the Insured.

b. The Insured's own reasonable and necessary costs and expenses of specialists, investigators, forensic auditors, or loss adjusters retained by the Insured for the purpose of conducting a review or audit to substantiate that a Cyber Event is occurring or has occurred.

6. Cyber Event means any of the following incidents which occur on the Insured's computer network:

a. Security Breach,

b. Privacy Breach,

c. Breach of Privacy Regulations,

d. An attack by Malicious Code,

e. Data becoming unreadable as a result of the accidental damage or destruction of the hardware on which it is stored

f. Failure of a direct or back-up power supply

g. Accidental destruction of Data caused by human error

h. Malfunctions or incorrect operation of the Insured's Computer Network caused by a development error in software which is ready for operational use.

7. Data means any machine readable information, including ready for use programs or electronic data, irrespective of the way it is used and rendered including, but not limited to, text or digital media.

8. Legal Liability means damages and reasonable necessary expenses, incurred with the Insurer's written consent, in the investigation and defence of a claim against the Insured. Legal Liability does not include the Insured's internal costs such as salaries, overheads and other expenses that it would have existed irrespective of the claim.

9. Malicious Code means software designed to infiltrate or damage a computer network without the owner's informed consent by a variety of forms including, but not limited to, Trojan horses, spyware, dishonest adware, and crimeware.

10. Privacy Breach means a breach of confidentiality, infringement, or violation of any right to privacy including, the wrongful disclosure of confidential or private information.

11. Privacy Regulations means the following, as well as similar statutes and regulations, as they currently exist and as amended, associated with the confidentiality, access, control, and use of personally identifiable, non-public information including, but not limited to:

a. the Constitution of the Republic of South Africa Act 108 of 1996;

b. the Electronic Communications and Transactions Act, 25 of 2002;

c. the Promotion of Access to Information Act 2 of 2000;

d. the Consumer Protection Act 68 of 2008 and regulations regarding the privacy of consumer information;

e. the Regulation of Interception of Communications and Provision of Communications-Related Information Act 20 of 2002;

f. Protection of Personal Information Bill 2009; and

g. the common law in relation to the right to privacy.

12. Security breach means the Insured's actual or alleged breach of duty in preventing the intentional misuse of the Insured's computer network to: modify, delete, corrupt, destroy or wrongfully disclose data or participate in a denial of service.

13. Underwriters means Lloyd's syndicate 4711 (Aspen) as evidenced by contract no. B1150 SOL084130F for 100%.

Specific Exclusions

The Underwriters shall not be liable for any loss directly or indirectly arising out of or in any way attributable to:

1. The wear and tear, drop in performance, progressive or gradual deterioration, or aging of electronic equipment and other property or hardware used by the Insured or the failure of the Insured or those acting on the behalf of the Insured to adequately maintain any Computer Network or, or other equipment or hardware associated with such Computer Network.
2. The electrical or mechanical failure of any equipment which is not the Insured's property. Electrical failure includes the inability to transmit data.
3. Circumstances which arose prior to the inception of this policy which the Insured could have reasonably have foreseen would likely give rise to a claim
4. Injury.
5. The actual or alleged inaccurate, inadequate, or incomplete description of goods, products, or services; including the price thereof, cost guarantees, cost representations, contract price or cost estimates being exceeded.
6. Shares and other securities
7. Any deliberate act or omission of the Insured which the Insured could reasonably have foreseen would increase the likelihood and or quantum of a claim in terms of this policy.
8. Any criminal act of the Insured.
9. Liability assumed by the Insured under any agreement unless such liability would have existed in the absence of such agreement.
10. The Insured failing or ceasing to provide a product or service.
11. Gambling, pornography, prizes, awards, coupons, or the sale or provision of prohibited, restricted, or regulated items including, but not limited to, alcoholic beverages, tobacco, or drugs;
12. Damage. Data is not considered tangible property.
13. The Insured shall bear the First Amount Payable stated in the Schedule for each and every loss under the Policy.

Arranged by

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Underwritten by

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