

6 NEED-TO-KNOW CYBER INSURANCE FACTS

FOR THE ORNAMENTAL AND MISCELLANEOUS
METALS INDUSTRY

WITH THE RATE OF DATA BREACHES OR SECURITY INCIDENTS ON THE RISE, CYBER INSURANCE HAS BECOME AN ESSENTIAL TOOL FOR SMALL AND MIDSIZED BUSINESSES.

It's your responsibility to protect your customer information and data. Something as simple as a lost laptop or smartphone can have a major impact on your business. That's why cyber insurance has become an essential part of any modern risk management strategy. This critical coverage is designed to be the barrier that protects your business from a wide range of technology-related risks.



**BUT BEFORE YOU PURCHASE A CYBER LIABILITY POLICY,
IT IS ESSENTIAL TO UNDERSTAND HOW IT WORKS.**

HERE ARE SIX CYBER INSURANCE FACTS YOU NEED TO KNOW:

1 Most general liability insurance policies do not cover cyber, and if they do, it's usually on a very limited basis.

2 Any business that stores "personally identifiable information" (i.e., employee birthdates, social security numbers, client information) is legally obligated to protect and secure that information.

3 When a cyberattack occurs, many businesses must interrupt their operations to track down the reason for the breach and notify customers. Cyber insurance helps to recover lost income from downtime.

4 Cyber insurance is fast becoming a priority, and many organizations are requiring that their vendors have coverage before entering into an agreement.

5 Small and mid-sized businesses tend to be most vulnerable, as they often don't have the security infrastructure to mitigate a breach or the capital to recover from a breach effectively.

6 Even if you outsource network security, data management, and payment transactions, as the original data owner, you will likely be named in third-party lawsuits in the event of a breach.

IT COULD HAPPEN TO YOU

No business is safe from privacy breaches and cyberattacks, and hackers grow more sophisticated each day. The demand for cyber insurance has grown as a result, and a recent study found that 31 percent of companies have purchased some type of cyber policy. More than 25 insurers now offer this type of insurance, and all these carriers offer coverage for both first-party and third-party losses.

- First-party coverage insures for losses to the policyholder's own data or lost income or other harm to the policyholder's business resulting from a data breach or cyberattack.
- Third-party coverage protects a policyholder against liability claims from third parties, including claims arising from a data breach or cyberattack.

WOULD YOU BE COVERED?

Your IT manager discovered that a file, which was not part of your website, was being used to steal payment and credit card information.

An investigation determined that an employee was stealing credit card information and processing fraudulent transactions, and that your business was not compliant with current industry security standards.

You experience a 48-hour systems failure during your busy season, resulting in an inability to process credit card sales, customer order cancellations, as well as disruptions in time-management, job tracking, supply ordering, and communications systems.

If you have cyber insurance, these situations would be covered with minimal out of pocket expenses.

CYBER INSURANCE AT A GLANCE

Third-Party

- Privacy liability coverage
- Regulatory actions
- Notification costs
- Crisis management
- Call centers
- Credit/identity monitoring

First-Party

- Theft and fraud coverage
- Network/business interruption
- Extortion
- Data loss and restoration

Other key provisions

- Trigger – loss or claim
- Trigger – defense
- Defense – choice of counsel
- Retroactive coverage
- Acts and omissions of third parties
- Coverage for unencrypted devices
- Coverage for corporations and other entities
- Breaches not related to electronic records
- Location of security failure

CYBERCRIME BY THE NUMBERS

16,856 Number of businesses that experience cyberattacks each year.¹
(That's **46** attacks every day—or *nearly two attacks an hour*)

47%
Percentage of American adults affected by data breaches in the past year²

556 Million
Number of cybercrime victims per year³

\$575 Billion
Annual cost of cybercrime to the global economy⁴

\$100 Billion
Annual cost of cybercrime to the U.S. economy⁵

1. IBM
2. Poneman Institute
3. Symantec
4. Intel Security and the Center for Strategic and International Studies
5. Intel Security and the Center for Strategic and International Studies

A SOLUTION FOR A GLOBAL CONCERN

Cybercrime is among the fastest-growing crimes in the world, with thousands of cyberattacks occurring each year. Today's interconnected technology means that your business is vulnerable to attack at any time of the day or night from criminals all over the world.

Most attacks are not covered by standard property, crime, errors and omissions, or business insurance policies—hacking, identity theft, credit card fraud, phone phishing are all crimes that traditional insurance policies do not address. Cyber insurance provides comprehensive coverage for a wide range of security issues threatening your business.

Let us help you create a plan to mitigate the risk and protect your business. We understand the specific cyber risks you face and can help you create a defense against the growing threat of cyberattacks.

ABOUT ALLIANT

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