

Technology Hardware Cyber Risk Exposures and Solutions

Technology risk refers to the loss potential an organization faces by virtue of providing others information technology and professional services. With the ever increasing reliance on technology, connectivity, and automation, the potential liability that a service provider faces is ever increasing. Forward thinking companies are taking steps in their product development, clearance procedures, testing policies, and contracting processes to minimize their technology risk. In addition to procedural controls, companies are taking proactive steps to transfer their technology risk to protect against the indemnities that are agreed to in their agreements with customers.

Technology Risk Profile:

- Contractual Provisions and Procedures
- Clearance Procedures – Vetting of Intellectual Property
- Product Testing Processes
- Information Collected and Hosted
- Implementation Services
- Insider Actions

Technology Concerns:

- Failure of services which create a consequential loss for customers
- Scope Creeps
- Operation Delays
- Distributed Denial of Service Attacks
- Computer Attacks – Destruction of Critical Production & Backup
- IP Infringement
- Security Incident Disclosing Third Party Information
- Harmonizing E&O coverage with Products Liability Coverage

We're here to
empower results

If you have any questions about your specific coverage or are interested in obtaining coverage please contact your Aon broker or visit aon.com.

Scope of Technology coverage available in the insurance marketplace

Third Party Coverage Elements

- **Technology Errors & Omissions:** Coverage for defense costs and damages suffered by others resulting from any actual or alleged act, error, or omission committed in the conduct of the performance of a Technology or Professional Service.
- **Technology Product:** Liability Coverage for defense costs and damages suffered by others resulting from any actual or alleged act, error, or omission committed by the failure of technology products to perform the intended function or serve their intended purpose.
- **Security and privacy:** defense costs and damages suffered by others resulting from a failure of computer security, including liability caused by theft or wrongful disclosure of confidential information, unauthorized access, denial of service attack or transmission of a computer virus
- **Regulatory defense and fines:** defense costs for proceedings brought by a governmental agency in connection with a failure to protect private information and / or a failure of network security
- **Media liability:** defense costs and damages suffered by others for content-based injuries such as libel, slander, defamation, copyright infringement, trademark infringement, or invasion of privacy
- **PCI fines and assessments:** defense costs for investigations brought by the Payment Card Industry (PCI) in connection with a failure to protect private information and / or network security

The Aon acquisition of **Stroz Friedberg** enhances the ability of Aon to support clients with leading digital forensics and incident response capabilities.

First Party Coverage Elements

- **Breach response costs associated with:** breach notification, including the hiring of outside law firms and public relations consultants, forensic costs, credit monitoring / protection, notification hot-line / call center, identity theft resources
- **Network business interruption:** loss of income and extra expense due to network security failure
- **Dependent business interruption:** reimburses the insured for actual lost net income and extra expense incurred when the insured's service provider's computer system is interrupted / suspended due to a failure of network security
- **System failure:** coverage for business interruption due to an unintentional or unplanned system failure not caused by a failure of network security
- **Data restoration:** costs to restore / recreate data / software resulting from network security failure
- **Cyber extortion:** reimburses the insured for expenses incurred in the investigation of a threat and any extortion payments made to prevent or resolve the threat

How do organizations transfer Technology & Cyber risk?



Darin McMullen is an E&O/Cyber Product Leader focused on developing policy language to support clients and Aon's claims colleagues throughout claims negotiations, and working with our product development teams as we continue to innovate in this space. Darin joins Aon from Anderson Kill, a corporate law firm best known for its work in insurance recovery.

Aon Cyber Resilience Framework

Aligned with client's risk management approach to cyber security, Aon's approach helps identify and protect your critical assets and balance sheet by aligning your cyber enterprise risk management strategy with your corporate culture and risk tolerance. To achieve this, Aon recommends the following framework:

Aon Technology & Cyber Innovation

Aon Cyber Enterprise Solution is the first of its kind policy that broadens the scope of cyber coverage to include: property damage arising out of a network security breach, business interruption and extra expense coverage arising out of a systems failure, contingent network business interruption for IT vendors and the supply chain, cyber terrorism coverage, etc. This product provides catastrophic limit in excess of \$400M USD.

James C. Trainor joins Aon after a distinguished career at the Federal Bureau of Investigation, where he most recently led the Cyber Division at FBI headquarters. During his 20-year career with the FBI, he played a critical role in division strategies to combat ransomware and additional emerging forms of cybercrime, spearheaded major high-profile investigations, and managed numerous incidents at the nexus of cybercrime and national security.

Acquisition of Stroz Friedberg Aon's union with Stroz Friedberg provides a unique opportunity for Aon to build on our industry leading brokerage expertise, creating a comprehensive suite of assessment and quantification solutions to support our clients.

