



The Need for Cyber Liability Insurance

50% of confirmed data breaches target small business and 60% of small businesses fail within 6 months of a breach.

1. What does cyber insurance cover?

- a. The cost to respond and recover from a data breach
- b. Theft of funds electronically or through fraudulent instructions
- c. Cost of ransom if your computer is encrypted
- d. Business interruption if your computer systems are damaged due to an attack

2. What if I don't have sensitive data?

- a. Almost every business stores or collects sensitive data including credit card information, banking information, employee information, customers driver license numbers, social security numbers, or protected health information
- b. You are legally obligated to protect information you collect

3. We don't take credit cards or store other sensitive information on customers

- a. Do you bank online? Do you pay vendors using ACH or Wire?
 - i. Social Engineering fraud is a leading cyber exposure. Cyber criminals deceive small businesses in to sending money by using transfer instructions which seem legitimate
- b. Do you rely on a computer system or network to conduct day to day business that is also used for email and web browsing by your employees?
 - i. Ransomware is a leading form of cyber extortion. Criminals lock your computer after infecting it with malware typically through an email. All files and access is denied until the ransom is paid
 - ii. What if your computer system is hacked and computers and servers are wiped out or not available for use? How will you conduct your day to day business? Can your business cover the lost income?

4. In addition to the cost of a cyber breach, who would you call if a breach occurred at your business?

- a. Most businesses do not have the resources available and your general corporate attorney most likely does not have the knowledge base on hand to make sure you are complying with various states' legal requirements.

These costs and services can be covered through cyber liability insurance policy.