

Stabilization Central

— CREDIT UNION —

Hi defaultfirstname,

Cyber risks are becoming more of a concern for credit unions across Canada. While the Master Bond Program (MBP) provides some cyber related coverage on first party losses from theft, it is not equivalent to a comprehensive cyber policy that covers both first and third-party losses. Stabilization Central has undertaken a review of the MBP, specifically **Endorsement A: Electronic and Computer Crime**, to identify gaps in what is covered under this policy and what is provided under a comprehensive cyber policy.

MBP Policy Endorsement A: Electronic and Computer Crime

After consulting with one of our excess insurers, Willis Towers Watson (WTW), Stabilization Central has determined that fidelity policies are intended to be a first party coverage only, responding to theft of funds or tangible property. This means that the MBP, a fidelity insurance program, would cover first party losses even if the crimes were committed online. However, the MBP does not provide coverage for liability resulting from a cyber breach. Endorsement A in the MBP Policy sets out coverage for losses that arise out of a cyber attack. In coordination with WTW, Stabilization Central has produced an outline of where there are potential risks covered currently under the MBP.

Type of Cyber Risk	Traditional Market	Master Bond Program ¹
Data Breach Response and Crisis Management	✓	Crisis Management Costs Only
Business Interruption Loss and Extra Expenses	✓	Extra Expenses Costs Only
Contingent Business Interruption and Extra Expenses	✓	X
System Failure Including Contingent System Failure	✓	X
Bricking	✓	X
Consequential Reputational Loss	✓	X
Crypto-Jacking	✓	X
Unauthorized Collection and Use of Data	✓	X
Privacy and Cyber Security	✓	X
Regulatory Proceedings	✓	X
Payment Card Industry	✓	X
Cyber Extortion and Ransomware	✓	✓
Telecommunications Fraud	✓	Offered by Other Insurers
Data Recovery / Restoration Expense	✓	✓
Social Engineering Fraud	✓	Offered by Other Insurers. Some Overlap with Electronic Communications Coverage
Computer Systems Fraud Including Computer Virus, Electronic Communications, Electronic Computer Instructions, Electronic Securities, and Insured's Service Bureau Operations	✓	✓
E-Vandalism	✓	✓
Plastic Card	X	✓
Claims Expense	X	✓
Online and Mobile Banking	X	✓
Electronic Data and Media	X	✓

¹ First Party Losses Only

Stabilization Central is currently assessing the program to ensure that it is meeting our members' needs and to provide information to address additional coverages available. More information will follow in a future communication.

If you have any questions about the MBP policy, please contact masterbondgeneral@stabilizationcentral.com and we will be happy to help.



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Stabilization Central

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I acknowledge with gratitude that I live and thrive on the traditional, ancestral, and unceded territories of the [xʷməθkʷəy̓əm](#) (Musqueam), [Skwxwú7mesh](#) (Squamish), and [Səlilwətaʔ](#) (Tseil-Waututh) Nations.

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