

**STEPPING
INTO
THE**



BREACH

A GUIDE TO CYBER AND DATA INSURANCE

Cyber and data insurance helps to support and protect your business in the event of an attack. This practical guide will help you establish if your business is at risk of a cyber-attack, what protection is available to you, as well as examples of real cyber claims and frequently asked questions.

Is your business at risk?

Your business could be vulnerable to a data breach or loss of vital business services if you:

- hold sensitive customer details such as names and addresses or banking information
- are reliant on computer systems to conduct your business
- have a website
- are subject to a payment card industry (PCI) merchant services agreement.

Who is this product for?

Our appetite for cyber and data insurance extends beyond our core industry specialisms and we will actively consider businesses operating in the following sectors:

- accountancy
- advertising and marketing
- construction
- consultancy
- education
- hospitality
- hotels
- law
- manufacturing
- media
- publishing
- recruitment
- retail
- technology
- telecoms
- transport
- restaurants.

Why choose Fusion Cyber & Data insurance.?

This product is backed by our partner insurer Hiscox and is available to you through the underwriting teams across our UK branch network. Flexible limits, cutting edge cover and competitive premiums ensure we are offering a leading product in this growing sector of the insurance market.

A trusted partner in the event of a claim

Insurance alone is not enough to deal with these new and evolving risks. So if you suffer a loss, not only will we pay out but we will also provide you with access to a worldwide team of experts including privacy lawyers and technical specialists. This network is available to provide support and guidance and will actively work with you to minimise your loss and the possible damage to your business.

Access to eRiskHub

We give you access to tools and resources to help you stay up-to-date with evolving risks, understand your business' exposure and establish a response plan.

PROTECTION FOR YOUR BUSINESS

We offer comprehensive protection against the risk of holding data (electronic and non-electronic) and using computer systems.

Costs to your business in the event of a cyber incident

Data breach

In the event of a data breach (electronic or otherwise) you will have access to practical support including forensic investigations, legal advice, notifying customers or regulators, and additional support such as credit monitoring to affected customers.

Crisis containment

In the event of a data breach, prompt, confident communication is critical to help minimise the damage to your company's reputation. We include crisis containment cover with a leading public relations firm who can provide expert support, from developing communication strategies to running a 24/7 crisis press office.

Cyber business interruption

Compensation for loss of income, including damage to your reputation, if a hacker targets your systems and prevents your business from earning revenue.

Cyber extortion

Protection in the event a hacker tries to hold your business to ransom with any final ransom paid, as well as the services of a leading risk consultancy firm to help manage and control the situation.

Hacker damage

If a hacker causes damage to your websites, programmes or electronic data you will be reimbursed for the costs of repair, restoration or replacement.

Amounts you may be liable to pay to other parties

Privacy protection

Cover is provided for the defence and settlement of claims made against you for failing to keep customers' personal data secure. As are the costs associated with regulatory investigations and to settle civil penalties levied by regulators where allowed.

Multimedia policy

Coverage in the event of copyright infringement or inadvertent libel of a third party via email or alternate forms of electronic communication.

Optional additional covers

Cyber crime

Cover for direct financial loss in the event of an external hack into your company's computer network including theft of funds, property and digital assets.

Telephone hacking

Cover for the costs of unauthorised telephone calls made by an external hacker following a breach of your computer network; including traditional fixed-line telephony systems, as well as online systems such as Skype etc.

IN THE EVENT OF A BREACH

Data breaches are becoming increasingly common, so it's important to consider how you would react to enable business continuity and protect your business against reputational damage.



CYBER AND DATA INSURANCE IN ACTION

Cyber and data claims have seen a marked increase in recent years, from a business held to ransom by a Russian hacker, to a customer being tipped-off by ‘white hat hackers’ that their information was for sale on the dark web, here are some more recent examples.

The technology business and malware

Cost covered: £250k

The Claimant was contacted by a government agency and advised that government security services had detected an intrusion on their systems. Our IT forensic experts were deployed to investigate and assess the extent to which the network had been compromised. A significant amount of malware was discovered on servers so a containment plan was executed to remove all malware. The claimant was also able to take legal and PR advice under their insurance cover to help them decide how and when to communicate this incident to their customers.

The optician held to ransom

Cost covered: £60k

An employee from a chain of opticians received an email to say that she had been caught speeding and clicked the button which offered to show a photograph of her being caught in the act. Shortly afterwards her employer received an email from someone in Russia to say that they had infected their systems with the Cryptolocker virus and that all files on its servers were encrypted. The encrypted files included patient records and software used to run the business. The Russians were asking for £400 in Bitcoins for the decryption key. Insurers approved the insured's payment of the ransom. Unfortunately this only recovered 90% of the files and they needed an IT contractor to help them recover the remainder. Their insurance policy covered this business interruption as well as the costs of being unable to trade for a couple of days and not being fully up-to-speed for a couple of weeks.

The publisher's lost passwords

Cost covered: £10k

Contacted by a ‘white hat hacker’, the company was told that user names and passwords for two of their websites had been stolen. Insurers called in IT forensic experts to investigate, who confirmed there had been a hack and set about plugging the security breach. Legal advice was also taken to confirm whether or not the company was required to notify the individuals whose user names had been compromised.

YOUR QUESTIONS ANSWERED

What is your exposure?

As businesses become ever more reliant on technology and hold more and more data, the risks from suffering a loss related to problems with their computer systems or from holding sensitive customer data like bank account information or other personal/sensitive details, continue to grow. This can lead to costs from handling a data breach, lost revenue, a damaged reputation, and legal and regulatory costs, not to mention the associated business disruption.

What's the definition of a 'record'?

For the purpose of cyber and data, a 'record' is defined as the details of an individual that a company processes, regardless of how many times that information is handled. For example, if you buy goods from an online retailer five times in one year, it would count as one record. Our experience shows that there is a direct relationship between the number of data subjects affected by a data breach and the costs of the breach. The volume of records therefore provides the best guide to the likely cost of a cyber and data claim.

I'm a small company, why do I need to buy insurance?

There's a black market where records are sold and bought, and hackers are only getting savvier. The Department for Business, Innovation and Skills reported that 74% of small businesses and 90% of large organisations suffered a data breach in 2014 and it is becoming increasingly common.

My IT department is confident we are secure, do I need a policy?

Carphone Warehouse, TalkTalk and many other large corporations like them have entire departments devoted to IT security, and they still suffered a data breach. A simple oversight like not updating software, not setting appropriate user authentication procedures for third party vendors, losing an unencrypted laptop, or a rogue employee with malicious intent, can all lead to a breach.

I outsource my payment and card processing. I don't have payment card exposures do I?

According to the PCI Compliance Guide, PCI compliance applies to all organisations or merchants that accept, transmit, or store any cardholder data, regardless of their size, or number of transactions. Merely using a third party company does not exclude a company from PCI compliance. It may cut down on the risk exposure and consequently reduce the effort to validate compliance but it doesn't mean a merchant can ignore PCI compliance.

My data is stored in the cloud, so liability rests with them?

Not exactly. It would be in your best interest to carefully review your cloud contracts with legal counsel. Even if the risk is reduced, the liability may still fall on the shoulders of the insured. You can outsource the service but not the responsibility.

Does our policy cover offline and online exposures?

Yes. The policy is triggered by the breach of electronic and non-electronic data that includes theft and loss. So you have insurance for a sophisticated hack but also for leaving a paper file on a train or sending information by email to the wrong person.

What is encryption?

It's the process of encoding information so that only authorised parties can read it. Encryption is important in evaluating a company's risk and exposure, since a breach of encrypted data is significantly less costly than a breach of unencrypted data. Encryption is a risk control measure viewed favourably by regulators including the Information Commissioner's Office (the office responsible for the enforcement of various data regulations in the UK). Many of the fines they have levied have involved the loss of unencrypted data by organisations.

I have a password, is that the same as encryption?

No. Encryption is the process of scrambling the data on a hard disk so it is unusable unless accessed with a decryption key. Only using password protection means that a hacker could bypass the password to access intact data that hasn't been encrypted.

ACCESSING THE CYBER AND DATA PRODUCT

Access cyber and data quotations through our branch network

Scotland and Northern Ireland

(including Cumbria)

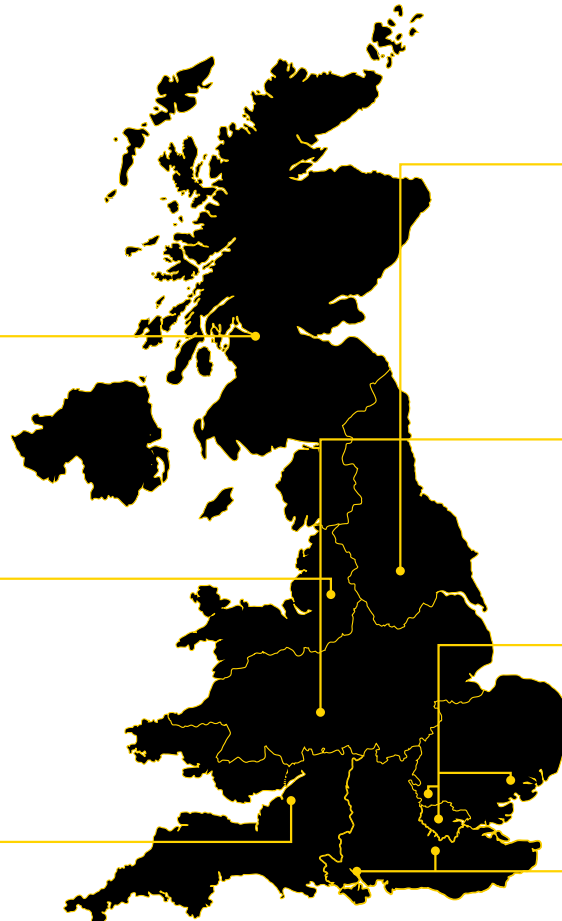
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FUTURE PRODUCTS

New Management Liability wording with Any One Claim limits, broader coverage and limits of up to £5m available and access to Business HR service for ALL policy holders.

Commercial Crime – First and Third Party coverage, flexible limit and excess options available.



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