

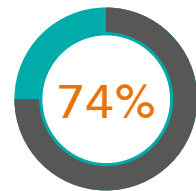


CYBER ATTACKS ARE ON THE RISE

Is your business protected?

Businesses today have embraced the connected world, which has brought great efficiencies and advances, but also significant and largely uninsured exposures. This leaves organisations open to reputational damage, supply chain interruption, loss of intellectual property, corruption of data and financial losses.

To respond to growing demand from our customers, Arthur J. Gallagher’s specialist cyber team has developed a product to safeguard your business against these cyber risks.



of small businesses had an attack in 2015*

Why do I need cyber insurance?



Cyber attacks on the rise

With 74% of small businesses experiencing a cyber attack in 2015*, it's clear that you don't have to be part of a large corporation to have the need for cyber cover.



High costs of data loss

The average cost per lost/stolen record is £110.30*. When multiplied by the potential thousands of records the average company holds, this would result in huge financial losses and impact on cashflow.



New legislation

The EU General Data Protection Regulation (GDPR) now proposes fines of up to 4% of annual global turnover, or £20m, whichever the greater.

Case Studies

EXAMPLE 1 - CYBER TERRORISM

An employee of the insured noticed that the corporate Twitter feed was broadcasting pro-ISIS propaganda. Following a call to the breach response hotline and the involvement of external forensic teams, they identified that the corporate website, email system and twitter feed had been compromised by an ISIS-affiliate or web supporter. The method of intrusion was closed down by the insured's internal teams, but two weeks later similar postings were conducted. The external forensic team then conducted a full system analysis, restoring the security of the insured. Over £80k of forensic costs were incurred by insurers. Our breach response team continued to provide breach response support post incident to ensure the insured experienced no disruption to their operations.

EXAMPLE 2 - THIRD PARTY DATA BREACH

An attack on Tesco Bank resulted in 9,000 customers being affected by fraudulent transactions. The bank suspended all online transactions and all customers affected were fully reimbursed within two days. The total cost of refunding these customers is estimated to be £2.5m, highlighting the high risk associated with the protection of third party data.

*<http://www.pwc.co.uk/assets/pdf/2015-isbs-technical-report-blue-digital.pdf>

What does our cyber insurance cover?

Section A – Cyber Liability

- **Breach Response Costs** - covering the costs associated with the loss, theft or compromise of data.
- **Privacy Regulatory Defence and Penalties** - covering legal costs to comply with any regulatory action taken against you following a data breach.
- **Security and Privacy Liability** - covering your liability in the event you suffer a data breach and you are sued by affected customers or employees.
- **Cyber Extortion** - covering you in the event a hacker steals data from your systems and then demands a ransom to avoid leaking the information.
- **Multimedia Liability** - covering your liability in the event you are sued as a result of information provided in your multimedia e.g. website or social media.

Section B – Operational Risk

- **Cyber Business Interruption** - covering the lost income as a result of a network disruption to your systems.
- **Digital Asset Restoration** - covering the costs incurred by an insured to restore affected data, (classified as Digital Assets) after a breach or security compromise.
- **Cyber Reputation Business Income Loss** - covering earnings loss due to the loss of current or future customers within 12 months from the data breach or network interruption event.

Section C – Cyber Crime

- **Manipulation or Misuse** - covering the theft of your funds or assets through the manipulation or misuse by a third party of computer hardware, software programmes or systems.
- **Fraud** - covering the theft of your funds or assets resulting from you, or any financial institution acting on your behalf, having transferred your funds or other assets in reliance upon fraudulent electronic or telephonic communications that purport to have been communicated or sent by your employees, directors, customers or suppliers.

These are brief product descriptions only. Refer to the policy for exclusions and full terms and conditions applicable.

Additional services and features



Bespoke policy tailoring and consultation available



24/7 breach hotline straight to a specialist attorney



Covers private data and communications in many different formats – paper, digital or otherwise



Also provides extensions to coverage with reputational harm and cyber crime.

Who needs cyber insurance cover?

Most companies are at risk of cyber threats, whether a large global and multinational corporation or a smaller organisation. In fact, smaller organisations may need cover more than anyone as they can often be easier targets and the negative impacts can have a far worse outcome.

Consider the following, if you answer yes to any of these questions you should consider cyber insurance:

- Does your company have a website?
- Does your company use social media?
- Do you allow staff to use the internet or email?
- Do you use a third party to maintain your IT systems?
- Do you back up on a cloud based system?
- Is your business reliant on IT systems for day to day operations?
- Do you store customer (including card details), HR, payroll or other third party data, whether on paper or electronically?
- Do you store data on portable devices?
- Do you allow third party access to your network?
- Would more than 24hours without business income be critical to your cashflow?
- Do you transact or communicate business online or via email?

If you would like more information, please contact:

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