

# Cyber Warranty

## Differentiate Your Information Security Solution

### **What is Cyber Warranty Insurance?**

When security products fail to protect as they often do, and a breach occurs as a result, it's customers who suffer financial damage NOT their security vendors. Many cyber security vendors are now offering security warranties to provide customers financial relief for expenses they incur to recover from poor product performance.

### **Why do I want to offer my customers a Cyber Warranty backed by insurance?**

Our objective is to help qualified vendors close more deals based on product quality as opposed to fancy marketing gimmicks.

### **How does it work?**

The product vendor designs the warranty terms including products covered, customer obligations and specific remedies in the event the product does not perform and the customer incurs damages. The customer files a warranty claim with vendor. If vendor approves the claim, the customer is reimbursed for qualified expense by the vendor. Our product reimburses vendor on a quarterly basis.

### **What remedies are covered?**

Presently, we reimburse vendors for ransom payments, computer forensics and restoration costs incurred by customers in the event your product fails to perform and results in financial loss.

### **Do I qualify for Cyber Warranty Insurance?**

Not all vendors will qualify for this product. Historical performance and third party efficacy data is required and is vetted by our technology experts and our underwriters. We also review your financials as part of our process. Our target market is early to middle stage vendors with exceptional technology as well as MSSP's in the SMB market.

### **How much does Cyber Warranty insurance cover?**

We offer primary limits of \$1,000,000 per customer subject to an annual aggregate limit of liability up to \$5,000,000. Additional limits may be available for select risks

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### **How is this different from my Technology Errors & Omissions Insurance?**

Most insurers exclude warranty claims. As a result, your customer needs to file a claim or lawsuit to recover damages caused by your product and your insurer's attorneys control the claims process and outcome, which is not likely a good customer experience. Additionally, in the event your E&O insurer does not exclude warranty claims, the insurer still controls the claims process; you are not to admit liability, and any such claims will erode insurance limits available to protect you from serious claims, with or without merit.

### **How do I avoid selling insurance?**

Due to onerous statutory insurance licensing laws, you must structure your guarantee so you are not selling insurance. We do not provide legal advice so we recommend you review your program with your legal counsel. To qualify for our product, vendors are required to include the warranty in the sales contract and not charge a separate fee. The warranty must be included for all eligible customers.

### **Can I offer the warranty to all my customers?**

The product is designed for your small to middle market (SMB) customers. Warranties are underwritten on a case-by-case basis.

### **Will deductibles apply?**

It is important that you have skin in the game so deductibles will apply and vary in amount depending on your unique risk profile and financial ability. Your participation gives us more pricing flexibility.

### **How is the product financially secured?**

This insurance product is secure by Lloyds of London an "A" rated global insurance provider.

### **How much does it cost?**

Each risk is individually underwritten and rates vary based on your risk profile, deductible levels and limits purchased.