

CYBER INSURANCE

A brief guide explaining
Cyber Insurance by:



Savvas Christoforou
CLU, FCMI, MBA, LUTC
Chartered Insurer

**Sooner or Later
it will happen...**

What are cyber risks?

Cyber risks are a fact of life in a world of information and information systems.

Any company dealing with electronic data whether it's on mobile devices, computers, servers or online faces such risks.

Risks range from loss of information on a single laptop, to the threats posed by cloud computing. Businesses may also face issues regarding denial of service or defacement and disruption to their web presence.

Risks are evolving and becoming more complex. Where organisations have in the past invested in security and protection for their physical assets, consideration now needs to focus on network and system safeguards.

To help companies achieve this, Insurancelink has developed Cyber Insurance – an innovative protection package designed to counter some of the potentially far-reaching consequences of data leaks and breaches.

In partnership with information assurance experts AIG and Insurancelink can offer a suite of value-added services in addition to insurance protection.

Why are **cyber risks** so significant?

The threat represented by cyber risks is now as tangible as physical threats to a company's assets and has serious knock-on effects.

It's this kind of chain reaction that **Avactus Place** has been designed to help counteract:

1 Data Leak

Digital data is lost or leaked from the company system.

It could be a data loss from a PC, laptop, mobile device or tablet. It could be misappropriated personal details, a breach of client information or a full scale cyber attack to access data assets from external sources or employees.

2 IT Crisis

The IT department need to deal with the problem whilst still managing business as usual.

Is it a leak or a loss or has the company been hacked? How was the data lost or taken? Where is the data now? Are the IT team experienced in security breaches and major hacks? Can they contain the leak? Will the server have to be shut down? Is replacement server software needed? Is there a disaster recovery plan and how will it be executed?

3 PR Crisis

News of leaks spreads fast, especially in an age of social media. Confidence in the company can diminish within hours.

The situation requires careful management and consideration of the media, customers, staff and stakeholders.

Do customers have to be told their data is lost? Who else has to be informed? What is the best way to do this? Swift action and a carefully managed PR response is needed to regain trust and protect the company's reputation.

4 Financial Crisis

The financial ramifications begin to build. There may be regulatory fines for data breaches. Will the people whose data has been lost litigate? Third parties who have had to compensate their own customers for lost data due to your leak, may claim for compensation.

These are additional to the costs of diagnosing the loss or breach source, reconfiguring networks, re-establishing security and restoring data and systems. And whilst the business is potentially out of action, profits can be lost.

5 Boardroom Crisis

A cyber crisis can significantly affect the share price.

Executive and company reputations can be severely compromised.

One cyber breach or data leak, can result in a wide range of ramifications.

Unless the company has a "Cyber Insurance" over some of the potential financial consequences...

Why is Cyber Insurance so effective?

Cyber Insurance covers the obvious and less obvious consequences of cyber risks, enabling companies to continue their day-to-day business, knowing that everything won't "fall down" as part of the domino effect.

Cyber Insurance

incorporates expertise in business risk and insurance cover, in addition to access to cyber incident response services from industry specialists is designed to respond to a variety of cyber risk exposures not covered under conventional casualty products.

What does **Cyber Insurance** cover?

Helping to manage the reputational damage

Crisis Management

Crisis management provided by our partners can help safeguard and rebuild a company's reputation following a cyber breach.

Services include:

REPAIRING COMPANY REPUTATION

Covering the professional fees and expenses of independent advisors, who can prevent or mitigate the potentially adverse effects of a newsworthy cyber event.

REPAIRING INDIVIDUAL REPUTATION

Covering professional fees and expenses for services to mitigate potential damage to any individual's reputation at the company (e.g. the Chief Information Officer).

NOTIFICATION AND MONITORING

Covering the costs incurred notifying customers (or any relevant regulatory authority), that their data has been affected by a breach. We will also pay reasonable costs and expenses associated with identity theft education and credit file monitoring of those affected.

Mitigating the financial repercussions

Data Liability

Covering the damages & defence costs associated with a breach of personal or corporate data, whether caused by the insured or their outsourced data-handling firm.

Network Interruption (optional)

Covering the loss of net profit as a result of a material interruption to the insured's network, as a result of a security breach.

Network Security

Covering the damages & defence costs associated with:

- contamination of a third party's data with a virus
- an act or error of the insured resulting in an unauthorised third party accessing data
- theft of a system access code by non-electronic means
- theft of hardware containing personal data
- a data disclosure resulting from the actions of an employee

Administrative Obligations

Covering the cost of:

- reasonable professional fees for legal advice and representation in connection with a data protection investigation
- insurable fines and penalties levied by a data protection regulatory authority

Cyber/Privacy Extortion (optional)

Covering ransom payments (extortion loss) to third parties incurred in terminating a security threat.

Multimedia Liability (optional)

Covering the damages and defence costs incurred in connection with a breach of third party intellectual property, or negligence in connection with electronic content.



Make sure businesses are digitally protected
Give them Cyber Insurance



like | connect | follow | watch



insurancelink cyprus



10 Navarinou str., 1100 Ayios Andreas Nicosia
Tel.: 22 26 77 33, Fax: 22 02 77 18
e-mail: info@insurancelinkcyprus.com
www.insurancelinkcyprus.com