

**ONLINE BATTLES ALSO NEED**

# CAVALRY



If you fall victim to cyber crime,  
Hiscox will get you back up and  
running fast.

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Experts in cyber insurance.

## THE CYBER THREAT TO YOUR BUSINESS

The files of a small business unexpectedly become encrypted and a ransom demand from a hacker arrives.

A staff member leaves their work laptop on a train which contains personal data resulting in notification requirements under GDPR.

An employee of a firm makes a bank transfer of £25,000 to fraudsters after falling victim to a phishing email supposedly from a senior manager.

An employee misconfigures a software update over a weekend leaving systems unavailable and causing business interruption.

Any one of these incidents could happen to your business. In 2017, nearly half<sup>1</sup> of all businesses were hit by at least one cyber attack with average costs for UK businesses ranging from £25,000 for smaller businesses and £385,000 for companies with 1,000 employees or more. 2017 also found that 67% of Hiscox cyber claims were caused directly by employee error, negligence or social engineering.

A cyber attack against your business is no longer a case of 'if' but 'when'.

## YOUR BUSINESS IS AT RISK IF...

- you hold customer or employee data such as names, addresses, bank details, passport copies etc;
- you use a computer to operate;
- you have a website;
- you take payment via card;
- you store data in the cloud or rely on cloud-based services;
- you make electronic payments.

## HOW YOU CAN PROTECT YOUR BUSINESS

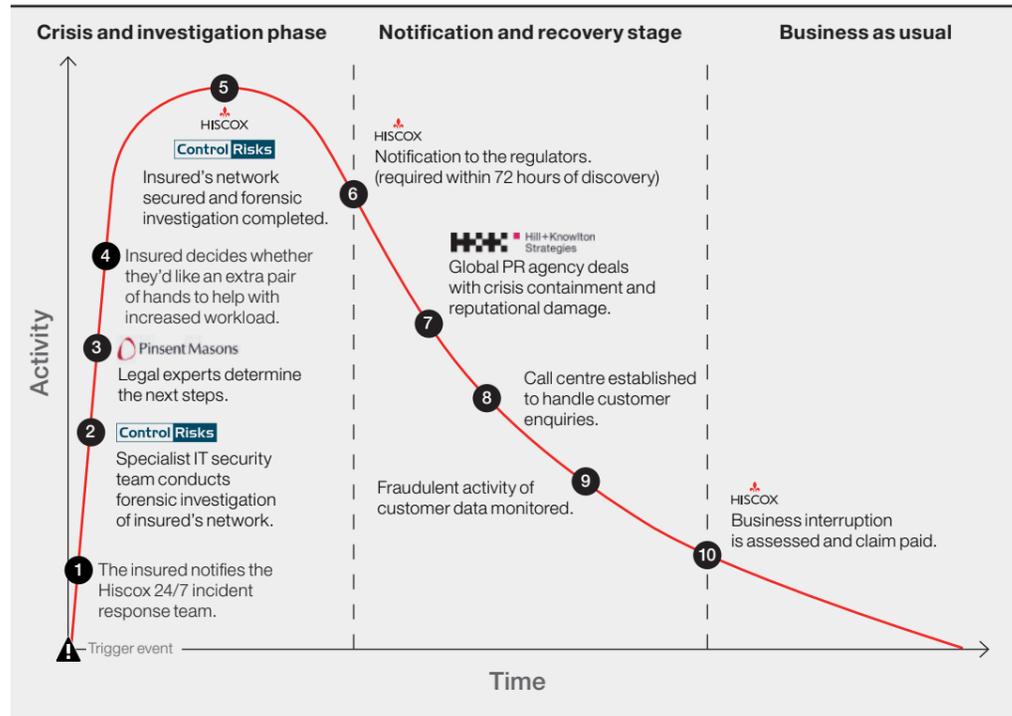
Hiscox CyberClear has been developed to offer comprehensive, but flexible, cyber cover to UK businesses of any size – from one – person operations to multinationals – and can include protection against:

- data breaches – where personal or commercial information (electronic or otherwise) is accessed without authorisation;
- security failure – a hacker exploits weaknesses in your security systems, leaving your business exposed;
- cyber attacks – any digital attack against your business;
- extortion – criminals holding your systems or data to ransom or threatening to publish information;
- human errors – mistakes made by staff or suppliers that results in a data breach or system outage;
- business interruption – covering the loss of income that you may suffer from a cyber attack;
- GDPR – covering your liabilities and the cost of defending regulatory investigations after any alleged breach of data protection legislation;
- reputational damage – includes PR and crisis management support, and covers lost revenue or customers;
- financial crime and fraud – the use of the internet to deceive employees, customers or suppliers into transferring money or goods;
- property damage – physical damage to equipment or property resulting from a cyber attack;
- dependent business interruption – covering lost revenue or increased costs incurred if a supplier's systems are taken offline by a cyber incident.

<sup>1</sup> 45% of all of all businesses were hit by at least one cyber attack: Hiscox Cyber Readiness Report 2018.



## HOW HISCOX CYBERCLEAR RESPONDS IN AN ATTACK



## HISCOX CYBERCLEAR VS. COMPETITOR COVER

	HISCOX CYBERCLEAR <sup>®</sup>	AIG	Ascent Underwriting	Aviva	CFC Underwriting	Chubb	NIG	Optimum SR	Pen Underwriting	QBE	FSA	Travelers
First party	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Third party	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Business interruption	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cyber terrorism	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Increased costs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Crime	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Non-specific viruses	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Breach by supplier	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Employee data	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Transmission of virus	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Call centre costs	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Destruction of tangible property	✓	✓	✓	✓	✗	✗	✓	✗	✗	✗	✗	✓
Reputational harm	✓	✗	✗	✓	✓	✓	✗	✗	✓	✓	✗	✓
No aggregate or global limits	✓	✗	✗	✗	✓	✗	✗	✗	✗	✗	✗	✗
Recreation of data if can't be restored	✓	✓	✓	✗	✓	✓	✓	✗	✓	✓	✓	✓

### Key

#### Control Risks

Control Risks' cyber response team provides crisis management advisory support, technical forensics expertise and investigations capability to guide and support organisations through high-impact cyber incidents.

#### Pinsent Masons

Pinsent Masons' specialist cyber team will coordinate and project manage cyber events by supporting Hiscox insureds and working closely with our panel of third-party experts such as Control Risks/Hill+Knowlton to minimise the impact of the incident.

#### Hill+Knowlton Strategies

With over 85 offices in more than 45 countries and nearly 90 years' experience, Hill and Knowlton's world-class teams of trusted advisors and creative experts collaborate across time zones, languages and cultures to help clients make informed decisions and help strengthen brands, reputations and bottom lines.

## WHY CHOOSE HISCOX CYBERCLEAR?

Hiscox CyberClear will help to protect your business from the financial and reputational costs of a cyber incident. If the worst should happen, you know that you will have the reassurance, support and advice from the UK's market-leading cyber insurer.



### Access to the best experts in the business

Through Hiscox CyberClear you have instant access to a network of market-leading expertise from IT forensics to privacy lawyers and reputational experts.



### Future proofed

Not only will Hiscox CyberClear cover you for today's risks, our extensive policy wording means that you're protected from emerging risks, threats and digital attacks that criminals may adopt in the coming years.



### Breadth of cover

Hiscox CyberClear covers the financial cost and business impact of an incident, as well as offering a range of additional features; from worldwide cover as standard, key person cover and no overall policy aggregate limit, to a 72-hour excess waiver, directors' personal cover and no retroactive date.



### Simple to understand

Hiscox CyberClear is just that... clear. There are no complicated modules. You know what you are buying and what you are covered for.



### We know what we're doing

Hiscox has been providing this type of insurance since 1999, and has handled thousands of claims in that time. We know the risks your business faces – whether you're a two-partner legal firm or a tech business with hundreds of employees – and how best to manage and mitigate them.

## VALUE ADDED SERVICES



### Hiscox CyberClear Academy

Prevent a cyber incident happening through access to our online suite of cyber security training modules for you and your employees. Access to the academy is free to all Hiscox CyberClear customers with a revenue of less than £10 million.



Hiscox CyberClear has been ranked the most comprehensive policy by the Insurance Times.<sup>2</sup>



<sup>2</sup> Insurance Times Best in Class Product – Oct 2018.

## HISCOX CYBERCLEAR IN ACTION

**Sector:** Financial services  
**Turnover:** £40m +  
**Claim cost:** £226,000

### A costly phishing trip

An employee at a financial services agency fell victim to a phishing incident in which a spoof email from one of the company's senior managers requested that the employee transferred £226,000 to a specified bank account. Believing the request to be genuine, the employee issued the fraudulent wire and both the agency's bank and the receiving bank were unable to recover the funds. The email was actually from a Gmail account created to imitate the senior manager's genuine address.

#### Hiscox response

On realising what had happened, the agency called us and we immediately engaged a data breach coach and IT forensics to confirm whether there had been any breach of the insured's systems or whether personal data had been compromised.

We reimbursed the money lost within a month of notification while it was confirmed that no breach of data had occurred so there was no need for any notification. Losses for payment diversion fraud can be offered as an additional cover to the standard Hiscox CyberClear policy.

**Sector:** Technology  
**Turnover:** £40m +  
**Claim cost:** £70,000

### An IT firm falls victim

A technology company noticed that a piece of malware had been installed on one of its servers.

#### Hiscox response

We immediately instructed an IT forensics firm to investigate what the malware was doing and how it had been installed on our insured's systems. The server contained a substantial amount of personal data and so we also investigated whether there was any wider breach or risk that personal data had been compromised.

Given the potential gravity of the breach, we also instructed a breach coach to manage the investigation. The investigation confirmed that the malware was mining, but fortunately nothing more than this and there had been no wider breach.

**Sector:** Marketing  
**Turnover:** Up to £1m  
**Claim cost:** £39,000

### Advertising for Bitcoin

A PR company noticed a problem with its emails. Its regular IT contractor investigated and concluded the most likely cause was malicious activity. The insured contacted us and we deployed an IT forensics team who were quickly on site to investigate and confirmed the insured had indeed been the victim of an attack.

The PR company's IT systems had been infected with cryptojacking malware to mine for cryptocurrency. They also confirmed that the hackers who deployed the malware had accessed the insured's systems and that personal data was potentially compromised.

#### Hiscox response

After investigating the extent of the breach, the IT team removed the malware and plugged the gap in the PR company's security which had allowed the breach. We then engaged legal counsel to advise the insured on its notification obligations, and then arranged the notification of the regulator and relevant data subjects.

**Sector:** Food services  
**Turnover:** Up to £10m  
**Claim cost:** £15,000

### A large restaurant bill

A ransomware attack encrypted a restaurant's entire server, impacting its point of sale registers and meaning it was effectively unable to trade.

#### Hiscox response

Having exhausted all other options, it was clear that the most effective way to restore the restaurant's systems was to pay the ransom.

We covered the cost of the ransom, together with the associated IT costs of applying the decryption key and ensuring that the insured's business was back up and running. We also engaged a breach coach to confirm whether any personal data had been compromised. In addition to these costs, we covered the business interruption suffered by the restaurant as a result of being unable to trade.

## HISCOX CYBERCLEAR: YOUR QUESTIONS ANSWERED

### Why should I buy insurance for cyber risks?

You're most likely covered for risks like fire, flood and professional negligence but you are just as likely to suffer a cyber attack which can lead to loss of business, revenue and reputation; significant extra costs involved in dealing with the attack; and, regulatory penalties.

### Doesn't my business insurance cover this risk?

No. Your standard business insurances will not provide the comprehensive protection you need against a cyber attack.

### Hackers aren't interested in me, are they?

Much of the criminal activity online isn't specifically targeted at a particular business; those behind the attacks will often use tools to search the internet for any system that has a vulnerability. They will then exploit that vulnerability, regardless of who is sitting behind it.

### I'm not an online business, so is this cover relevant for me?

A lot of companies identify as 'offline' and assume they don't need cyber insurance. However, virtually all UK businesses (98%) represented in a government survey<sup>3</sup> rely on some form of digital communication or services, such as staff email addresses, websites, online banking and the ability for customers to shop online, which exposes them to cyber security risks.

### What does Hiscox CyberClear offer that other cyber insurance policies don't?

Hiscox CyberClear offers the broadest cyber cover available in the market, accompanied by a team of experts who will get your business back up and running fast in the event of an attack.

### Does the policy only protect against hacking attacks?

No. Whilst cyber criminals are one of the biggest sources of claims, issues can also occur from human error, such as sending an email to the wrong address, leaving a briefcase on a train, or mistakes in configuring a system.

### I don't hold any customer personal data – do I still need this cover?

The definition of personal data under GDPR is very broad, and would still include things like a business email address. You also need to consider suppliers' details, as well as information relating to employees (past, present and prospective). Additionally, the majority of claims that we deal with do not involve a breach of personal data, but loss of funds, data corruption, or system downtime – all of which you may be vulnerable to even if you do not hold much personal data.

**For more information please contact  
your insurance broker.**

<sup>3</sup> Insurance Times Cyber Product Report 2018.

<sup>3</sup> Government Cyber Security breaches survey 2018.

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