Understanding Non-IT Contingent Business Interruption coverage in our Cyber policy

Non-IT Contingent Business Interruption (Non-IT CBI), is an optional extension under our Cyber wording that may provide cover for an insured's losses resulting from an interruption in their business operations caused by a cyber event experienced by one of their critical External Suppliers – that forms a critical part of the insured's supply chain, regardless of industry classification.

For example

The Insured is a manufacturer, whose product incorporates a specialised component, Product X, which the Insured procures exclusively from and which is manufactured by Company Y.

Company Y experiences a ransomware attack which causes an outage of their IT systems and halts their production, meaning they are unable to supply Product X to the Insured.

This in turn results in an interruption and delay in the Insured's own manufacturing operations and eventually requires them to obtain a replacement for Product X from an alternative company at an increased cost.

If the Insured purchases the Non-IT CBI optional extension under the DUAL Cyber Liability and Privacy Protection policy, and if the above circumstance occurred, the policy would provide the Insured with a sub-limit of coverage for their resulting loss of net profit and their additional costs in procuring the alternative to Product X, even though it was Company Y who suffered the cyber event.

This optional extension provides sub-limited coverage associated with a disruption due to a cyber-attack affecting the Insured's physical supply chain. Importantly, it operates separately from the coverage that an Insured can expect for losses resulting from incidents affecting the Insured's physical supply chain of products and services and their technology providers.

Coverage for an Insured's losses resulting from a breach, outage or other cyber event affecting systems operated on their behalf by outsourced computing service providers, including cloud providers and other technology vendors is provided by default to the policy limit as these systems are included within the definition of 'Insured's system' within the policy wording.

Questions?

For further details on our Cyber cover, please contact your local DUAL underwriter.

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