

# An Introduction to Cyber Insurance





# Hello & Welcome!

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Written & Delivered by:

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15 Years experience in the insurance industry

Please ask any questions through the 'Chat' function



# Objectives



Understand the concept of Cyber Insurance

Recognise risks and factors of being in the digital age

Recognise how a typical cyber policy will respond to a claim

Identify opportunities to protect your client appropriately



# Agenda



What is cyber insurance?



Policy coverage, extensions and exclusions



What can go wrong?



Summary & recap

# What is Cyber Insurance?

# Take Part In The Quiz!

When was the World Wide Web invented?

- a) 1989
- b) 1990
- c) 1991
- d) 1992



Google

# What is it?

10.3 internet enabled devices per household



5.6 million businesses in the UK Private sector



29 million online transaction per day



Significant growth over the past few years



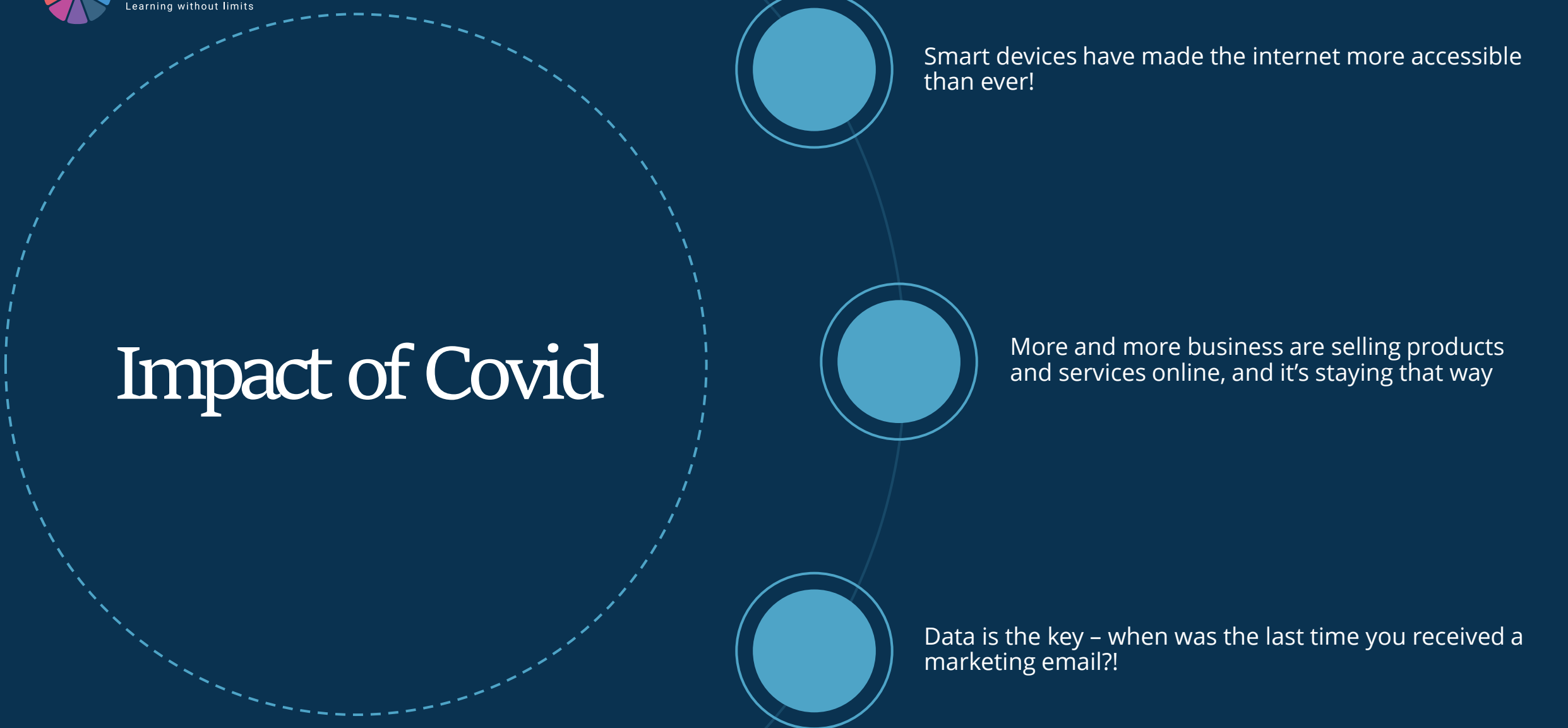
High profile cases, such as WannaCry Ransomware brought into the light of the media



Trend is targeting businesses rather than individuals



# Impact of Covid



Smart devices have made the internet more accessible than ever!

More and more business are selling products and services online, and it's staying that way

Data is the key – when was the last time you received a marketing email?!





# What is Cyber Insurance?

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Designed to protect a business for the cyber  
threats of the digital era

Data breaches, malicious cyber hacks, password  
compromises

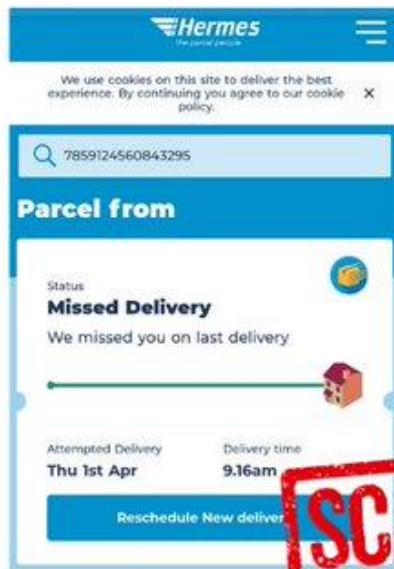
Cover is crucial to support the business through  
difficult times of being attacked

# What Can Go Wrong?

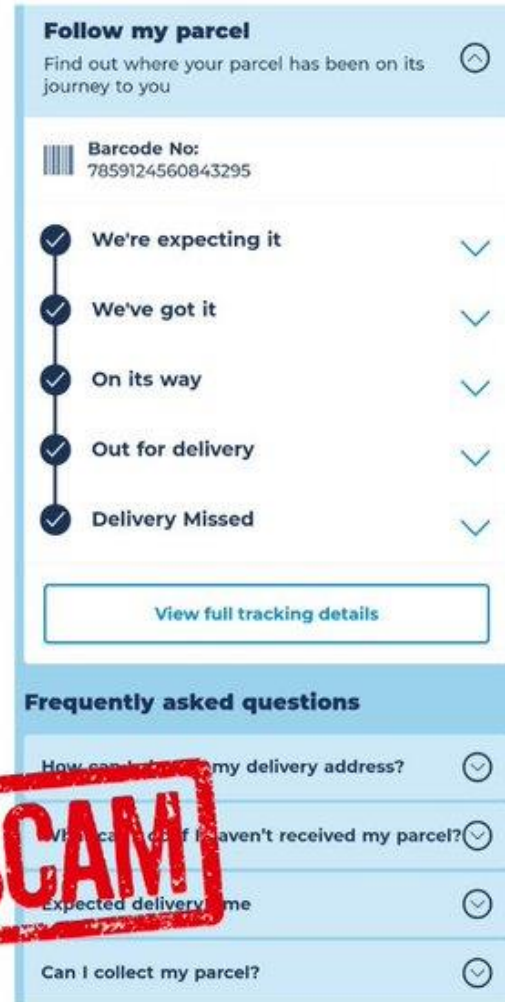
# The 'Hermes' Delivery!

Hermes: Sorry we missed you earlier, we have your parcel, to book a redelivery follow the link <https://myhermes-parcel.com/tracking/7859124560843295>

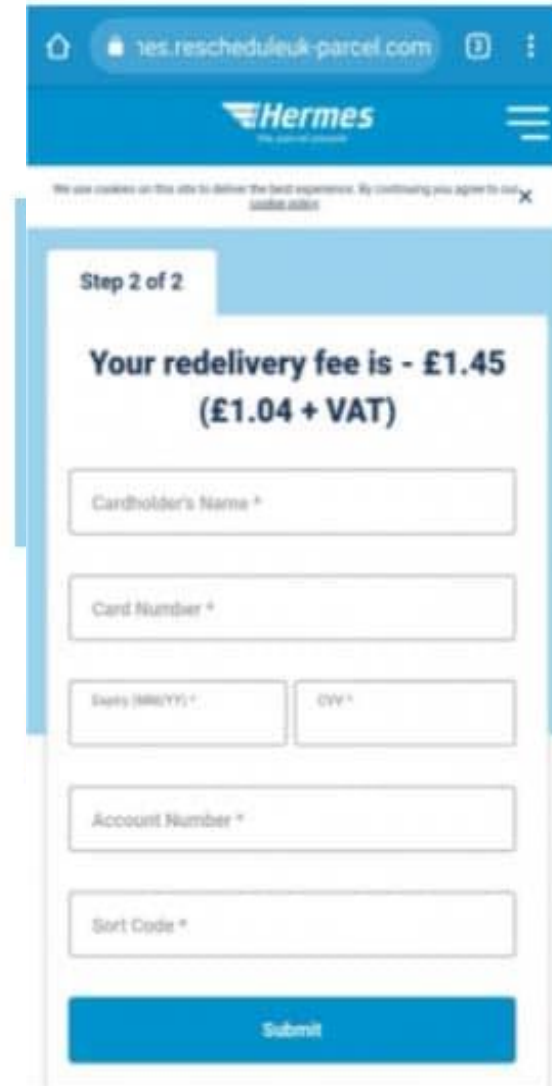
**SCAM**



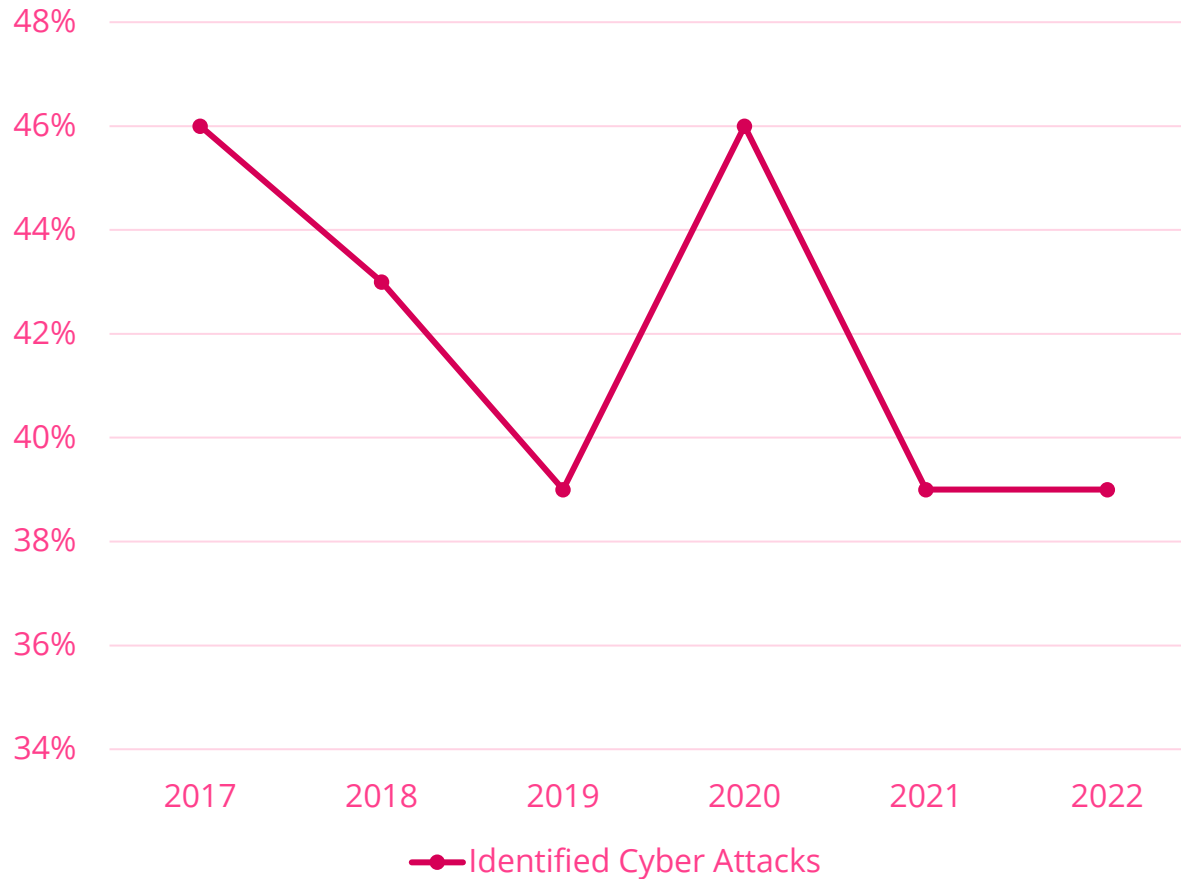
**SCAM**



**SCAM**



## Identified Cyber Attacks



# What's the Exposure?

As technology advances, more and more devices are being connected to the internet. The average household in the UK has 10.3 internet-enabled devices; 286 million devices nationally!

# Common Cyber Threats

- Cyber fraud
- Malware attacks
- Ransomware attacks
- Drive-by downloads
- Unpatched software

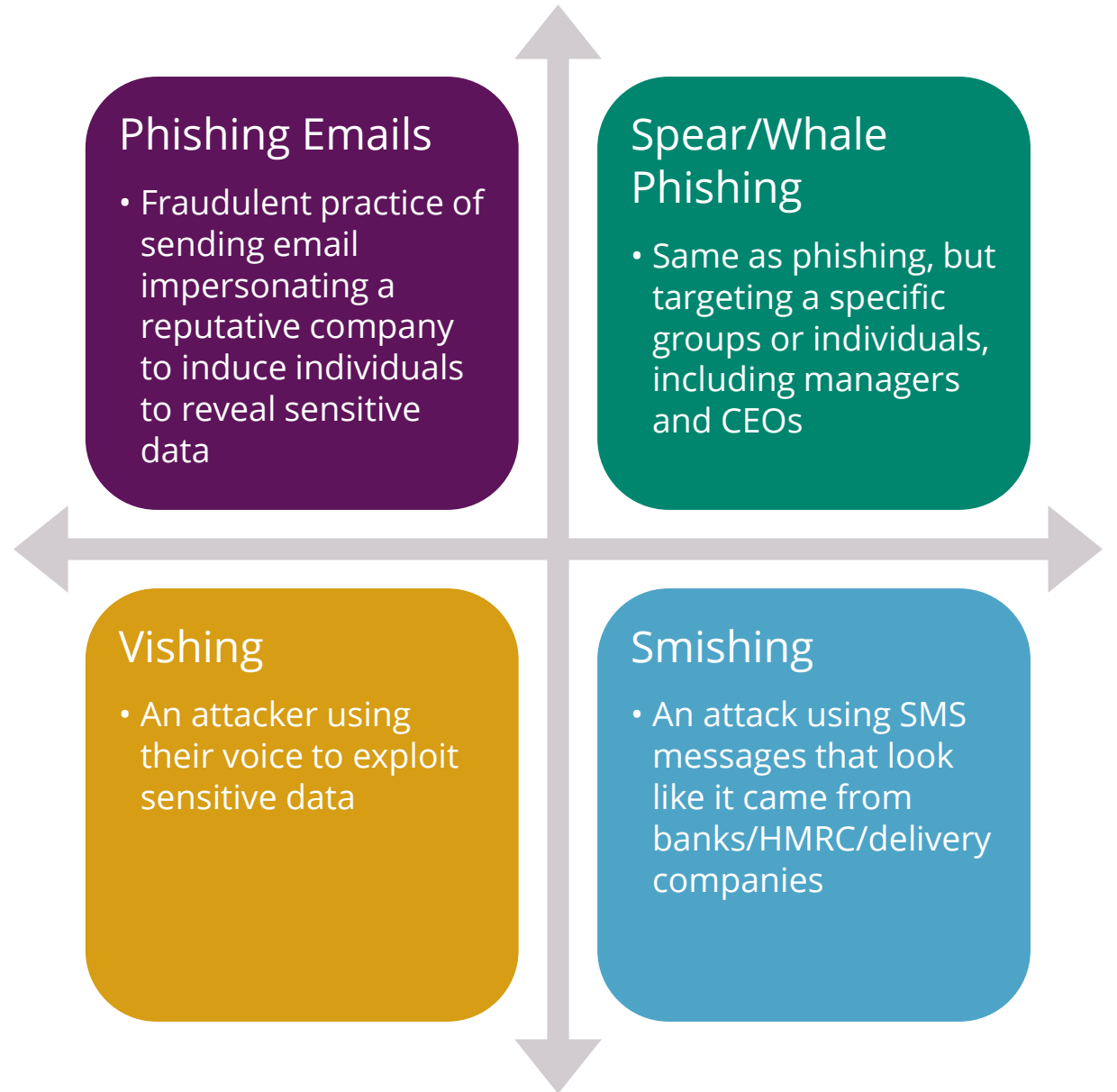


It's easy to do.....if you know how!

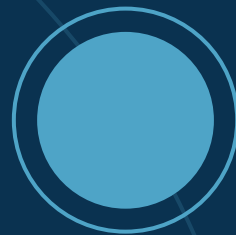


# Cyber Fraud

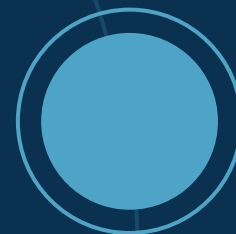
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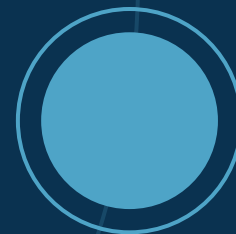
# Malware Attacks



A malware attack is any piece of software that is written with the intent of doing harm to data, devices or people



Symptoms include slow running, sending information without user action, rebooting and starting unknown processes



92% of malware is deployed through phishing



Common types include viruses, worms, keyloggers and trojan horses.



# Ransomware



The screenshot shows a ransomware interface with a dark red background. On the left, there are two boxes with a green progress bar. The top box is titled "Payment will be raised on" with the date "5/16/2017 00:47:55" and a "Time Left" of "02:23:57:37". The bottom box is titled "Your files will be lost on" with the date "5/20/2017 00:47:55" and a "Time Left" field. On the right, there are two sections: "Can I Recover My Files?" and "How Do I Pay?".

**Payment will be raised on**  
5/16/2017 00:47:55  
Time Left  
02:23:57:37

**Your files will be lost on**  
5/20/2017 00:47:55  
Time Left

**Can I Recover My Files?**  
Sure. We guarantee that you can recover all your files safely and easily. But you have not so enough time.  
You can decrypt some of your files for free. Try now by clicking <Decrypt>.  
But if you want to decrypt all your files, you need to pay.  
You only have 3 days to submit the payment. After that the price will be doubled.  
Also, if you don't pay in 7 days, you won't be able to recover your files forever.  
We will have free events for users who are so poor that they couldn't pay in 6 months.

**How Do I Pay?**  
Payment is accepted in Bitcoin only. For more information, click <About bitcoin>.  
Please check the current price of Bitcoin and buy some bitcoins. For more information, click <How to buy bitcoins>.

## Think hostage!

- Holding something hostage until a fee is paid
- Locking the user out of the computer systems or disabling programs until a ransom is paid
- Usually want a digital currency, like Bitcoin within a certain timeframe
- It may not be a 'traditional' computer system

# Claims Case Studies

- An innocent click caused a company director needing to pay £2000 worth of bitcoin paid

## Computer Lockdown

- A retailer selling goods online was hacked during one their busy periods, causing a severe interruption to their business and impact on company finances

## Denial of Service

- A company storing all their data offsite via cloud provider has all it's sensitive data held ransom!

## In the cloud

- An email received asking for bank details was actioned.....and the money didn't go to where it appeared to be going

## Friday Fraud

- A retailer needed to contact all it's customers that their data has been comprised. The retailer couldn't cope with the influx in phone call and email enquiries

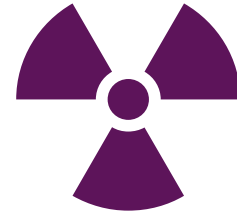
## Notifying Customers

- A company's reputation was slammed on social media about their 'shoddy handling' of the process, with the company needing to employ a PR team to control the reputational damage

## Not Good for PR

# Policy Coverage, Extensions & Exclusions

# Policy Coverage Awareness



It's almost impossible for a company to manage and eliminate cyber risks

Can be found in variations of policies in the market (i.e. including in a CC, PI or D&O policy)

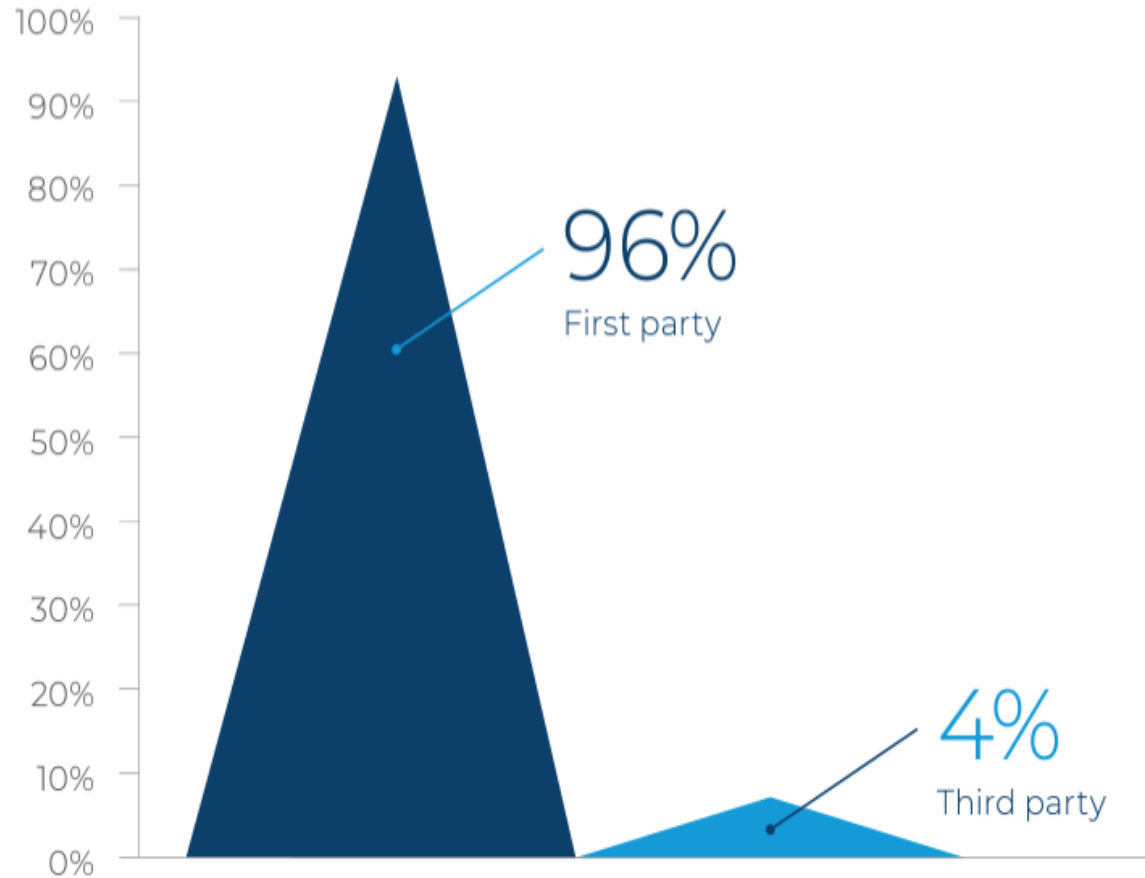


Be careful on the covers; depending on the risk it may be more suitable to provide a specific cyber cover

Always check the policy wording to understand how the policy will respond



## First party v third party claims



# First & Third Party Cover

Cyber insurance of cyber liability? Understand what cover the policy is providing.

# Hacker's Damage

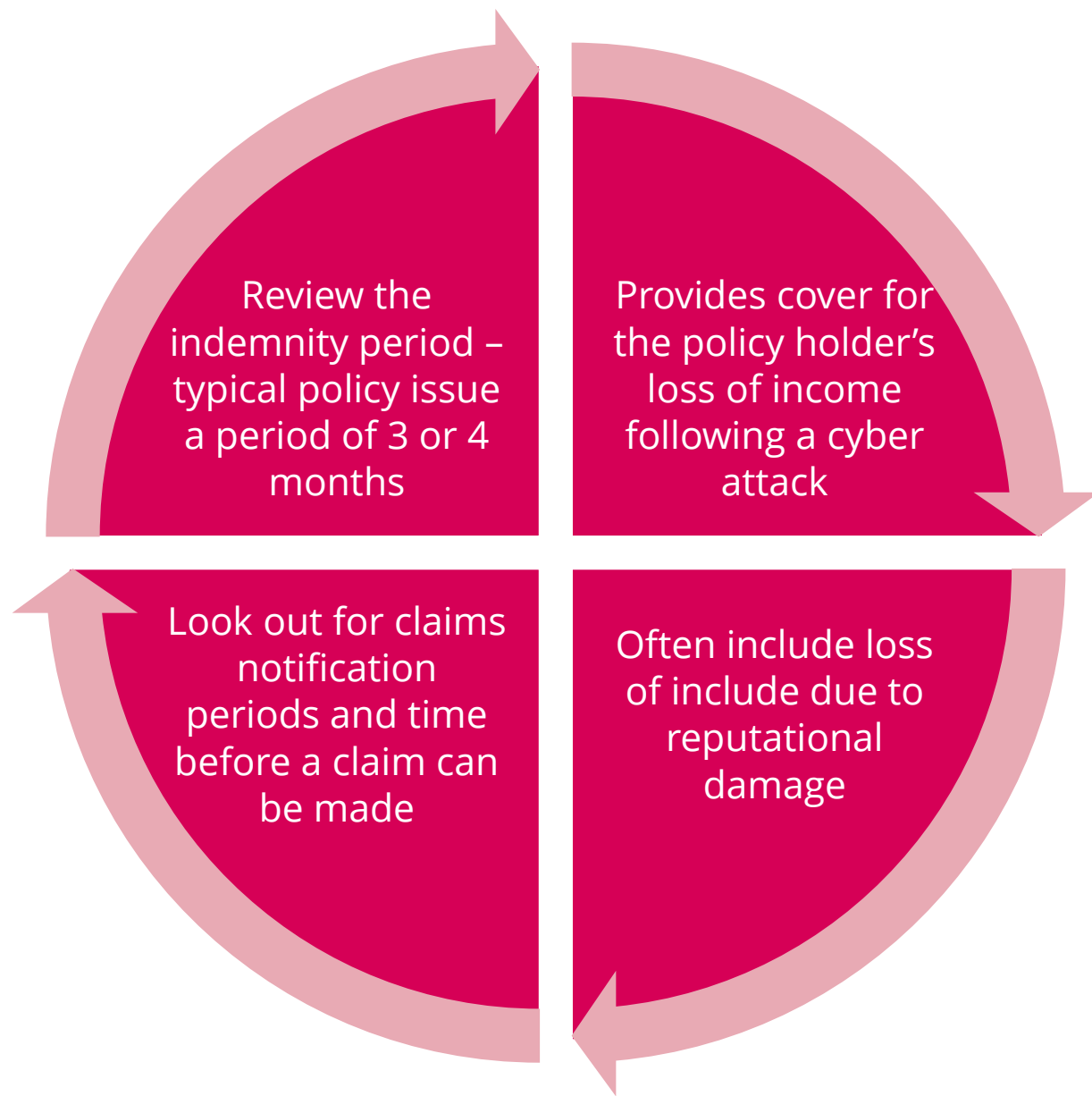
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To protect the insured if they discover damage to software or program damages.

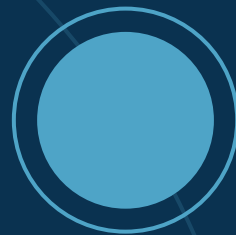
Damages may include (but not limited to) destroying, altering, corrupting, misusing or devices, software and applications



# Business Interruption



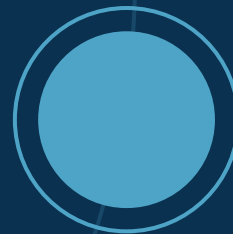
# Cyber Extortion Loss



The reasonable and necessary expenses incurred that directly result from a cyber extortion incident



Ransom usually falls into this cover, and insurers will typically want agreement prior to paying the ransom



Usually have experts in dealing with these incidents to minimise damage and liability



Look out for 'prior written consent' conditions in policy wordings

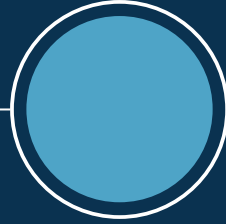


# Data Breaches

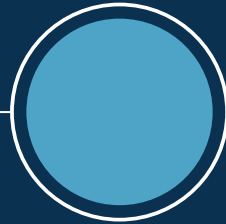


- Provide the costs of outside computer forensics analysis to monitor the use of sensitive data
- Can pay for temporary storage of data at a third party hosting location
- Any credit monitoring costs required to be paid as a result of the data breach

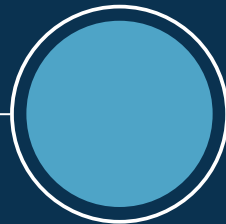
# Public Relation Costs



A cyber attack may attract some attention from the media, which could be a crisis and stressful time for the business

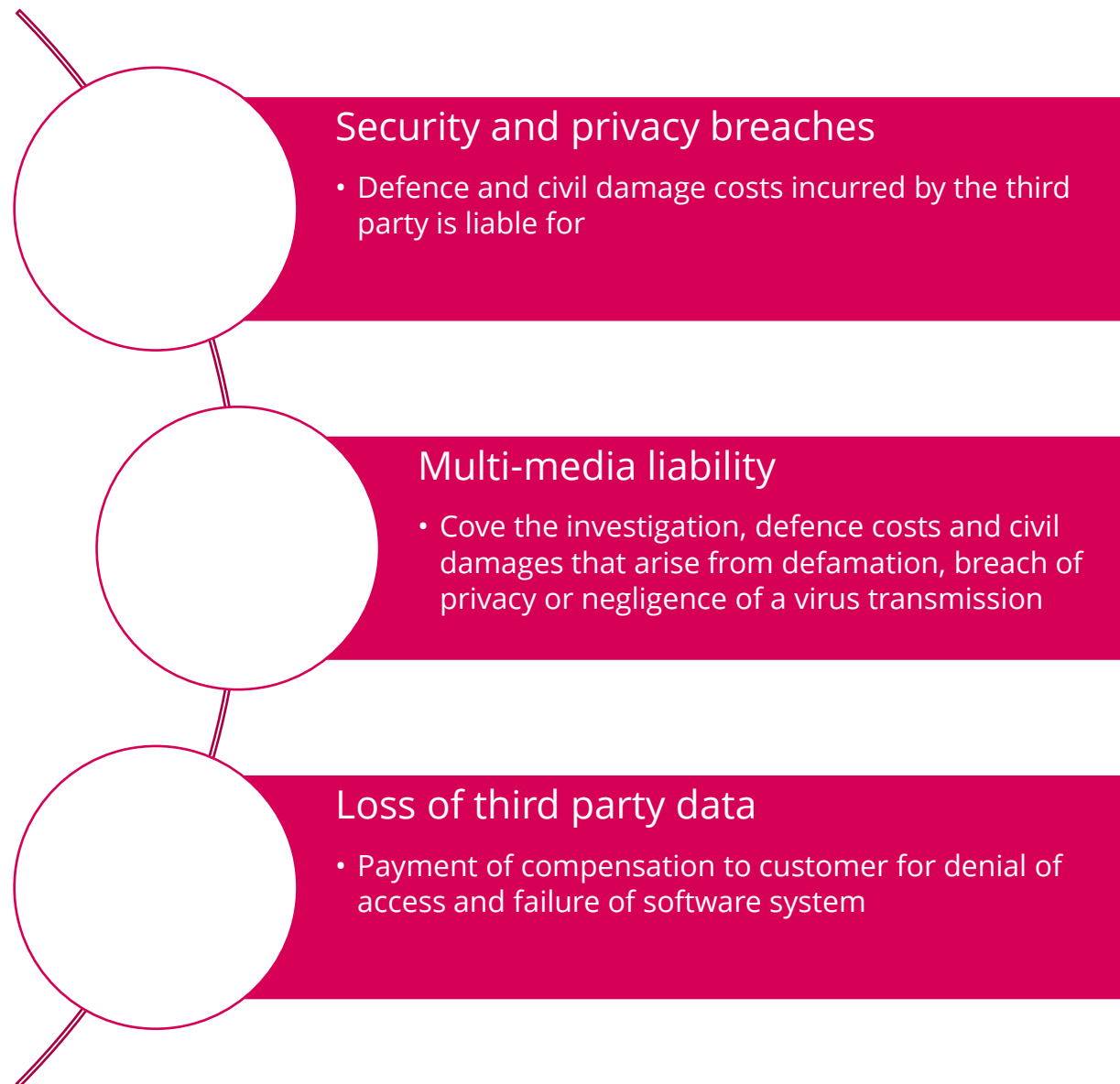


Reputational damage can be just as harmful as the physical loss

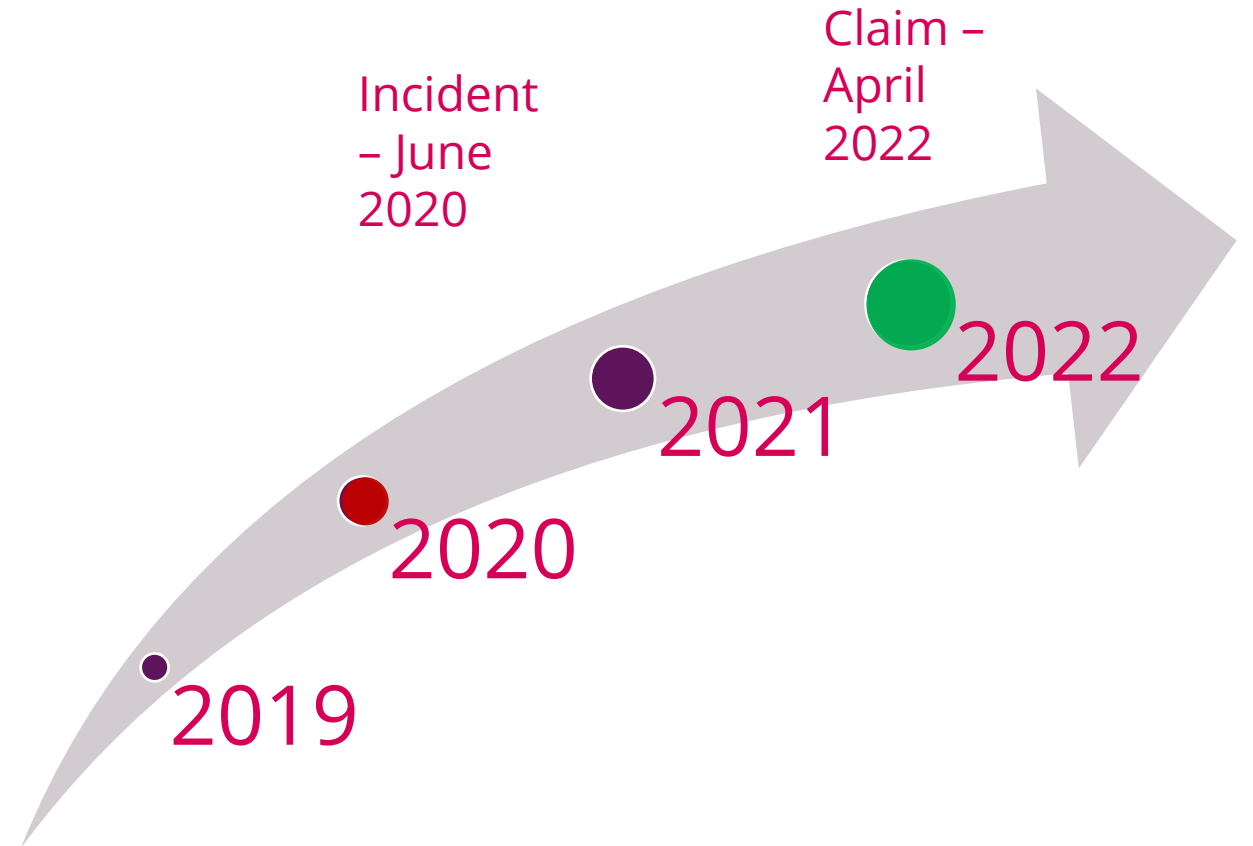


Cover will provide the costs of handling the media, setting up call centres to take complaints and handle customers to try and minimise the damage

# Third Party Cover (Cyber Liability)



# Retroactive Date

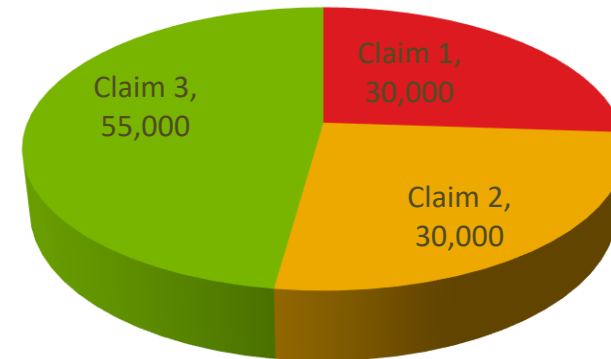


# Any One Claim or In the Aggregate?

## Limit of Indemnity for Policy Period



## Limit of Indemnity for Policy Period



# Recap & Summary





Today's technological world will most likely affect majority (if not all) of the people you deal with – they face all sorts of cyber risks



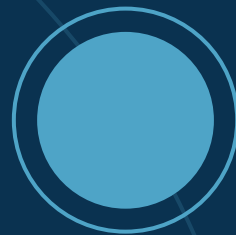
There are ways in which cyber attacks can be combated - have a conversation with them to understand what risk management they have in place to discover their cyber risks



Always read the policy wording to understand exactly how the policy will respond to the claims made against it. Remember the retroactive date, and look out for those aggregate limits!



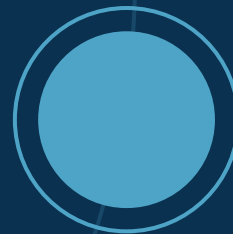
You are now able  
to.....



Understand the concept of Cyber Insurance



Recognise risks and factors of being in the digital age



Recognise how a typical cyber policy will respond to a claim



Identify opportunities to protect your client appropriately



# Q&A

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Please type your question in the Q&A Chat facility



# We'd love to discuss your specific training needs

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Call or email one of our experts



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