

Cyber Liability

You will be aware of the recent press reports surrounding various hack attacks on some high profile companies.

However, a small business is more likely to sustain an attack than you may think. Indeed any business that trades through web-sites or email is at risk.

We all think that our system security is safe but just imagine the amount of money major corporations spend each year on such things and then get hacked.

Think about the effect on your business if your system was hacked and all your customers details (whatever information that may be) are now in the hands of a third party.

You would have to:

- Close down your web-site, IT platform and email and have them cleansed
- Contact all of your customers and admit a breach
- Inform the Information Commissioner's Office
- Investigate and fix the problem
- Manage and protect your reputation
- Try to continue to trade

Apart from of course the costs involved in the above it is also possible you could lose trade current and future through lack of confidence. Should your customers suffer a financial loss then it is likely they will seek reimbursement from yourselves.

The list goes on but help is at hand with a cyber liability insurance policy.

Typically premiums for this type of policy are not as expensive as you may think.

True Claims

Opticians

An employee of an opticians was sent an email advising of a speeding offence. Within the email was an attachment of a camera image of the offence. On opening the image their system was infected with a virus that then also infected the entire companies system rendering not just their email but their entire computer system and web-site inoperable. An email was then received offering the decryption code to put matters right. Of course, there was a considerable cost to this. The cyber liability insurer appointed a forensic company to negotiate the ransom and validate the decryption code. All costs were picked up by the insurance company.

Builders Merchant

A firm of Builders Merchants had their system hacked and the personal details of their entire customer base was exposed. The insurer's response was immediately to appoint forensic experts to investigate the breach and then contact all of the individuals whose details were exposed and also set up a credit monitoring service for any affected individuals to make sure they suffered no on-going losses. They also appointed a legal breach coach to prepare the business for the inevitable regulatory investigation. PR consultants were also appointed to advise the business about mitigating their reputational damage.

Any views or opinions expressed in this briefing are for guidance only and are not intended as a substitute for appropriate professional advice. We have taken all reasonable steps to ensure that the information contained herein is accurate at the time of writing but it should not be regarded as a complete or authoritative statement of law.

Anderson White Insurance Brokers Ltd is authorised and regulated by the Financial Conduct Authority.
Registered office: 1 Leighton Avenue Pinner Middlesex.HA5 3BX