Beazley Breach Response 5.0 – Enhancements and Clarifications

We are delighted to share our improved market-leading Beazley Breach Response policy (BBR).

As cyber threats continue to evolve and accelerate, we remain committed to improving and adapting our coverages to ensure our clients have comprehensive, unparalleled protection.

Our new BBR policy provides the most comprehensive coverage ever. We have streamlined the wording, clarified language to provide more certainty, and integrated commonly used endorsements into our policy.

The Full Spectrum Cyber difference: By combining our specialist BBR coverages and award winning claims service with Beazley Security's pre and post incident response services, Full Spectrum Cyber keeps our client's ahead in the battle against cyber risks.

New Insuring Agreements	☑ Denotes better coverage than previously offered
Computer Bricking Loss	Coverage to replace computers that are unable to function as a result of corruption or destruction of software or firmware. ☑ Coverage to replace computers to minimize, reduce or avoid Extra Expense or Data Recovery Costs (not just Income Loss). *Formerly added by endorsement as Computer Hardware Loss.*
Reputation Loss	Coverage for Income Loss due to an Adverse Media Event that results from a Data Breach, Security Breach, or Extortion Threat. ☑ Coverage no longer completely excluded if there has been an interruption of business operations. ☑ Coverage for Adverse Media Events that first occur after the Policy Period.
Proof of Loss Expenses	Coverage for the insured to hire a third party to prepare a proof of loss that documents, for example, the insured's business interruption loss. ☑ Allows insured to engage a forensic accountant to assist with preparing a proof of loss under any first party coverage, even where a proof of loss is not required.
Contingent Bodily Injury	Coverage for Claims for injury, sickness, disease or death of any person arising solely from a Security Breach not directly caused by the insured. ☑ Added as a full insuring agreement rather than a carve-back to an exclusion.

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Invoice Manipulation	Coverage for the insured's inability to collect payment from customers as the result of the distribution of a fraudulent invoice or fraudulent payment instruction. ☑ Delivery of goods and services no longer required to be prior to fraudulent payment.
Cryptojacking	Coverage for costs incurred due to Unauthorized Access or Use of Computer Systems to mine for Digital Currency. ☑ Now includes coverage for cloud service provider charges incurred due to cryptojacking.

In addition to the new insuring agreements, we have enhanced BBR by including many enhancements that are commonly added by endorsement and a few that were never previously offered.

Additional Key Enhancements	☑ Denotes better coverage than previously offered
Business Interruption Loss	Voluntary shutdown now expressly included in Business Interruption insuring agreement.
Data Recovery Costs	System Failure now included as part of the cause of loss for Data Recovery Costs.
Cyber Extortion Loss	☑ Consent required only as to amount of payment, enabling a policyholder to have more control over the decision to make a ransom payment. ☑ Express coverage for an attorney to determine whether an Extortion Payment can be made in compliance with applicable law, ensuring that our policyholders can consult with legal counsel before making a ransom payment to avoid regulatory risks.
Computer Systems	Coverage for "Bring Your Own Device" (BYOD) devices, whether as part of a formal program or within the scope of an employee's conduct on behalf of the insured.
Data	No longer required to be subject to regular back-up procedures.
Fraudulent Instruction	Includes coverage for transfers made by or on behalf of an insured. Includes coverage for fraudulent instructions enabled by artificial intelligence and deepfakes. No longer requires an "out of band authentication" of payment instructions.
Income Loss	☑ Added as a full insuring agreement rather than a carveback to an exclusion. ☑ Top-down approach to loss calculation as revenue minus costs saved is easier to calculate and should require less paperwork.
Subsidiary	☑ Clarification that subsidiaries that are sold during the Policy Period continue to receive coverage for acts, errors, omissions, or incidents that occur prior to sale.

Notice of Claim or Loss	This section has been streamlined with subheadings and clearer reporting requirements.
Consent	Wherever consent is required in the policy, it will not unreasonably be withheld.
Hammer Clause	Increased hammer clause to 70% from 60% to provide policyholders with more coverage when they choose to defend claims rather than settle.

Our updated policy also includes a few clarifications and the integration of two standard endorsements:

Clarifications	
eCrime	Loss must be sustained "by the Insured Organization." ☑ eCrime coverage available to a broader industry group.
Data Recovery Costs	Does not include salaries, employee wages, and overhead.
Breach Response Services	Longstanding practices and terms that formerly resided in our Information Packet are now part of the policy: • Non-panel providers are not covered. • Computer security experts are for examination of the insured's Computer Systems. • Notification coverage includes those actually impacted or reasonably believed to be impacted by a data breach. • Call center coverage is available for up to 90 days during standard business hours. • Credit or identity monitoring is available for longer than 12 months if required by statute or regulation.
Media Liability and Media Material	Corrected language in the definitions of Media Liability and Media Material where the "creating" element could be erroneously read as not requiring display, broadcast, dissemination, or release to the public.
First Party Loss Exclusion	Excludes coverage for any incident arising out of a policyholder's failure to pay their bills.
Notice of Claim or Loss	To expedite payments to policyholders, the proof of loss deadline is now six months after discovery.
Standard Endorsements	
First Party Loss Exclusion	Integrates our standard First Party Loss Amendatory Endorsement, which clarifies excluded Financial Market Infrastructure and Digital and Internet Infrastructure.
Asbestos, Pollution and Contamination Exclusion	Integrates our standard Lloyd's pollution exclusion.

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