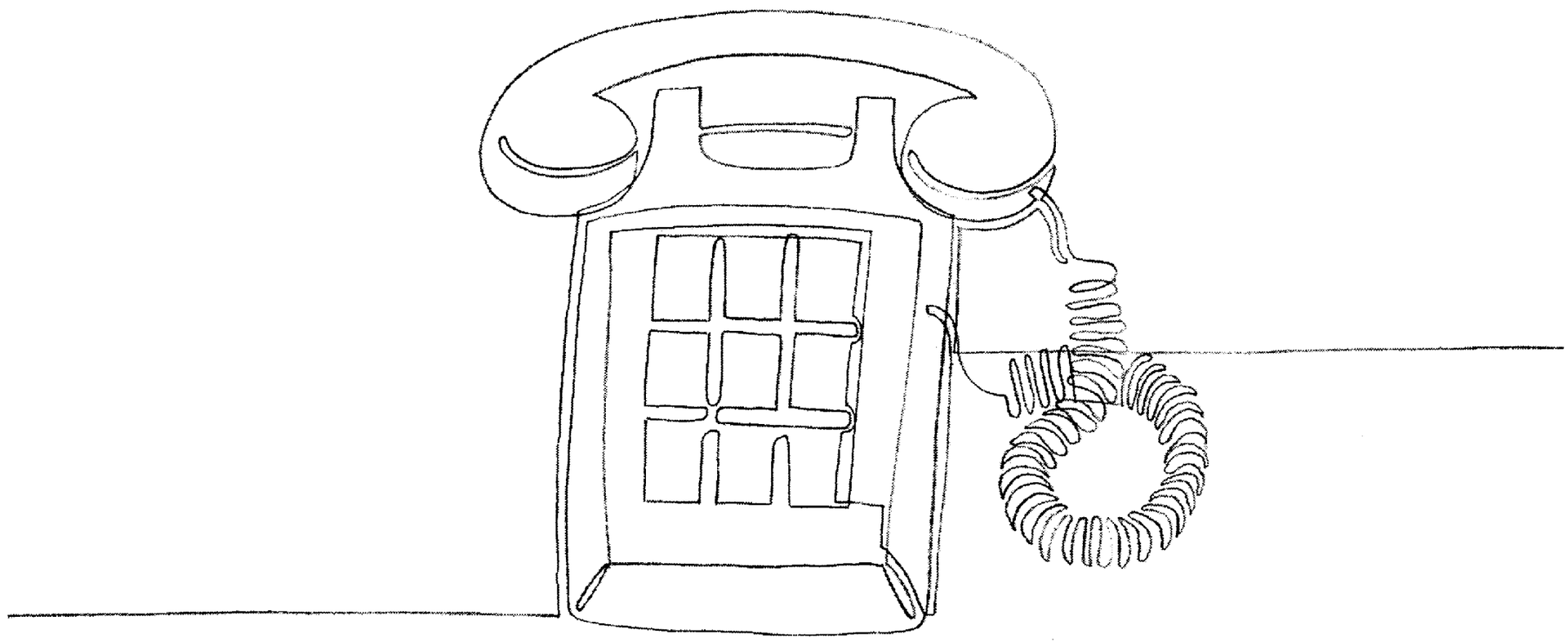
Beazley Breach Response Hospitality



Protect 4,000,000 people with one call.

Introducing Beazley Breach Response

Not "if," but "when."

Essentially, a data breach event is not a question of what if? The only question is when? Information exposures are difficult to control and are subject to many different types of loss events. In 2009, businesses, which includes hospitality, account for 41.8% of data breaches catalogued by the Identity Theft Resource Center.

Hospitality businesses obtain and store personal and financial information from guests, including names, addresses, and credit card information. Guests also bring their laptops and other mobile devices or work on hotel machines, which are often not secured. In the event of a breach, the company could be subject to notification requirements in multiple states.

Incidents:

Accidental publication – An employee inadvertently sent an email containing the names, contact information, and social security numbers of over 300 employees. [1]

Skimming – Three servers at a national chain restaurant used electronic devices to skim the debit and credit card numbers of their customers. Fraudulent charges were over $117,000 from 2008-2009. [1]

Stolen computer equipment – A computer was stolen from an employee of a third party vendor containing unencrypted data. The information contained names, addresses, phone numbers, and credit/debit card numbers of over 200 hotel customers. [1]

Theft – Over 17,000 credit card numbers were stolen from a large hotel and used in a three state shopping spree. Stacks of receipts were taken from a storage room in 2006 and used to make counterfeit credit cards. Victims did not know their information was comprised until months, even years later. [2]

Hacking – A luxury property chain notified customers they experienced intense network attacks in the computer systems of 31 of their hotels over a several month period. Over 700 credit card numbers were comprised and losses totaled hundreds of thousands of dollars. [3]

Data security breaches and compromises of customer and employee data continue to be reported at a high frequency. When a breach occurs, your client needs to be ready to respond quickly and effectively to mitigate its exposure to brand damage and legal liability.

Current insurance products often provide an inadequate solution to the unique challenges posed by data breaches.

Beazley, a leading insurer of technology and information security risks, has developed Beazley Breach Response, a solution to privacy breaches and information security exposures tailored to the needs of hospitality businesses.

Beazley Breach Response is a complete privacy breach response management and information security insurance solution which includes breach response coverage for breaches affecting up to 4,000,000 individuals and low per incident retentions.

Beazley Breach Response is unique in offering a services based solution to data breaches – a solution provided with a separate limit of coverage that does not erode the third party liability coverage and is available to most hospitality businesses with revenues under $3 billion.

[1] http://www.idtheftcenter.org
[2] http://www.mysanantonio.com
[3] http://www.nytimes.com

For more information go to
www.beazley.com/breachresponse

Coverage summary

Privacy breach response services

Provided in the event of an actual or suspected breach of personally identifiable information, and includes the following:

- Forensic and legal assistance from a panel of experts to help determine the extent of the breach and the steps needed to comply with applicable laws
- Notification to persons who must be notified under applicable law
- Each notified individual will receive an offer for 12 months of free 3-bureau credit monitoring by TransUnion Interactive
- Identify theft-related fraud resolution services through TransUnion for individuals enrolled in credit monitoring who become victims of identity theft
- For organizations required to comply with the Health Insurance Portability and Accountability Act (HIPAA), coverage specifically extends to theft, loss or unauthorized disclosure of information held by business associates as defined by HIPAA
- A free loss control information service is provided with each policy. Includes compliance and breach response information, email alerts of key legal and regulatory developments, and expert on-line support for client questions on data security issues.

Crisis management

- Crisis management insuring agreement and sublimit pay for services such as public relations and extraordinary notification expenses for breaches where no legal notification requirement exists
- Limits up to $250,000 for crisis management and public relations.

Limit of coverage and retentions

- The limit of coverage is four million notified individuals per policy period. Other limit options are available and may be provided
- Flexible limits up to $1,000,000 for forensic expenses to determine the existence and scope of a breach
- Fraud resolution limits up to 20,000 identity theft cases per policy
- A sublimit of $1,000,000 for foreign notifications
- A key feature of privacy breach response services is that they are provided with low per incident retentions starting as low as $10,000. Credit monitoring services start at breaches over 100 or 250 notified individuals, depending on company size.

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Third party liability coverage includes the following:

Information security & privacy coverage

- For theft, loss or unauthorized disclosure of personally identifiable or third party corporate information
- For unauthorized access, theft of or destruction of data, denial of service attacks and virus transmission involving the insured's computer systems resulting from computer security breaches
- For failure to comply with the insured's own privacy policies
- For failure to administer an identity theft prevention program required by law or to take steps to prevent phishing or identity theft.

Regulatory defense and penalties

- Coverage for costs associated with response to a regulatory proceeding resulting from an alleged violation of privacy law causing a security breach.

Website media content liability

- Coverage for personal injury, and trademark and copyright claims arising out of electronic content displayed on the insured's website
- Coverage available for offline media as well.

First party coverages are available via endorsement, with limits of up to $10 million.

Third party liability limits of up to $15 million available.

The descriptions contained in this communication are for preliminary informational purposes only. The policy, predominantly written on a non-admitted basis through Beazley's syndicates at Lloyd's through licensed surplus lines brokers, may also be available through Beazley Insurance Company, Inc. on admitted paper in select jurisdictions. The exact coverage afforded by the products described herein is subject to and governed by the terms and conditions of each policy issued. The publication and delivery of the information contained herein is not intended as a solicitation for the purchase of insurance on any US risk.

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