Cyber & Data – An Emerging Risk
Policy covers & underwriting issues

Stephen Ridley
Head of Technology, Cyber & Data

Insurance of the risk
Agenda

- **What is 'cyber'?**

- **Policy cover**

- **Claim response**

- **Underwriting information**

- **Risk management**

- **Summary**

cyber
/ˈsʌɪbə/ 🔊

adjective

relating to or characteristic of the culture of computers, information technology, and virtual reality.
"the cyber age"

Insurance of the risk
What is cyber?

- **Data**

  – Personal or Commercial

  – Tangible or intangible

  – Loss or misuse

  – Negligence or malice

- **Cyber**

  – Hacks

  – Viruses

  – Denial of service attacks

  – Liability for online presence/activities

- **Confidentiality**

- **Integrity**

- **Availability**

What cover is available?

What cover is available?
'First party'

	Cover overview	**Main areas**
Breach costs	Costs incurred in responding to an actual or suspected data breach	• Legal fees • IT forensics • Notification costs • Credit monitoring services • Call centre set up
Cyber business interruption	Business interruption following cyber incident, including as a result of reputational damage	• Loss of income • Increased costs of working
Hacker damage	Costs incurred in replacing/repairing damage caused by a hacker	• Computer systems • Computer programmes • Data held electronically
Cyber extortion	Costs incurred in the event of a threat to damage or disrupt computer systems, or publish information	• Ransom payment • Consultant to handle negotiation

What cover is available?
'Third party'

	Cover overview	Main areas
Privacy protection	Defence costs and awards / settlements made following legal action or investigation as a result of a data breach, invasion of privacy, or breach of confidentiality	• Any breach of Data Protection Act • Breach of confidence • Regulatory fines / awards • PCI charges • Claims by employees
Media liability	Defence costs and awards / settlements made following legal action as a result of a company's online presence	• Breach of intellectual property • Defamation • Transmission of a virus

What cover is available?
'Crime'

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	Cover overview	Main areas
Cyber crime	Direct financial loss arising from an external hack in to a company's computer network	• Money • Securities • Tangible property • Digital assets
Telephone hacking	Costs of unauthorised telephone calls made by an external hacker following a breach of a company's computer network	• Landline • Mobile • VoIP

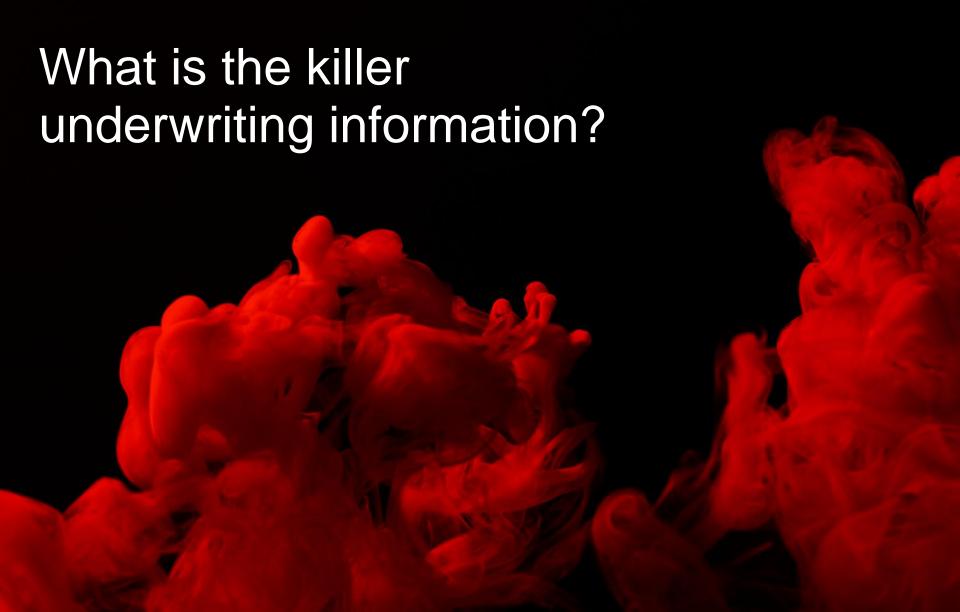# It's not just about the policy cover

Insurance of the risk
Claim response

- Time is of the essence when it comes to responding to an incident

- Structure enables rapid, expert response

- Provides access to expert partners to effectively manage an incident

- Insured is able to continue with running their business

Incident: a data security breach occurs	**Notify**: notify Hiscox immediately	**Alert**: involve your incident response team	**Investigate**: find out what happened
Evaluate: how successful was the response?	**Execute**: complete your incident response plan	**Assess**: what are the potential consequences?	**Stop**: prevent any further data loss

What is the killer underwriting information?

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Underwriting issues - data

- What?

- How much?

- Where?

- Why?

- How long?

- What protections?

- Previous breaches / investigations / complaints

- Breach preparedness

Insurance of the risk
Underwriting issues - data

	Type of sensitive information transmitted, processed or stored:					
	Names, addresses and email addresses	Individual taxpayer ID/ NI numbers	Driver's license, passport or other ID numbers	Financial account records	Payment card data	Other: Please specify
Number of records transmitted or processed per year						
Maximum number of records stored on your network at any one time						
Always encrypted while at-rest on the network?	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
Always encrypted while in-transit within and out of the network?*	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
Always encrypted on mobile computing devices?**	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐
Always encrypted on portable data storage media?***	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐	Yes ☐ No ☐

Insurance of the risk
Underwriting issues - cyber

- Industry

- Controversiality

- Size / complexity of network

- Reliance on website / network

- Disaster recovery plan

- Remote access

Insurance of the risk
Underwriting issues – risk management

HISCOX

The basics

- Regular mandatory password updates

- Anti-virus software

- Defined process to patch systems

- Configured firewall

- Procedures to revoke access

- Compliance with DPA and PCI-DSS (if applicable)

- Written data security policy in place

Insurance of the risk
Underwriting issues – risk management

Intermediate / advanced

- Regular network scans

- Track, monitor and restrict access to personal data

- Data retention / purge policy

- CISO (or equivalent) in place

- Third party audit of privacy practices/network security

- Full data breach incident response plan in place

- Intrusion detection systems

- End-to-end encryption

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Summary

- Data is king

- Claim response is even more important than underlying policy cover

- Turnover isn't an adequate indicator of risk

- Basic steps can significantly reduce the risk

Thank you

Stephen Ridley Cert CII
stephen.ridley@hiscox.com